Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)

For the Three and Six-Month Periods Ended
30 June 2026

And Independent Auditor's Review Report

Index to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the Three and Six-Month Periods Ended 30 June 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ABDULLAH AL-OTHAIM MARKETS COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Abdullah Al-Othaim Markets Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2026, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. 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") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

Abdullah A. Alshenaibir
Certified Public Accountant
License No. (583)

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سجل تجاري ١٠١٠٣٨٣٨٢١
CR.1010383821
شركة ارنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 3 Rabi' al-Awwal 1448H
(16 August 2026)

Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

As at 30 JUNE 2026

	Note	**As at 30 June 2026 (Unaudited)**	As at 31 December 2025 (Audited)
ASSETS		**⃁**	⃁
Non-current assets			
Property, plant, and equipment	6	**2,134,521,299**	2,181,798,898
Right-of-use assets	7	**1,971,904,862**	2,017,055,434
Investment properties	8	**656,948,646**	655,522,650
Intangible assets		**9,662,822**	9,530,157
Financial assets at amortized cost and others		**290,843,220**	283,868,521
Financial assets at fair value through income statement		**42,636,531**	21,678,164
Investments in associates and joint venture	9	**341,746,250**	331,854,467
Equity instruments at fair value through other comprehensive income		**9,248,364**	9,248,364
Total non-current assets		**5,457,511,994**	5,510,556,655
Current assets			
Inventories	10	**1,466,391,107**	1,697,949,342
Prepayments and other current assets		**246,687,138**	208,470,136
Trade receivables		**217,390,575**	166,968,695
Financial assets and Short-term Murabaha deposits		**5,869,722**	5,363,582
Cash and cash equivalents	11	**103,839,648**	101,444,279
Total current assets		**2,040,178,190**	2,180,196,034
TOTAL ASSETS		**7,497,690,184**	7,690,752,689
EQUITY AND LIABILITIES			
EQUITY			
Paid-in share capital	1	**900,000,000**	900,000,000
Retained earnings		**177,107,802**	330,613,732
Fair value reserve		**3,791,226**	3,791,226
Currency exchange differences on translation of foreign subsidiary	21	**(8,391,608)**	(7,752,310)
Share of other comprehensive loss of associates and joint venture		**(10,544)**	-
Equity attributable to the shareholders of the Company		**1,072,496,876**	1,226,652,648
Non-controlling interests		**56,993,429**	51,425,768
TOTAL EQUITY		**1,129,490,305**	1,278,078,416
Non-current liabilities			
Lease contracts liabilities		**2,222,014,477**	2,258,701,866
Obligation for employees' end-of-service benefits	12	**361,290,522**	353,339,570
Total non-current liabilities		**2,583,304,999**	2,612,041,436
Current liabilities			
Short term loans	13	**665,000,000**	600,000,000
Accounts payable		**2,322,945,504**	2,439,678,987
Current portion of lease contracts liabilities		**170,313,184**	158,444,042
Accruals and other current liabilities		**613,433,410**	580,916,590
Zakat and foreign tax provision	15	**13,202,782**	21,593,218
Total current liabilities		**3,784,894,880**	3,800,632,837
TOTAL LIABILITIES		**6,368,199,879**	6,412,674,273
TOTAL EQUITY AND LIABILITIES		**7,497,690,184**	7,690,752,689

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
Marwan Ahmed Ibrahim	Muaffaq A. Mobarah	Abdullah Saleh Al Othaim

The accompanying notes from (1) to (26) form an integral part of these interim condensed consolidated financial statements.

Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Income (Unaudited)

For the Three and Six-Month Periods Ended 30 June 2026

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
		⃁	⃁	⃁	⃁
Net sales	17	**2,520,385,705**	2,546,335,127	**5,485,576,843**	5,693,531,681
Cost of sales		**(2,068,341,527)**	(1,967,686,729)	**(4,388,226,631)**	(4,483,223,917)
Gross profit		**452,044,178**	578,648,398	**1,097,350,212**	1,210,307,764
Rental income, net	18	**25,684,303**	24,631,659	**44,567,837**	44,753,805
Sold voucher commissions		**151,247**	229,594	**309,442**	482,039
Selling and marketing expenses		**(514,184,866)**	(483,334,432)	**(1,064,909,593)**	(988,110,405)
General and administrative expenses		**(44,448,940)**	(43,478,962)	**(83,901,981)**	(84,825,357)
Operating (loss)/profit		**(80,754,078)**	76,696,257	**(6,584,083)**	182,607,846
Share in profit or loss of associates and joint venture, net	9	**9,656,058**	8,221,706	**28,388,865**	25,661,728
Finance income from deposits and others		**10,289,601**	7,528,981	**20,310,903**	9,449,956
Finance costs	20	**(46,638,688)**	(45,653,823)	**(92,999,352)**	(91,296,395)
Other income, net		**2,315,601**	129,641	**5,552,391**	3,464,583
(Loss) / Income before zakat and foreign tax		**(105,131,506)**	46,922,762	**(45,331,276)**	129,887,718
Reversal (expense) of Zakat and foreign tax	15	**2,182,749**	(2,017,277)	**(6,216)**	(5,060,127)
Net (loss)/income for the period		**(102,948,757)**	44,905,485	**(45,337,492)**	124,827,591
Attributable to:					
Shareholders of the Company		**(107,129,161)**	41,139,186	**(53,467,713)**	117,500,668
Non-controlling interests		**4,180,404**	3,766,299	**8,130,221**	7,326,923
		(102,948,757)	44,905,485	**(45,337,492)**	124,827,591
Earnings per share					
Basic and diluted (loss) earnings per share attributable to the shareholders of the Company	16	**(0.12)**	0.05	**(0.06)**	0.13

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
Marwan Ahmed Ibrahim	Muaffaq A. Mobarah	Abdullah Saleh Al Othaim

The accompanying notes from (1) to (26) form an integral part of these interim condensed consolidated financial statements.

Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
As at 30 JUNE 2026

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
		⃁	⃁	⃁	⃁
Net (loss) / income for the period		**(102,948,757)**	44,905,485	**(45,337,492)**	124,827,591
Other comprehensive income for the period					
Items will not be reclassified to statement of income in subsequent periods:					
Actuarial gains / (losses) for employee's end-of-service benefits	12	**3,161,490**	(435,546)	**7,961,783**	1,514,201
Items will be reclassified to statement of income in subsequent periods:					
Share in other comprehensive loss of associates and joint venture	9	**(4,543)**	(21,632)	**(10,544)**	(2,205)
Currency exchange differences on translation of foreign subsidiary	21	**2,311,683**	191,305	**(639,298)**	222,960
Other comprehensive income (loss) for the period		**5,468,630**	(265,873)	**7,311,941**	1,734,956
Total comprehensive (loss) / income for the period		**(97,480,127)**	44,639,612	**(38,025,551)**	126,562,547
Attributable to:					
Shareholders of the Company		**(101,660,531)**	40,873,313	**(46,155,772)**	119,235,624
Non-controlling interests		**4,180,404**	3,766,299	**8,130,221**	7,326,923
		(97,480,127)	44,639,612	**(38,025,551)**	126,562,547

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
Marwan Ahmed Ibrahim	Muaffaq A. Mobarah	Abdullah Saleh Al Othaim

The accompanying notes from (1) to (26) form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the Six-Month Period Ended 30 June 2026

	Attributable to the shareholders of the Company							
	Paid-in share capital	Retained earnings	Fair value reserve	Currency exchange differences on translation of foreign subsidiary	Share in other comprehensive income of associates and joint venture	Total shareholders' equity	Non-controlling interests	Total equity
	⃁	⃁	⃁	⃁	⃁	⃁	⃁	⃁
For the period ended 30 June 2025								
Balance as at 1 January 2025 (Audited)	900,000,000	478,658,307	2,843,826	(8,802,768)	(17,362)	1,372,682,003	41,854,148	1,414,536,151
Net income	-	117,500,668	-	-	-	117,500,668	7,326,923	124,827,591
Other comprehensive income for the period	-	1,514,201	-	222,960	(2,205)	1,734,956	-	1,734,956
Total comprehensive income for the period	-	119,014,869	-	222,960	(2,205)	119,235,624	7,326,923	126,562,547
Reconciliations related to associate and joint venture	-	(17,362)	-	-	17,362	-	-	-
Cash dividends (Note 23)	-	(198,000,000)	-	-	-	(198,000,000)	(2,562,560)	(200,562,560)
Balance as at 30 June 2025 (Unaudited)	900,000,000	399,655,814	2,843,826	(8,579,808)	(2,205)	1,293,917,627	46,618,511	1,340,536,138
For the period ended 30 June 2026								
Balance as at 1 January 2026 (Audited)	**900,000,000**	**330,613,732**	**3,791,226**	**(7,752,310)**	**-**	**1,226,652,648**	**51,425,768**	**1,278,078,416**
Net (loss) income	**-**	**(53,467,713)**	**-**	**-**	**-**	**(53,467,713)**	**8,130,221**	**(45,337,492)**
Other comprehensive income (loss) for the period	**-**	**7,961,783**	**-**	**(639,298)**	**(10,544)**	**7,311,941**	**-**	**7,311,941**
Total comprehensive (loss) income for the period	**-**	**(45,505,930)**	**-**	**(639,298)**	**(10,544)**	**(46,155,772)**	**8,130,221**	**(38,025,551)**
Cash dividends (Note 23)	**-**	**(108,000,000)**	**-**	**-**	**-**	**(108,000,000)**	**(2,562,560)**	**(110,562,560)**
Balance as at 30 June 2026 (Unaudited)	**900,000,000**	**177,107,802**	**3,791,226**	**(8,391,608)**	**(10,544)**	**1,072,496,876**	**56,993,429**	**1,129,490,305**

Chief Financial Officer Marwan Ahmed Ibrahim	Chief Executive Officer Muaffaq A. Mobarah	Chairman of Board of Directors Abdullah Saleh Al Othaim

The accompanying notes from (1) to (26) form an integral part of these interim condensed consolidated financial statements.

Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the Six-Month Periods Ended 30 June 2026

	For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
	⃁	⃁
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Income before zakat and foreign tax	**(45,331,276)**	129,887,718
Adjustments for:		
Depreciation of property, plant, and equipment and right-of-use assets	**221,287,422**	219,832,131
Depreciation of investment properties	**2,354,949**	2,251,352
Amortization of intangible assets	**760,811**	404,593
(Gain) Loss on sale of property, plant, and equipment	**(38,623)**	334,132
Gain on termination of lease contracts	**(595,500)**	(8,419,726)
Finance costs	**92,999,352**	91,296,395
Income from deposits and other investments	**(20,310,903)**	(9,449,956)
Share in profit or loss of associates and joint venture, net	**(28,388,865)**	(25,661,728)
Provision for shrinkage and slow-moving inventories	**147,135,568**	15,924,499
Provision for expected credit losses	**6,860,996**	325,483
Reversal of legal and other provisions	**961,208**	576,497
Obligation for employees' end-of-service benefits	**28,133,786**	20,800,914
	405,828,925	438,102,304
Changes in:		
Inventories	**84,422,667**	(183,413,763)
Trade receivables	**(57,282,876)**	(41,533,195)
Prepayments and other current assets	**(46,866,352)**	(20,576,727)
Accounts payable	**(116,733,483)**	192,645,182
Accruals and other current liabilities	**32,760,574**	(20,614,385)
	302,129,455	364,609,416
Employees' end-of-service benefits paid	**(20,792,617)**	(13,614,153)
Zakat and foreign tax paid	**(8,352,311)**	(10,157,659)
Net cash flows generated from operating activities	**272,984,527**	340,837,604
CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from sale of property, plant, and equipment	**226,420**	820,913
Dividends from associates and joint venture	**18,486,538**	13,000,000
Finance lease payments received	**18,791,000**	18,341,000
Income from deposits and other investments received	**928,298**	838,867
Additions to property, plant, and equipment	**(65,580,739)**	(159,126,070)
Additions to investment properties	**(415,918)**	(2,005,966)
Additions to intangible assets	**(913,356)**	(811,532)
Additions to financial assets at fair value through income statement	**(20,000,000)**	-
Short-term investments and Murabaha deposits	**(403,214)**	(581,357)
Net cash flows used in investing activities	**(48,880,971)**	(129,524,145)

Interim Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)

