PAN GULF MARKETING COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026 AND
INDEPENDENT AUDITOR'S REVIEW REPORT

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PKF Al-Bassam
Chartered Accountants

INDEPENDENT AUDITOR’S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF PAN GULF MARKETING COMPANY
A LISTED JOINT STOCK COMPANY

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements of Pan Gulf Marketing Company (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2026, which comprise:

- The interim condensed consolidated statement of financial position as at 30 June 2026;
- The interim condensed consolidated statement of profit or loss and other comprehensive income for the six-month period then ended;
- The interim condensed consolidated statement of changes in equity for the six-month period then ended;
- The interim condensed consolidated statement of cash flows for the six-month period then ended; and
- The notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

PKF Al-Bassam
Chartered Accountants

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Corresponding to: 26 August 2026

PAN GULF MARKETING COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Non-current assets			
Property and equipment		**6,959,403**	3,505,808
Right-of-use assets		**25,168,344**	23,582,427
Intangible assets		**1,173,228**	1,457,269
Deferred tax asset		**680,074**	681,724
Total non-current assets		**33,981,049**	29,227,228
Current assets			
Inventories	5	**136,660,009**	163,983,910
Trade receivables	6	**106,144,569**	124,811,042
Prepayments and other assets		**14,950,657**	11,305,975
Cash and bank balances	8	**13,880,647**	9,518,345
Total current assets		**271,635,882**	309,619,272
TOTAL ASSETS		**305,616,931**	338,846,500
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	**75,000,000**	75,000,000
(Accumulated losses) / Retained earnings		**(2,668,882)**	9,636,127
Actuarial reserve		**4,072,248**	4,072,248
Foreign exchange translation reserve		**(3,342,314)**	(2,528,449)
TOTAL EQUITY		**73,061,052**	86,179,926
LIABILITIES			
Non-current liabilities			
Employees' post-employment benefits		**27,964,464**	27,474,389
Lease liabilities		**18,817,929**	18,492,917
Total non-current liabilities		**46,782,393**	45,967,306
Current liabilities			
Short-term borrowings	10	**130,391,397**	121,718,646
Trade payables		**33,949,098**	60,647,504
Other payables and accruals		**10,764,682**	13,289,925
Contract liabilities		**229,295**	336,296
Lease liabilities – current portion		**6,725,989**	5,763,106
Provision for zakat and income tax	11	**3,713,025**	4,943,791
Total current liabilities		**185,773,486**	206,699,268
TOTAL LIABILITIES		**232,555,879**	252,666,574
TOTAL EQUITY AND LIABILITIES		**305,616,931**	338,846,500
Contingencies and commitments	12		

The accompanying notes 1 to 18 form part of these interim condensed consolidated financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Nawaf Mishari Wallan	Khaled Abdulaziz Al-Babtain	Abdullah Ahmed Al-Manea

PAN GULF MARKETING COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Revenue		**128,005,999**	159,628,085
Cost of sales		**(97,512,747)**	(116,014,154)
Gross Profit		**30,493,252**	43,613,931
Selling and distribution expenses		**(24,118,982)**	(23,334,466)
General and administrative expenses		**(11,631,882)**	(11,395,404)
Other income		**237,807**	113,229
Impairment loss on trade receivables		**(428,702)**	(389,922)
Operating (loss) / profit		**(5,448,507)**	8,607,368
Finance cost	13	**(5,514,755)**	(5,186,246)
(Loss) / profit before zakat and income tax		**(10,963,262)**	3,421,122
Zakat	11	**(1,026,204)**	(900,000)
Income tax	11	**(315,543)**	(995,685)
Net (loss) / profit for the period		**(12,305,009)**	1,525,437
Other comprehensive (loss) / income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign operations		**(813,865)**	1,006,559
Total comprehensive (loss) / income for the period		**(13,118,874)**	2,531,996
Basic and diluted (loss) / profit per share	14	**(1.64)**	0.20

The accompanying notes 1 to 18 form part of these interim condensed consolidated financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**
Nawaf Mishari Wallan	Khaled Abdulaziz Al-Babtain	Abdullah Ahmed Al-Manea

PAN GULF MARKETING COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

For the six-month period ended 30 June 2026	Note	Share capital	Actuarial reserve	Accumulated losses	Foreign exchange translation reserve	Total equity
Opening balance as at 1 January 2026 - Audited		**75,000,000**	**4,072,248**	**9,636,127**	**(2,528,449)**	**86,179,926**
Net loss for the period		-	-	**(12,305,009)**	-	**(12,305,009)**
Other comprehensive loss for the period		-	-	-	**(813,865)**	**(813,865)**
Total comprehensive loss for the period		-	-	**(12,305,009)**	**(813,865)**	**(13,118,874)**
Closing balance as at 30 June 2026 - (Unaudited)		**75,000,000**	**4,072,248**	**(2,668,882)**	**(3,342,314)**	**73,061,052**

For the six-month period ended 30 June 2025	Note	Share capital	Actuarial reserve	Retained earnings	Foreign exchange translation reserve	Total equity
Opening balance as at 1 January 2025 - Audited		**75,000,000**	**3,387,288**	**10,688,657**	**(3,633,860)**	**85,442,085**
Net profit for the period		-	-	1,525,437	-	1,525,437
Other comprehensive income for the period		-	-	-	1,006,559	1,006,559
Total comprehensive income for the period		-	-	1,525,437	1,006,559	2,531,996
Dividend – Cash	14	-	-	(7,500,000)	-	(7,500,000)
Closing balance as at 30 June 2025 - (Unaudited)		**75,000,000**	**3,387,288**	**4,714,094**	**(2,627,301)**	**80,474,081**

The accompanying notes 1 to 18 form part of these interim condensed consolidated financial statements

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**
Nawaf Mishari Wallan	Khaled Abdulaziz Al-Babtain	Abdullah Ahmed Al-Manea

PAN GULF MARKETING COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) / profit before zakat and income tax		**(10,963,262)**	3,421,122
Adjustments for:			
Finance cost	13	**5,514,755**	5,186,246
Depreciation of right-of-use assets		**3,827,941**	4,173,691
Provision for employees' post-employment benefits		**1,472,163**	1,345,023
Depreciation of property and equipment		**659,481**	709,832
(Reversal) / Provision for obsolete inventory	5.1	**(555,617)**	231,772
Impairment loss on trade receivables	6.1	**428,702**	389,922
Amortization of intangible assets		**274,681**	246,663
Gain on lease termination		**-**	(59,351)
		658,844	15,644,920
(Increase) / decrease in operating assets			
Inventories		**27,856,291**	(19,410,934)
Trade receivables		**18,240,046**	(1,489,073)
Prepayments and other assets		**(3,644,682)**	(5,702,929)
(Increase) / decrease in operating liabilities			
Trade payables		**(26,698,406)**	9,923,497
Accrued expenses and other liabilities		**(2,525,243)**	(1,015)
Contract liabilities		**(107,001)**	44,153
Due to related parties		**-**	(2,612,218)
Cash generated from / (used in) operating activities		**13,779,849**	(3,603,599)
Zakat and income tax paid	11	**(2,556,495)**	(1,752,561)
Employees' post-employment benefits paid		**(963,389)**	(315,490)
Net cash generated from / (used in) operating activities		**10,259,965**	(5,671,650)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(4,113,712)**	(175,537)
Net cash used in investing activities		**(4,113,712)**	(175,537)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of short-term borrowings	10	**(175,316,365)**	(144,209,061)
Proceeds from short-term borrowings	10	**184,596,503**	160,087,725
Finance cost paid		**(5,267,481)**	(5,449,411)
Lease liabilities paid		**(4,968,299)**	(3,773,368)
Net cash (used in) / generated from financing activities		**(955,642)**	6,655,885
Net change in cash and cash equivalents during the period		**5,190,611**	808,698
Cash and cash equivalents at the beginning of the period		**9,518,345**	4,652,251
Foreign currency differences		**(828,309)**	1,006,559
Cash and cash equivalents at the end of the period		**13,880,647**	6,467,508
SUPPLEMENTARY NON-CASH INFORMATION:			
Additions to right-of-use assets against lease liabilities		**5,424,488**	9,466,603