For the Six-Month Periods Ended 30 June 2026

	For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
	⃁	⃁
CASH FLOWS USED IN FINANCING ACTIVITIES		
Proceeds from short-term loans and Murabahat	**4,475,000,000**	1,565,000,000
Payments of short-term loans and Murabahat	**(4,410,000,000)**	(1,380,000,000)
Lease contracts liabilities, net	**(167,026,079)**	(151,398,442)
Finance costs paid	**(9,380,362)**	(6,311,152)
Dividends paid - shareholders of the Company	**(108,000,000)**	(198,000,000)
Dividends paid – non-controlling interests	**(2,562,560)**	(2,562,560)
Net cash flows used in financing activities	**(221,969,001)**	(173,272,154)
Net change in cash and cash equivalents	**2,134,555**	38,041,305
Cash and cash equivalents at the beginning of the period	**101,444,279**	87,539,106
Net exchange differences on translation of foreign currencies	**260,814**	(350,051)
Cash and cash equivalents at the end of the period	**103,839,648**	125,230,360
Significant non-cash transactions		
Additions to right-of-use assets against lease contracts liabilities	**73,761,978**	61,460,146
Transfer from capital work in progress to property, plant, and equipment	**31,223,067**	48,373,021
Inventories' write off against provisions	**24,038,854**	-

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
Marwan Ahmed Ibrahim	Muaffaq A. Mobarah	Abdullah Saleh Al Othaim

The accompanying notes from (1) to (26) form an integral part of these interim condensed consolidated financial statements.

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

1. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND THEIR ACTIVITIES

Abdullah Al-Othaim Markets Company (the "Company" or "Parent Company") is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia, under unified Number 7018065206 Commercial and Register Number 1010031185, on 7 Rajab 1400H (corresponding to 21 May 1980). The Company changed from a limited liability company into a joint stock company according to Ministerial Decree No.227/G on 3 Ramadhan 1428H (corresponding to 15 September 2007).

The main activities of the Company include wholesale and retail trade of food, fish, meat, agricultural products, livestock, and household items. The Company is also engaged in establishing, managing, operating and maintaining supermarkets, commercial complexes, and bakeries, providing cooked and uncooked catering services, and managing training and educational centers, in addition to acquiring lands to construct buildings for lease or sale for the interest of the Company. The Company also provides import, export, and marketing services to others.

The Company's headquarters is located in Riyadh, Al Andlus District Khurais Branch Road. PO Box 41700, Saudi Arabia.

The Company's fiscal year begins on 1 January and ends on 31 December of each Gregorian year.

The interim condensed consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively referred to as the "Group").

Below are the details of the subsidiaries listed in the interim condensed consolidated financial statements:

			Direct and Indirect ownership percentage %	
Subsidiary	**Country of Incorporation**	**Main Activity**	**30 June 2026**	31 December 2025
Haley Holding Company	Kingdom of Saudi Arabia	Wholesale and retail trade	**100%**	100%
Othaim Cash & Carry Company "formerly Universal Marketing Centre Company"	Kingdom of Saudi Arabia	Wholesale and retail trade	**100%**	100%
Bayt Al Watan Company	Kingdom of Saudi Arabia	Import, export and wholesale and retail trade	**100%**	100%
Abdullah Al Othaim Markets – Egypt	Arab Republic of Egypt	Wholesale and retail	**100%**	100%
Mueen for Human Resources Company	Kingdom of Saudi Arabia	Labor services	**68%**	68%

1. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND THEIR ACTIVITIES (CONTINUED)

The following is a summary of the controlled subsidiaries whose financial statements have been consolidated in these interim condensed consolidated financial statements:

Haley Holding Company
A limited liability company that operates under commercial registration number 1010314228 issued in Riyadh on 9 Ramadhan 1432H (corresponding to 9 August 2011). The main activities of the company are investment in other companies to obtain control over them, wholesale and retail trading of food products, wheat, rice, meat, fish, home products, computer services (application systems and data bases), import and export services, marketing, maintenance of training and entertaining centers and cooked and uncooked catering services.

Al-Othaim Cash and Carry Company
A limited liability company that operates under commercial registration number 1010314201 issued in Riyadh on 9 Ramadhan 1432H (corresponding to 9 August 2011). The main activities of Manufacture of bread and bread products by automatic bakeries - Supermarkets for food and consumer goods - Grocery store - Retail sale of fresh or preserved fruit and vegetables - Retail sale of dairy products, eggs, olives and pickles - Retail sale of meat and meat products - Retail sale of fish, other seafood and products thereof - Retail sale of nuts, coffee, spices and apothecary - Retail sale of blankets, sheets, linens and mattresses - Retail sale of electronic and electrical household appliances - Retail sale of household fuel oil, coal and fuel wood - Operation of canteens or cafeterias on a concession basis (e.g. for factories, offices, hospitals or schools, etc.).

Bayt Al Watan Company
A limited liability company that operates under commercial registration number 1010320847 issued in Riyadh on 2 Muharram 1433H (corresponding to 27 November 2011). The main activities of the company are importing, exporting, and retail and whole sales trading of fruits and vegetables, fish, dairy products, ghee, olive, halawa, pasta, soft drinks, in ad dition to providing importing, exporting, and marketing services for others, maintenance of training, entertainment, and sports centers, general contracting, construction, maintenance, demolition and restoration and electrical and electronic work s.

Abdullah AL Othaim Markets - Egypt
A Joint stock company that operates under commercial registration number 55010 issued in Arab Republic of Egypt on 20 Dhu Al-Hijjah 1432H (corresponding to 16 November 2011). The main activities of the company are wholesale, retail trading, and general trade.

Mueen for Human Resources Company
A closed joint stock company that operates under commercial registration number 1010435202 issued in Riyadh on 6 Ramadan 1436H (corresponding to 23 June 2015). The main activities of the company are providing labor services regarding household workers and workers for both public and private sectors under authorization from the Ministry of Human Resources and Social Development No. UMM 24 issued on 23 Dhu Al-Hijjah 1436H (corresponding to 16 October 2015).

2. BASIS OF PREPARATION

2-1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (34) “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed consolidated financial statements do not include all disclosures required in the full annual consolidated financial statements and therefore should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2025. In addition, the interim period is considered an integral part of the whole year, however, the results of interim periods may not be fair indication of the results for the full year.