The accompanying notes 1 to 18 form part of these interim condensed consolidated financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**
Nawaf Mishari Wallan	Khaled Abdulaziz Al-Babtain	Abdullah Ahmed Al-Manea

(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND ACTIVITIES

Pan Gulf Marketing Company (the "Company") is a listed joint stock Company incorporated under the Companies Law of the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010058018 and unified No. 7001392815 dated 13 Jumada Al Awwal 1405 H (corresponding to 3 February 1985). The Company is 80% owned by Al-Hoshan Commercial Investment Company ("Parent Company"), a company incorporated in the Kingdom of Saudi Arabia. The Parent Company is ultimately owned and controlled by Fahad bin Ahmed bin Hamad Al-Hoshan.

On 12 Rabi' al-Awwal 1445 H (corresponding to 27 September 2023), the Board of Directors of the Capital Market Authority issued its decision approving the Company's request to register its shares on the Tadawul market and offer 600,000 shares, which represent 12% of the Company's shares, on the Nomu - Parallel Market. The Company's shares were listed and started trading on the Saudi Exchange under the symbol 9593.

The main activities of the Company include:
- Repair and maintenance of typewriters, photocopiers, electrically powered hand tools and devices, and multi-use consumer machines
- Wholesale of non-wearable textiles and fabrics; clothing accessories (including gloves, neckties, trousers and rosaries); bags; housewares and material accessories; beauty instruments; office and stationery supplies; wooden, cork and plastic products; leather goods and travel accessories; children's toys; packaging equipment and tools; hand tools (including screwdrivers, saws and hammers); chemicals; primary plastics, rubber and synthetic fibres; and teaching aids and equipment.
- Retail of non-wearable textiles and fabrics (including curtains); wood, cork and plastic products; camping equipment; travel and fishing supplies; games and toys; luxuries and clothing accessories; bags; packaging equipment and tools; cleaning materials; plastic materials and utensils; and general merchandise (variety stores)

The accompanying interim condensed consolidated financial statements include the Group's branches as follows:

Branch name	Unified No	Place of issue	Date
Jeddah	7012252362	Jeddah	13 Dhul-Qi'dah 1418H (corresponding to 11 March 1998)
Buraidah	7012325853	Buraidah	1 Jumada al-Akhirah 1420H (corresponding to 11 September 1999)
Khamis Mushait	7012357864	Khamis Mushait	4 Muharram 1425H (corresponding to 24 February 2004)
Dammam	7004331802	Dammam	12 Shawwal 1439H (corresponding to 26 June 2018)

These interim condensed consolidated financial statements include the financial statements of Pan Gulf Marketing Company and the financial statements of subsidiaries that the Company owns directly or indirectly (hereinafter referred to as the "Group"), the details of which are as follows:

1. LEGAL STATUS AND ACTIVITIES (CONTINUED)

Subsidiary company	Country of incorporation	Legal form	Basic activity	Ownership 30 June 2026	Ownership 31 December 2025
Pan Gulf MGT Trading LLC	United Arab Emirates	A limited liability company	Trade in stationery, writing and drawing tools, educational aids and models, bags, and travel supplies	100%	100%
Pan Gulf Wholesale and Retail Trade	Kuwait	A limited liability company	Stationery, office supplies, photographic devices, and equipment	100%	100%
Pan Gulf Marketing LLC	Bahrain	A limited liability company	Trade in selling carpets, rugs, floor and wall coverings, household items, handicrafts, stationery, and tools.	100%	100%
Pan Gulf Marketing S.P.C	Oman	A limited liability company	Retail sale in specialized stores of various household tools and utensils	100%	100%
Pan Gulf Marketing	Qatar	Individual Foundation	Trade in household appliances, adhesives, stationery, office and writing materials, and glue and glue trade	100%	100%
Clips Limited	Kenya	A limited liability company	Importing goods and trading and retailing printing and stationery materials and equipment	100%	100%
Clips Naf Limited	Morocco	A limited liability company	Importing goods and trading and retailing printing and stationery materials and equipment	100%	100%

2. BASIS OF PREPARATION

2.1. Statement of compliance

These interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34 ("IAS 34") “Interim Financial Reporting” that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group’s last annual Financial statements for the year ended 31 December 2025.

These interim condensed consolidated financial statements do not include all of the information required for a complete set of Financial Statements. However, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual Financial Statement.

The results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the year ending 31 December 2026.

2.2. Basis of measurement

These interim condensed consolidated financial statements have been prepared in accordance with the historical cost basis.

2.3. Functional and presentation currency

These interim condensed consolidated financial statements have been presented in Saudi Riyals (SAR), which is the Group’s functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

2. BASIS OF PREPARATION (CONTINUED)

2.4. Significant event in the current reporting period

During the period, the Group's operations and revenues were affected by geopolitical developments in certain markets in which it operates. These conditions contributed to changes in customer purchasing patterns, delays in order placement and execution, and disruptions in supply chain and logistics activities, which adversely impacted product availability and sales performance. Considering the fluidity of the situation, the management continues to monitor the circumstances and executes appropriate measures to mitigate operational and business performance.

2.5. Significant accounting judgements, estimates and assumptions

In preparing these interim condensed consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied to these interim condensed consolidated financial statements are the same as those applied to the latest annual financial statements for the year ended 31 December 2025.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

4.1. A number of new amendments to standards enlisted below are effective this year, but they do not have a material effect on the Group's interim condensed consolidated financial statements:

Amendments to standard	Description	Effective from accounting	Summary of amendment	Management's assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	Management has performed a preliminary assessment and concluded that the adoption of these amendments does not have a material impact on the Company's financial statements.
	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	Based on the nature of the Company's operations and contractual arrangements, management has assessed these amendments to not have a material impact on the Company's financial statements.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

4.2. The Company has not applied the following amendments to IFRS that have been issued but are not yet effective:

- **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 'Presentation and Disclosure in Financial Statements' is effective for accounting periods beginning on or after 1 January 2027 and will replace IAS 1 'Presentation of Financial Statements'. IFRS 18 sets out new presentation requirements for the Statement of Profit or Loss and Other Comprehensive Income, as well as more stringent and additional requirements on the aggregation, disaggregation and categorization of income and expenses within the Statement of Profit or Loss and Other Comprehensive Income. There are also consequential amendments to IAS 7 'Cash Flows', IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', IAS 33 'Earnings per Share' and IAS 34 'Interim Financial Reporting', also effective for accounting periods beginning on or after 1 January 2027. Additionally, alternative performance measures which meet the definition of Management-defined Performance Measures are required to be disclosed within the Notes to the Financial Statements.

The Group has not early adopted this accounting standard in preparing these interim condensed consolidated financial statements; however, earlier application is permitted. The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements. The Group continues to monitor IFRS 18 implementation guidance in advance of adoption for the accounting year beginning 1 January 2027.

The Group will apply IFRS 18 retrospectively, in accordance with IAS 8. The new standard introduces new requirements for the presentation, classification and disclosure of financial statement line items. The requirements were introduced to help achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

a. Changes in the Statement of Profit and Loss and Other Comprehensive Income

The key changes include the requirement to classify all income and expenses into one of these categories: operating, investing, financing, zakat and taxation, and discontinued operations.

The standard also introduces two new mandated subtotals within the Statement of Profit or Loss and other Comprehensive Income, which are Operating profit and Profit before financing and income tax.

Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a main business activity of investing in assets and/or providing financing to customers.

The implementation of IFRS 18 will not have any impact on the net profit or net assets of the Group. Based on the information currently available, the Group expects the following changes to the current structure of the statement of profit or loss and other comprehensive income:

- Foreign exchange differences, which are currently presented within "Other (expenses)/income, net" and included in the subtotal of operating profit, will be reclassified under IFRS 18. The standard requires that such differences be presented in the same category as the income and expenses arising from the transactions that generated them. Accordingly, the Group has determined that foreign exchange gains and losses will be allocated to either the operating or financing categories, depending on the nature of the underlying transaction.