2 BASIS OF PREPARATION (continued)

2-2 Basis of measurement

The interim condensed consolidated financial statements have been prepared at historical cost, except for the following significant items stated in the interim condensed consolidated statement of financial position as follows:

- Investment in equity instruments at fair value through other comprehensive income is measured at fair value.
- Financial assets at fair value through income statement is measured at fair value.
- Obligation for the end-of-service benefits is measured at the present value of future obligations using the projected unit credit method.

2-3 Functional and presentation currency

The interim condensed consolidated financial statements are presented in ⃁, which is the functional currency of the Company, and presentation currency of the Group. All amounts in the interim condensed consolidated financial statements are in ⃁ unless otherwise stated.

2-4 Use of judgments and estimates

The preparation of these interim condensed consolidated financial statements requires management to use judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

The significant estimates made by management when applying the Group's accounting policies and significant sources of estimation uncertainty were similar to those disclosed in the Group's consolidated financial statements for the year ended 31 December 2025, except as disclosed in Note 2-4-1 below relating to provisions for inventories. Further, the current geopolitical developments (please refer to Note 2-5 below) have not materially impacted the judgments and estimates as at 30 June 2026. Management will continue to monitor the situation, and any required changes will be reflected in future reporting periods.

2-4-1 Provisions for inventories

Management estimates a provision to reduce the inventory value to its net realizable value, if the inventory cost is irrecoverable, inventory is damaged or became obsolete in whole or in part, if the selling price is lower than the cost, or if there are any factors that cause a decrease in the recoverable amount below the carrying value. Inventory shrinkage provision is calculated as a percentage of sales according to the branch classification and at the department level, and it is settled upon the actual inventory.

During the six-month period ended 30 June 2026, based on the results of the periodic inventory counts and the related operational updates and circumstances, management observed that inventory shrinkage rates were higher than previously estimated. Accordingly, management revised certain assumptions used in calculating the inventory shrinkage provision and the provision for slow-moving inventory, primarily for locations that had not been physically counted yet, using the shrinkage rates of relevant categories from locations that had been counted. As a result of this change, an additional net provision of ⃁ 112.4 million was recognized during the six-month period ended 30 June 2026.

2. BASIS OF PREPARATION (continued)

2-4 Use of judgments and estimates (continued)
2-4-1 Provisions for inventories (continued)

Management believes that the revised assumptions represent the best possible estimate of inventory shrinkage based on the information available at the reporting date. Given the estimation uncertainty and professional judgment inherent in estimating inventory shrinkage, actual results may differ from these estimates, and any resulting differences will be recognized in future reporting periods as they arise.

As at 30 June 2026, if the estimated inventory shrinkage rates applied to locations that had not been physically counted were 5% higher or lower than management's estimates, the net carrying amount of inventories and the related inventories' provisions would have decreased or increased, respectively, by approximately ⃁ 5 million. Similarly, if the estimated inventory shrinkage rates applied to locations that had not been physically counted were 100 basis points higher or lower than management's estimates, the net carrying amount of inventories and the related inventories' provisions would have decreased or increased, respectively, by approximately ⃁ 8.6 million.

2-5 Ongoing regional geopolitical developments

The Group continues to monitor ongoing regional geopolitical developments and their potential impacts. While supply chains have been affected in terms of cost and availability, these developments have not had a material impact on the Group's interim condensed consolidated financial statements for the period ended 30 June 2026. However, given the evolving nature of the situation, the potential impact on the Group's operations and financial performance will continue to be assessed in future reporting periods, as any further escalation or prolonged continuation of the conflict may adversely affect its activities.

3. BASIS FOR CONSOLIDATING THE FINANCIAL STATEMENTS

The Group's interim condensed consolidated financial statements include the financial statements of the Company and the subsidiaries under its control. Control is achieved when the Company is exposed to, or has the right to, different returns from its association with the investee company, and has the ability to affect these returns through its power over the investee company.
Specifically, control of the Company over an investee is achieved only when the following three elements are met:

- Power over the investee (i.e., existing rights that give it the current ability to direct the activities of interest to the investee).
- Exposure to, or the right to, variable returns in return for its association with the investee company.
- The ability to use its power over the investee to influence its returns.

In general, there is an assumption that having a majority of voting rights results in control. In support of this presumption, when the Company has less than a majority of voting or similar rights in an investee, the Company considers all facts and circumstances to assess whether it has power over an investee, including:

- Contractual arrangements with other voting rights holders in the investee company.
- Rights arising from other contractual arrangements.
- The Company's special voting rights and any potential voting rights.

The Group reassesses whether it controls an investee or if facts and circumstances indicate that there is a change in one or more of the three elements of control. Consolidation of a subsidiary begins from the date when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary.

3. BASIS FOR CONSOLIDATING THE FINANCIAL STATEMENTS (continued)

Assets, liabilities, revenues, and expenses of a subsidiary acquired are included in the interim condensed consolidated financial statements from the date the Company obtains control until the date the Company ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income is attributed to the shareholders of the company and to the non-controlling interest even if this results in the balance of the non-controlling interest being in deficit, meaning that losses are recorded on the non-controlling interest even if this leads to a deficit in the balance of non-controlling interest.

When consolidating the financial statements, adjustments are made to the interim condensed consolidated financial statements of subsidiaries, if necessary, in order to be in line with the accounting policies of the Company. All intra-group assets, liabilities, equity, revenues, expenses, and cash flows related to transactions between members of the Group are eliminated.

Changes in the ownership of subsidiaries under control that do not result in loss of control are treated as equity transactions. If the Group loses control over the subsidiary, it would:

- Derecognize the related assets and liabilities of the invested subsidiary.
- Derecognize the carrying amount of any non-controlling interest.
- Derecognize accumulated exchange differences recognized in equity.
- Recognize the fair value of the consideration received.
- Recognize the fair value of any held investment.
- Recognize any surplus or deficit in the consolidated statement of income.
- Reclassify its share of items previously recognized in other comprehensive income to the statement of income or transfer directly to retained earnings, if necessary, in accordance with other international standards.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those policies in the Group's annual consolidated financial statements for the year ended 31 December 2025.

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

5-1 New standards, interpretations, and amendments effective in the current year

The Group adopted the following new standards and amendments for the first time effective 1 January 2026:

- Classification and measurement of financial instruments - Amendments to IFRS 9 & IFRS 7
- Volume 11: Annual Improvements to IFRS Accounting Standards—
- Nature-dependent electricity contracts - Amendments to IFRS 9 & IFRS 7

The amendments had no impact on the Group’s interim condensed consolidated financial statements.