- IFRS 18 provides specific guidance on the income and expenses to be classified in the investing and financing categories. Finance costs arising from Islamic finance facilities, employee defined benefit obligations, and lease liabilities are currently presented within the subtotal "Profit before Zakat and Income Tax", positioned after operating profit. Following the implementation of IFRS 18, these expenses will be classified within the financing category. However, these expenses will continue to be presented within the subtotal of "Profit before Zakat and Income Tax".

- In case of any other income or expense (except for Zakat and discontinued operations), the Group will recognize such income and expenses in the operating category and will be included in the operating profit or loss of the Group.

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is currently assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

b. Disclosure of Nature of Expenses

In addition to the above, a detailed disclosure will be presented in the financial statements after the implementation of IFRS 18, which will describe the nature of the expenses. The standard requires that If any operating expenses are presented by function on the face of the statement of profit and loss and other comprehensive income, then the Group will be required to provide the following information in a single note for each of the five specific nature expenses (i.e. depreciation of property, plant and equipment, investment property and right-of-use assets; amortisation of intangible assets; employee benefits; impairment losses/reversals; and write down/reversals of inventories).

- The total amount recognized and disclosed under the applicable IFRS accounting standard.

- For each total, the amount related to each line item in the operating category. If this amount includes both amounts that were expensed in the period and capitalized to assets, then an entity needs to provide a qualitative explanation, identifying the assets involved.

- For each total, a list of any line items outside the operating category that also include amounts relating to the total.

c. Management defined Performance Measures

Management-defined performance measures (MPMs) are subtotals of income and expenses that are communicated outside the financial statements and reflect management's view of the entity's financial performance as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group is in the process of determining which public communications should be considered when identifying MPMs that relate to the same reporting period as the financial statements. Therefore, MPMs disclosed upon adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the same reporting period.

d. Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require the Group entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows using the indirect method. The Group currently uses profit for the year/period as the starting point of the reconciliation of operating activities. Certain adjusting items included in the reconciliation will change as a result of this amendment.

The consequential amendments also provide specific guidance on the classification of interest and dividends. The Group will classify cash flows from interest paid as financing activities rather than operating activities, in line with the new guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

Amendments to standard	Description	Effective from the accounting period beginning on or after	Summary of amendment	Management assessment
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management is currently assessing the impact of IFRS 19. The standard is expected to affect disclosure requirements only and is not expected to have a material impact.

(All amounts in Saudi Riyals unless otherwise stated)

5. INVENTORIES

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Finished goods		**138,810,179**	164,910,215
Goods in transit		**9,410,792**	11,363,163
		148,220,971	176,273,378
Less: Provision for obsolete inventory	5.1	**(11,560,962)**	(12,289,468)
		136,660,009	163,983,910

5.1 Movement in provision for obsolete inventory:

	For the six-month period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period/year	**12,289,468**	12,344,864
Charged for the period/year	**1,253,834**	589,993
Reversal during the period/year	**(1,809,451)**	(172,891)
Write-off during the period/year.	**(149,662)**	(501,782)
Foreign exchange differences	**(23,227)**	29,284
Balance at the end of the period/year	**11,560,962**	12,289,468

6. TRADE RECEIVABLES

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade Receivables		**116,470,085**	134,710,131
Less: Impairment loss on trade receivables	6.1	**(10,325,516)**	(9,899,089)
		106,144,569	124,811,042

6.1 Movement in allowance for impairment loss on trade receivables:

	For the six-month period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period/year	**9,899,089**	9,357,458
Impairment during the period/year	**428,702**	532,986
Reversals during the period/year	**-**	-
Foreign exchange differences	**(2,275)**	8,645
Balance at the end of the period/year	**10,325,516**	9,899,089

6.2 The credit period on sales of goods ranges from 60-120 days. No interest is charged on outstanding trade receivables.

The aging of accounts receivable is as follows.

Days past due	30 June 2026 (Unaudited)	31 December 2025 (Audited)
0 – 90 Days	**82,300,121**	106,219,415
91 – 180 Days	**15,434,913**	9,591,906
180 – 270 Days	**7,669,689**	3,210,207
270 – 360 Days	**2,145,542**	4,834,854
360 – 450 Days	**1,413,900**	3,619,201
450 – 540 Days	**2,117,416**	1,395,088
Default		
More than 540 Days	**5,388,504**	5,839,460
Total	**116,470,085**	134,710,131

(All amounts in Saudi Riyals unless otherwise stated)

7. RELATED PARTIES' TRANSACTIONS AND BALANCES

The Group's related parties consist of key management personnel and associated companies that are controlled or significantly influenced by the Parent Company.

Key management personnel are those persons, including the Board of Directors members, the Managing Director, and top executives, having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly.

The transactions with related parties represent the salaries, bonuses, and allowances of the members of the Board of Directors, the committees, and the executive management that took place during the period between the Group and the members of the Board of Directors, the members of the committees, and the executive management. The most important transactions with related parties are as follows:

7.1. Transactions during the period

Name of Related Party	Nature of Relationship	Nature of transactions	For the six-month period ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Al Hoshan Holding Company	Parent company	Services received by the company	**454,327**	(1,310,379)
		Paid during the period	**(454,327)**	(1,301,839)
Asas Pan Gulf Real Estate Investment Company	Affiliate	Services provided by the company	**95**	710,963
		Rentals	**849,000**	800,000
		Paid during the period	**(849,095)**	(1,510,963)
Key management personnel	Board members	Board remuneration	**287,000**	287,000
		Payment to the board	**-**	-
	Key executive employees	Salaries, wages, and other allowances paid during the period	**816,871**	815,707
		Employees' post-employment benefits	**22,270**	22,270

7.2. Balance as at the period end

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Financial liabilities at amortized cost - unsecured		
Due to Related parties		
Al Hoshan Holding Company	-	-
	-	-
Due from Related parties		
Al Hoshan Holding Company	-	-
	-	-
Key Management Personnel		-
Board remuneration	**287,000**	574,000
Key executive employees	**122,395**	157,509

8. CASH AND BANK BALANCES

Financial Asset at Amortized Cost - secured	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash in hand		**323,543**	409,961
Cash at banks	**8.1**	**13,557,104**	9,108,384
		13,880,647	9,518,345

8.1 Cash at banks is maintained in current accounts and does not earn any profit or interest income.

(All amounts in Saudi Riyals unless otherwise stated)

9. SHARE CAPITAL

The Group's authorized, subscribed and paid-up capital amounted to SAR 75 million as at 30 June 2026 (31 December 2025: SAR 75 million), divided into 7.5 million shares with a nominal value of SAR 10 per share (31 December 2025: 7.5 million shares with a nominal value of SAR 10 per share).

10. SHORT TERM BORROWINGS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Financial Liabilities at Amortized Cost - Secured		
Islamic financial facilities:		
- Tawarruq	**128,519,764**	119,239,626
- Finance cost payable	**1,871,633**	2,479,020
	130,391,397	121,718,646

10.1 Movement in short-term borrowing:

	For the six-month period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period/year	**121,718,646**	116,169,012
Proceeds during the period/year	**184,596,503**	335,983,839
Repayments during the period/year	**(175,316,365)**	(330,268,112)
Finance cost paid during the period/year	**(5,267,481)**	(10,625,687)
Finance cost charged during the period/year	**4,660,094**	10,459,594
Balance at the end of the period/year	**130,391,397**	121,718,646

10.2 All existing banking facility agreements have been agreed with local banks and are in compliance with the provisions of Islamic Sharia. The total facilities provided by local banks amounted to SAR 330 million (31 December 2025: SAR 362 million). The Group had unused facilities worth SAR 189 million (31 December 2025: SAR 219 million). All bank facilities are registered in the company's name and are used by the Group's subsidiaries. These facilities are subject to interest according to the prevailing market rates.

10.3 These bank facilities are guaranteed against promissory notes by Fahad bin Ahmed bin Hamad Al-Hoshan, corporate guarantees from Messrs. Al-Hoshan Holding Company, Asas Pan Gulf Real Estate Investment Company, and Al-Hoshan Commercial Investment Company.