5-2 New standards, interpretations, and amendments not yet effective

The Group has chosen not to early adopt new standards and amendments to IFRS which have been issued but are not yet effective for the Group’s accounting year beginning on or after 1 January 2026. Those standards, interpretations, and amendments are not disclosed in these consolidated financial statements as management considered these to be irrelevant to the Group’s operations and will not have a material impact on the consolidated financial statements of the Group in future periods; With the exception of IFRS18 the Group is assessing the impact of its application on the interim condensed consolidated financial statements.

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (continued)

5-2 New standards, interpretations, and amendments not yet effective (continued)

The following is a statement of the new standards and amendments applicable for years commencing on or after 1 January 2027, with early adopt permitted, but which the Group did not adopt when preparing these interim condensed consolidated financial statements.

Standard, Interpretation, and Amendments	Effective Date
IFRS 18 Presentation and Disclosure in Financial Statements Replaces IAS (1) Presentation of Financial Statements*	1 January 2027
IFRS 19: Subsidiaries without Public Accountability	1 January 2027
IAS 21: The Effects of Changes in Foreign Exchange Rates – Changeover to the presentation currency in a hyperinflationary environment	1 January 2027
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2027

Expected impact of the initial application of IFRS 18 "Presentation and Disclosure in Financial Statements"
* In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements and becomes effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new requirements and updates to the interim condensed consolidated statement of comprehensive income, with the main objective of improving comparability in the interim condensed consolidated statement of comprehensive income and enhancing transparency over management-defined performance measures.

The key new concepts introduced by IFRS 18 include:
- A revised structure for the statement of profit or loss, requiring classification of income and expenses into five defined categories based on the Group's main business activities and the presentation of mandatory subtotals;
- Enhanced principles on aggregation and disaggregation applicable to the primary financial statements and the notes;
- Required disclosure of certain management-defined performance measures reported outside the financial statements.

In accordance with the requirements of the Capital Market Authority ("CMA") regarding the disclosure of the preliminary assessment of the expected impact of the initial application of IFRS 18, the Group preliminary assessed the expected impact of adopting this new standard on its interim condensed consolidated financial statements. This adoption is expected to result only in changes to the presentation and disclosure of information within the financial statements and will not have any financial impact on the Group's financial position, financial performance, cash flows, earnings per share or total equity.

The Group's assessment remains ongoing and further refinement to the expected impact may arise as implementation activities progress and additional industry and regulatory guidance become available.

Structure of the Interim Condensed Consolidated Statement of Comprehensive Income

The standard is expected to result in changes to the presentation of certain line items and subtotals in the interim condensed consolidated statement of income namely operating, investing, financing, zakat/income tax and discontinued operations. This classification depends on the main business activities of the Group .

Based on the Group's preliminary assessment and the nature of its main business activities, performed to date, the Group expects changes to the current structure of interim condensed consolidated statement of income to result in :

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (continued)

5-2 New standards, interpretations, and amendments not yet effective (continued)

Structure of the Interim Condensed Consolidated Statement of Comprehensive Income (continued)

- **Mandatory Subtotals**: The Group currently presents Operating Profit as a subtotal in the statement of profit or loss but does not present Profit Before Financing and Income Taxes. IFRS 18 requires entities to present both subtotals as defined mandatory subtotals within the statement of profit or loss. Accordingly, the Group will update the presentation of its statement of profit or loss to include the additional mandatory subtotal and will restate comparative information in accordance with the requirements of the standard.

- **Finance Costs:** Finance costs primarily comprise interest expenses arising from lease liabilities recognized under IFRS 16, employee end-of-service benefit obligations, and, where applicable, bank borrowings. These costs are currently presented within finance costs in the condensed consolidated interim statement of profit or loss. The related financing arrangements support the Group's operating activities and do not represent a main business activity of the Group. Accordingly, under IFRS 18, these costs are required to be presented within the financing category of the condensed consolidated interim statement of profit or loss. No change in classification is expected upon adoption of the standard.

- **Murabaha Income:** Murabaha income arises from short-term deposits and investments that generate financing returns for the Group and is currently presented within finance income in the condensed consolidated interim statement of income. As the Group does not have a specified main business activity of investing in assets or providing financing to customers, such income does not form part of its operating activities. Accordingly, under IFRS 18, Murabaha income is required to be presented within the investing category of the condensed consolidated interim statement of income. The Group will update the presentation of this income upon adoption of the standard.

- **Investment Properties Income and Related Expenses**: Rental income generated from investment properties and the related depreciation expense are currently presented within the operating results of the Real Estate and Leasing segment. As the Group does not have a specified main business activity of investing in real estate, IFRS 18 requires the net result arising from investment properties to be presented within the investing category rather than the operating category. Accordingly, the Group will reclassify the net investment property income from the operating category to the investing category in the condensed consolidated interim statement of profit or loss.

- **Share in profit or loss of associates and joint venture:** The share of profit or loss of associates and the joint venture accounted for using the equity method is currently presented as a separate line item below operating results. Under IFRS 18, this line item is required to be classified within the investing category and presented directly below Operating Profit and above Profit Before Financing and Income Taxes. No change is expected in the measurement or amount recognized; only the presentation within the statement of profit or loss will be affected.

Structure of the Interim Condensed Consolidated Statement of Financial Position

The Group is in process of assessing the impact of IFRS 18 on the Interim Condensed Consolidated Statement of Financial Position and does not expect that the new standard will introduce material changes to the presentation requirements previously applied under IAS 1 for its assets, liabilities and equity.

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (continued)

5-2 New standards, interpretations, and amendments not yet effective (continued)

Structure of the Interim Condensed Consolidated Statement of Changes in Equity

The Group is in process of assessing the impact of IFRS 18 on the Interim Condensed Consolidated Statement of Changes in Equity and does not expect that the new standard will introduce material changes to the presentation requirements previously applied under IAS 1 for its presentation of movements in equity, including transactions with owners, other comprehensive income and retained earnings.

Aggregation and disaggregation

The new aggregation and disaggregation requirements will lead to changes to present the most useful, structured summary. The Group is assessing how items are aggregated and disaggregated in the primary financial statements and the notes on the basis of similar and dissimilar characteristics.