10.4 The facility agreements include covenants that, among other things, require the Group to maintain certain financial ratios. As of 30 June 2026, the Group was not in compliance with certain financial covenants stipulated in all of its facility agreements. Accordingly, the borrowing is already classified as a current liability, as it is due for settlement within the next twelve months. Management expects the covenants to be in compliance by the end of the fiscal year. The bank has confirmed that the breach of these covenants will not affect the ongoing availability of the facility, as covenant compliance is assessed solely at year-end.

11. PROVISION FOR ZAKAT AND INCOME TAX

The balance of zakat and income tax provision appears in the interim condensed consolidated statement of financial position as follows:

		As at	
	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Provision for zakat	**11.1**	**2,532,642**	2,750,000
Provision for income tax	**11.2**	**1,180,383**	2,193,791
		3,713,025	4,943,791

(All amounts in Saudi Riyals unless otherwise stated)

11. PROVISION FOR ZAKAT AND INCOME TAX (CONTINUED)

11.1 The movement in the provision for zakat is as follows:

	For the six-month period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period/year	**2,750,000**	**2,750,000**
Charge during the period/year	**900,000**	**2,750,000**
Prior period charge	**126,204**	**11,959**
Payments during the period/year	**(1,243,562)**	**(2,761,959)**
Balance at the end of the period/year	**2,532,642**	**2,750,000**

11.1.1. Status of Assessment

During 2025, the Group separated its zakat obligations from Al-Hoshan Holding Group and submitted a unified zakat declaration for the year ended 31 December 2025 covering the Group and its wholly owned subsidiaries located outside the Kingdom of Saudi Arabia. The Group obtained a valid Zakat certificate from the Zakat, Tax and Customs Authority (ZATCA), effective until 23 Dhul-Qi'dah 1448H (corresponding to 30 April 2027). As at the date of approval of these interim condensed consolidated financial statements, no zakat assessments have been raised by ZATCA.

11.1.2. In accordance with an agreement with the Zakat, Tax and Customs Authority (ZATCA), the Group will settle the Zakat liability for the year ended 31 December 2025 in six equal monthly instalments, starting from June 2026 and concluding in November 2026. As at 30 June 2026, the Group had two instalments outstanding amounting to SAR 1,117,358.

11.2. The movement in the provision for income tax is as follows:

	For the six-month period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period/year	**2,193,791**	1,842,414
Charge during the period/year	**315,543**	2,193,791
Payments during the period/year	**(1,312,933)**	763,895
Prior period charge	**-**	(2,668,013)
Foreign currency exchange differences	**(16,018)**	61,704
Balance at the end of the period/year	**1,180,383**	2,193,791

11.2.1. Status of income tax assessment

Provision for income tax and the impact of deferred tax from subsidiaries have been calculated for the period ended 30 June 2026, in accordance with the income tax laws applicable to subsidiaries in each of the following countries: Sultanate of Oman (15%), Kingdom of Morocco (25.25%), Republic of Kenya (30%), and the United Arab Emirates (9%).

The subsidiaries have submitted their tax returns for all years up to the year ended 31 December 2025, and have settled all tax obligations. As of the date of approval of the interim condensed consolidated financial statements, no outstanding tax assessments exist against the Group.

12. CONTINGENCIES AND COMMITMENTS

Contingent liabilities are letters of credit and letters of guarantee issued by commercial banks on behalf of the Group and are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Letters of credit	**5,081,542**	7,480,769
Letters of guarantee	**8,719,641**	416,674
	13,801,183	7,897,443

The Group has no capital commitments as of 30 June 2026 and 31 December 2025.

(All amounts in Saudi Riyals unless otherwise stated)

12. CONTINGENCIES AND COMMITMENTS (CONTINUED)

12.1. As at 30 June 2026, the Group had letters of credit and bank guarantees issued by banking institutions on its behalf in the normal course of business.

13. FINANCE COST

	For the six-month period ended 30 June 2026 (Unaudited)	For the six-month period ended 30 June 2025 (Unaudited)
Islamic financial facilities		
- Tawarruq	**4,660,094**	4,651,548
Finance cost of lease liabilities	**854,661**	534,698
	5,514,755	5,186,246

14. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

The basic and diluted share of (loss) / income is calculated by dividing the (loss) / income for the period attributable to the shareholders of the Group by the weighted average number of ordinary shares outstanding at the end of 30 June 2026, which amounted to 7,500,000 shares (30 June 2025: 7,500,000 shares).