Certain profit or loss line items description, aggregations and subtotals may change to provide useful, structured summaries and disclose additional material information in the notes. The Group is performing a detailed assessment to determine the appropriate classification of items. The Group is also assessing line items currently labelled as "other" and will use more informative labels that describes the aggregated items as precisely as possible. The Group also expects expanded disclosure requirements relating to the aggregation and disaggregation of information.

Management Performance Measures "MPMs"

Management-defined Performance Measures (MPMs) is a subtotal of income and expenses that entity uses in public communication outside the financial statements that communicates management's view of an aspect of the financial performance of the entity as a whole. Where applicable, these measures may require quantitative reconciliation to IFRS-defined subtotals together with expanded explanatory disclosures. The Group is assessing whether performance measures currently communicated to stakeholders, outside the Group financial statements meet the definition of an MPM under IFRS 18.

Consequential amendments

The Group also evaluating the consequential amendments arising from IFRS 18, including amendments to IAS 7 Statement of Cash Flows and IAS 34 Interim Financial Reporting. The Group currently uses profit for the year/period before zakat as a starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under IFRS 18 and cash flows from interest incomes will be classified as investing activities.

The Group's assessment remains ongoing and further refinement to the expected impact may arise as implementation activities progress and additional industry and regulatory guidance become available.

6. PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2026, the Group acquired property, plant, and equipment with a total cost of ⃁ 65.6 million (30 June 2025⃁ 159.1 million).

During the period ended 30 June 2026, the Group disposed of property, plant, and equipment with a net book value of ⃁ 188 thousand (30 June 2025: ⃁ 1.16 million), of which the disposal of those property, plant, and equipment resulted in capital gains of ⃁ 52.8 thousand and of ⃁ 38.6 thousand for the three and six-month periods ended 30 June 2026, respectively (for the three and six-month periods ended 30 June 2025: capital loss of ⃁ 201 thousand and ⃁ 334.1 thousand, respectively).

During the six months period ended 30 June 2026, depreciation expense amounted to ⃁ 108.3 million (30 June 2025: ⃁ 109.1 million).

7. RIGHT-OF-USE ASSETS

During the six-month period ended 30 June 2026, the net additions to right-of-use assets amounted to ⃁ 73.8 million (30 June 2025: ⃁ 61.5 million).

During the six-months period ended 30 June 2026, depreciation expense amounted to ⃁ 113 million (30 June 2025: ⃁ 110.7 million).

8. INVESTMENT PROPERTIES

Investment properties represent commercial centers, exhibitions, buildings, and their lands, which are mainly held for investment and leasing to others. Additionally, investment properties include buildings developed on leased lands.

During the six-month period ended 30 June 2026, depreciation expense amounted to ⃁ 2.4 million (30 June 2025: ⃁ 2.3 million).

The fair value of the investment properties as at 31 December 2025 amounted to ⃁1.132 million evaluated by qualified and independent experts. The following are the data of the real estate appraiser:

Name: Olaat Real Estate Appraisal Company
Qualifications: Membership of the Saudi Authority for Accredited Valuers
License number: 1210000397

The fair value was measured according to the applicable valuation techniques (market comparison approach, income approach, and residual value approach).

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

Below are the details of the companies included in the interim condensed consolidated financial statements which are accounted for using the equity method:

		Ownership percentage %	
Company	**Country of Incorporation**	**30 June 2026**	31 December 2025
AlWousta Food Services Company - Associate (1)	Kingdom of Saudi Arabia	**25%**	25%
Riyadh Food Industries Company - Associate (2)	Kingdom of Saudi Arabia	**55%**	55%
Gulf Flour Milling Industrial Company - Joint venture (3)	Kingdom of Saudi Arabia	**33.33%**	33.33%

(1) The main activities of the company are managing, operating, and monitoring of Al Baik restaurants in Riyadh, Qassim, Hail and Al Jouf. The Company is a limited liability company, and the headquarters of the company is in Jeddah. The investment of the Group in this company has been classified as an investment in associate company since there is a significant influence over the company.

(2) The main activities of the Company are the purchase of lands to construct buildings for manufacturing plants for the purpose of investment for its own interest, management, maintenance, and development of manufacturing plants for others, marketing food and consumable goods, and whatever necessary to establish or participate in shops and markets, import and export of food and consumable goods. The investment of the Group in this company has been classified as an investment in associate company since there is a significant influence over the company with no control.

(3) The main activities of the Company are packaging and grinding grains, flour manufacturing, feed manufacturing, and storage in grain silos, in accordance with the ministry of investment license number 101034210105632, dated 15 Shawwal 1442H (corresponding to 27 May 2021). The investment of the Group in this company has been classified as an investment in joint arrangements (joint venture) since there is a joint control over the company with other parties.

a) Summary of investment movements during the period / year

	30 June 2026	31 December 2025
Balance at the beginning of the period / year	**331,854,467**	303,064,144
Share in profit or loss of associates and joint venture	**28,388,865**	51,355,147
Share in other comprehensive loss of associates and joint venture	**(10,544)**	(284,878)
Dividends	**(18,486,538)**	(22,279,946)
Balance at the end of the period / year	**341,746,250**	331,854,467

b) Investments in associates and joint venture balances

	30 June 2026	31 December 2025
Gulf Flour Milling Industrial Company - Joint venture	**256,858,286**	250,595,519
Riyadh Food Industries Company - Associate	**46,407,706**	43,946,881
AlWousta Food Services Company - Associate	**38,480,258**	37,312,067
	341,746,250	331,854,467

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

10. INVENTORIES

As at 30 June 2026, the Group's gross inventory balance amounted to ⃁ 1,694 million (31 December 2025: ⃁ 1,802 million), with total inventory provisions amounting to ⃁ 227.3 million (31 December 2025: ⃁ 104.3 million).

The inventory provisions include an inventory shrinkage provision of ⃁ 125 million as at 30 June 2026 (31 December 2025: ⃁ 28.2 million).

During the six-month period ended 30 June 2026, the inventory provisions expense recognized in the interim condensed consolidated statement of income amounted to ⃁ 147 million (six-month period ended 30 June 2025: ⃁ 15.9 million).

11. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Cash at banks	**76,191,030**	73,893,026
Cash on hand	**27,648,618**	27,551,253
	103,839,648	101,444,279

12. OBLIGATION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

	30 June 2026	31 December 2025
Balance at the beginning of the period / year	**353,339,570**	339,254,725
Service cost	**28,133,786**	49,503,904
Cost of discount factor	**8,571,566**	16,851,099
Paid during the period / year	**(20,792,617)**	(36,563,568)
Actuarial gains from remeasurement of obligation for employees' end-of-service benefits	**(7,961,783)**	(15,706,590)
Balance at the end of the period / year	**361,290,522**	353,339,570

13. LOANS AND SHORT-TERM MURABAHA

The Group utilizes Islamic bank facilities (Murabaha) to finance its trade operations. These facilities bear financing costs at prevailing market rates. These facilities are secured by promissory notes under the name of the Company.

During the period ended 30 June 2026, the Group obtained short-term loans in the amount of ⃁ 4,475 million, and paid loans in the amount of ⃁ 4,410 million. The purpose of these short-term loans is to finance the working capital requirements of the Group and bear an interest rate according to prevailing interest rates.

As at 30 June 2026, the available and unused facilities for the purposes of meeting the Group's obligations when due amounted to ⃁ 20 million (31 December 2025: ⃁ 85 million).

14. RELATED PARTIES

Transactions with related parties represent transactions entered between the Company and its associates, subsidiaries, major shareholders and senior executives of the Group, in addition to the entities related to these parties. Management of the Group approved a policy for prices and conditions for transactions with related parties. Transactions with related parties represent mainly in rent revenue, rent expenses, purchases of goods and manpower services.

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

14. RELATED PARTIES (CONTINUED)

Related party	Nature of relationship
Al-Othaim Holding Company	Founding shareholder
Abdullah Al-Othaim for Investment Company	Related to the Chairman of the Board of Directors
AlWousta Food Services Company	Associate
Riyadh Food Industries Company	Associate
Gulf Flour Milling Industrial Company	Joint venture
Members of the Board of Directors and Senior Management	Group's management
Abdullah Al-Othaim for Fashion Company	Related to the Chairman of the Board of Directors
Abdullah Al-Othaim for Entertainment Company	Related to the Chairman of the Board of Directors
Emtiyaz Al Riyadh Trading Company	Related to the Chairman of the Board of Directors
Fourth Milling Company	Subsidiary of an associate
Rimal Al Sawahil for Contracting and Maintenance	Founding shareholder of a subsidiary
Radial Construction and Development Contracting Company (Previously Saudi Pillar for Contracting)	Related to the Chairman of the Board of Directors
Abdullah Al-Othaim Food Company	Related to the Chairman of the Board of Directors

Transactions with related parties for the period ended 30 June 2026 are as follows:

Related Party	**Payments of lease liabilities**	**Lease payments received**	**Purchases of Inventory**	**Labor Revenues and Others**	**Labor Expenses and Others**	**Sales of Inventory**
Abdullah Al-Othaim for Investment Company	**7,895,456**	**17,466,000**	**-**	**-**	**2,200,744**	**-**
AlWousta Food Services Company	**-**	**637,875**	**-**	**-**	**-**	**-**
Riyadh Foods Industries Company	**600,000**	**-**	**28,573,670**	**22,510,685**	**259,488**	**-**
Rimal Al Sawahil for Contracting and Maintenance	**-**	**-**	**-**	**11,446,823**	**-**	**-**
Abdullah Al-Othaim for Entertainment Company	**-**	**538,307**	**-**	**-**	**-**	**-**
Fourth Milling Company	**-**	**-**	**3,419,086**	**-**	**-**	**-**
Abdullah Al-Othaim Food Company	**-**	**-**	**-**	**-**	**-**	**80,419**

Transactions with related parties for the period ended 30 June 2025 are as follows:

Related Party	Payments of lease liabilities	Lease payments received	Purchases of Inventory	Labor Revenues and Others	Labor Expenses and Others	Sales of Inventory
Abdullah Al-Othaim for Investment Company	7,770,715	17,466,000	-	-	2,032,402	-
AlWousta Food Services Company	-	637,875	-	-	-	-
Riyadh Foods Industries Company	-	-	35,620,315	4,469,322	-	-
Rimal Al Sawahil for Contracting and Maintenance	-	-	-	24,917,113	-	-
Abdullah Al-Othaim for Entertainment Company	-	788,307	-	-	-	-
Fourth Milling Company	-	-	3,404,535	-	-	-
Abdullah Al-Othaim Food Company	-	-	-	-	-	166,891

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

14. RELATED PARTIES (CONTINUED)

Below are the board members and senior management benefits during the period:

	Charged to comprehensive income	
	30 June 2026	30 June 2025
Short term benefits	**15,975,717**	18,008,456
Post-employment benefits	**485,640**	354,394
	16,461,357	18,362,850

Below are the balances due from/to related parties:

Amounts due from related parties (included in trade receivables)	**30 June 2026**	31 December 2025
Rimal Al Sawahil for Contracting and Maintenance	**15,150,761**	8,978,310
Abdullah Al-Othaim Food Company	**58,225**	59,742
Riyadh Foods Industries Company	**1,170,405**	489,536
	16,379,391	9,527,588

Amounts due to related parties (included in accounts payable)	**30 June 2026**	31 December 2025
Riyadh Foods Industries Company	**22,973,258**	25,211,319
Fourth Milling Company	**1,217,855**	969,889
Abdullah Al-Othaim for Investment Company	**14,601,587**	2,993,583
	38,792,700	29,174,791

15. ZAKAT AND FOREIGN TAX

15-1 Zakat Provision

Zakat is calculated according to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in Saudi Arabia. Zakat is calculated in the current period on the basis of the adjusted net income method.

The movement in zakat provision is as follows:

	30 June 2026	31 December 2025
Balance at the beginning of the period / year	**20,355,395**	19,301,126
Charged for the period / year	**1,835,533**	10,377,409
Prior years reversals	**(2,059,647)**	-
Zakat expense (reversal) charge, net for the period / year	**(224,114)**	10,377,409
Paid during the period / year	**(7,855,549)**	(9,323,140)
Balance at the end of the period / year	**12,275,732**	20,355,395

- The Group submitted its consolidated zakat declarations for all years up to 2025 and paid zakat liabilities accordingly.
- As at the date of the interim condensed consolidated financial statements, ZATCA has issued the final zakat assessment for the year ended 31 December 2024 for Abdullah Al-Othaim Markets Company, resulting in additional claim of ⃁ 5.9 million, the assessment remains under appeal with ZATCA by the Group. The Group considers its Zakat position as supportable and that no additional material provisions will arise as a result.
- The Group finalized the Zakat status for all previous years until 2023.