	For the six-month period ended 30 June 2026 (Unaudited)	For the six-month period ended 30 June 2025 (Unaudited)
Net (loss) / profit for the period	**(12,305,009)**	1,525,437
Weighted average number of shares outstanding during the period	**7,500,000**	7,500,000
(Loss) / earnings per share (SAR)	**(1.64)**	0.20
- Basic	**(1.64)**	0.20
- Diluted	**(1.64)**	0.20

No potential dilutive shares were outstanding at any time during the period ended 30 June 2026 and the period ended 30 June 2025.

15. SEGMENT INFORMATION

The main activity of the Company and its subsidiaries consists of importing, exporting, and wholesale and retail trade in hardware, materials, office and school furniture, and their supplies. Therefore, the Group operates in one operational sector through a number of geographical sectors inside and outside the Kingdom of Saudi Arabia. Below is the information related to the geographical sectors, which is regularly submitted to Group operational decision makers:

Geographic information

For the six-month period ended 30 June 2026 - (Unaudited)

	Kingdom of Saudi Arabia	United Arab Emirates	Kuwait	Other	Total
Total Segment Revenue	**50,398,623**	**42,808,948**	**15,335,227**	**32,697,538**	**141,240,336**
Inter-Segment Revenue	**(866,342)**	**(11,474,358)**	**(164,900)**	**(728,737)**	**(13,234,337)**
Net revenue	**49,532,281**	**31,334,590**	**15,170,327**	**31,968,801**	**128,005,999**
Interest expense	**4,802,660**	**305,773**	**26,226**	**380,096**	**5,514,755**
Depreciation and Amortization	**1,838,350**	**1,249,490**	**267,882**	**1,406,381**	**4,762,103**
Zakat / Income tax for the period	**1,026,204**	**-**	**-**	**315,543**	**1,341,747**
Net profit / (loss) for the period	**(6,216,668)**	**(5,885,396)**	**(1,035,660)**	**832,715**	**(12,305,009)**

(All amounts in Saudi Riyals unless otherwise stated)

15. SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2025 - (Audited)

	Kingdom of Saudi Arabia	United Arab Emirates	Kuwait	Other	Total
Total assets	**102,109,503**	**110,464,476**	**33,231,648**	**93,040,873**	**338,846,500**
Total liabilities	**177,220,467**	**43,874,152**	**10,065,861**	**21,506,094**	**252,666,574**

For the six-month period ended 30 June 2025 - (Unaudited)

	Kingdom of Saudi Arabia	United Arab Emirates	Kuwait	Other	Total
Total Segment Revenue	61,229,391	66,281,662	18,106,224	37,901,244	183,518,521
Inter-Segment Revenue	(2,183,457)	(21,077,679)	(485,859)	(143,441)	(23,890,436)
Net revenue	59,045,934	45,203,983	17,620,365	37,757,803	159,628,085
Interest expense	4,765,316	82,338	826	337,766	5,186,246
Depreciation and Amortization	1,915,184	1,557,626	319,368	1,338,008	5,130,186
Zakat / Income tax for the period	900,000	263,737	-	731,948	1,895,685
Net profit (loss) for the period	(4,546,852)	3,116,002	1,054,429	1,901,858	1,525,437

For the year ended 31 December 2024 - (Audited)

	Kingdom of Saudi Arabia	United Arab Emirates	Kuwait	Other	Total
Total assets	114,076,306	113,180,768	32,863,932	74,319,575	334,440,581
Total liabilities	175,258,194	38,670,422	9,404,469	25,665,411	248,998,496

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail the scale of its operations materially or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group’s financial assets consist of cash and bank balances, trade receivables, and prepayment and other assets; its financial liabilities consist of trade payables, short-term borrowings, lease liabilities and other payables and accruals.

The Group’s management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

17. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these interim condensed consolidated financial statements.

18. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed consolidated financial statements were approved and authorized for issue on 10 Rabi Al Awwal 1448H (corresponding 23 August 2026) by the Audit Committee under the authorization of the Board of Directors of the Group.