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

15. ZAKAT AND FOREIGN TAX (CONTINUED)

15-2 Foreign tax

Abdullah Al-Othaim Markets Company – Egypt (Subsidiary) is subject to the Egyptian Corporate Income Tax Law No. 91 of 2005 and its amendments. The Company has submitted its tax returns to the Tax Authority for all years up to 2025 within the legal deadlines, and all tax returns have been examined up to 2020.

	30 June 2026	31 December 2025
Balance at the beginning of the period / year	**1,237,823**	1,261,819
Charged for the period / year	**230,330**	754,100
Paid during the period / year	**(496,762)**	(856,747)
Foreign tax translation differences	**(44,341)**	78,651
Balance at the end of the period / year	**927,050**	1,237,823

16. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

Earnings per share for the ordinary shareholders for the period ended 30 June 2026 and 30 June 2025 are calculated based on the weighted average number of shares outstanding during the year. The Group does not have any dilutive instruments, accordingly, the diluted earnings per share is equal to the basic earnings per share. There has been no item of dilation affecting the weighted average number of shares.

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Net (loss) income for the period attributable to Shareholders of the Company	**(107,129,161)**	41,139,186	**(53,467,713)**	117,500,668
Weighted average number of shares (share)	**900,000,000**	900,000,000	**900,000,000**	900,000,000
Basic and diluted earnings per share from net (loss) income for the period	**(0.12)**	0.05	**(0.06)**	0.13

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

17. SEGMENTAL INFORMATION

The Group is engaged mainly in food supplies retail and wholesale. The Group operates in the Kingdom of Saudi Arabia and Arab Republic of Egypt, in addition to leasing commercial centers for the purpose of sale or lease for the interest of the Group. The results of the segments are reviewed by the Group's executive management. Revenues, profits, assets, and liabilities are measured using the same accounting principles used in the preparation of the interim condensed consolidated financial statements.

a. Selected information for each business segment is summarized below:

Interim condensed consolidated statement of financial position as at 30 June 2026 (unaudited)

Item	**Retail and Wholesale**	**Real Estate and Leasing**	**Investments**	**Others***	**Total segments**	**Adjustments & eliminations**	**Consolidated**
Property, plant, and equipment	**2,098,344,582**	**-**	**-**	**36,176,717**	**2,134,521,299**	**-**	**2,134,521,299**
Right-of-use assets	**1,798,620,480**	**168,602,903**	**-**	**4,681,479**	**1,971,904,862**	**-**	**1,971,904,862**
Financial assets at amortized cost and others	**-**	**259,189,532**	**-**	**31,653,688**	**290,843,220**	**-**	**290,843,220**
Financial assets at fair value through income statement	**-**	**-**	**42,636,531**	**-**	**42,636,531**	**-**	**42,636,531**
Investment properties	**-**	**656,948,646**	**-**	**-**	**656,948,646**	**-**	**656,948,646**
Intangible assets	**8,170,517**	**-**	**-**	**1,492,305**	**9,662,822**	**-**	**9,662,822**
Total assets	**5,775,281,170**	**1,097,702,238**	**395,396,937**	**362,345,899**	**7,630,726,244**	**(133,036,060)**	**7,497,690,184**
Total liabilities	**5,829,690,796**	**442,901,878**	**-**	**228,643,265**	**6,501,235,939**	**(133,036,060)**	**6,368,199,879**

Consolidated statement of financial position as at 31 December 2025 (audited)

Item	Retail and Wholesale	Real Estate and Leasing	Investments	Others*	Total segments	Adjustments & eliminations	Consolidated
Property, plant, and equipment	2,143,895,513	-	-	37,903,385	2,181,798,898	-	2,181,798,898
Right-of-use assets	1,837,706,508	173,685,871	-	5,663,055	2,017,055,434	-	2,017,055,434
Financial assets at amortized cost and others	-	259,456,575	-	24,411,946	283,868,521	-	283,868,521
Financial assets at fair value through income statement	-	-	21,678,164	-	21,678,164	-	21,678,164
Investment properties	-	655,522,650	-	-	655,522,650	-	655,522,650
Intangible assets	7,922,128	-	-	1,608,029	9,530,157	-	9,530,157
Total assets	6,065,926,242	1,104,203,028	364,143,573	312,943,013	7,847,215,856	(156,463,167)	7,690,752,689
Total liabilities	5,998,393,633	395,465,578	-	175,278,229	6,569,137,440	(156,463,167)	6,412,674,273

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

17. SEGMENTAL INFORMATION (CONTINUED)

Interim condensed consolidated statement of income for the six-month period ended 30 June 2026 (unaudited)

Item	**Retail and Wholesale**	**Real Estate and Leasing**	**Investments**	**Others***	**Total**
Sales	**5,162,988,124**	**-**	**-**	**443,821,502**	**5,606,809,626**
Sales outside the Group	**5,104,412,164**	**-**	**-**	**381,164,679**	**5,485,576,843**
Rental income outside the Group	**-**	**62,918,044**	**-**	**-**	**62,918,044**
Inter-segment sales and revenues	**58,575,960**	**31,500**	**-**	**62,656,822**	**121,264,282**
Total income, sales commissions, and net rental income	**1,043,162,345**	**44,567,837**	**-**	**54,497,309**	**1,142,227,491**
Operating (loss)/profit	**(76,755,772)**	**44,567,837**	**-**	**25,603,852**	**(6,584,083)**
Share in profit of associates and joint venture, net	**-**	**-**	**28,388,865**	**-**	**28,388,865**

Consolidated statement of income for the six-month period ended 30 June 2025 (unaudited)

Item	Retail and Wholesale	Real Estate and Leasing	Investments	Others*	Total
Sales	5,426,613,902	-	-	332,291,606	5,758,905,508
Sales outside the Group	5,426,613,902	-	-	266,917,779	5,693,531,681
Rental income outside the Group	-	62,640,228	-	-	62,640,228
Inter-segment sales and revenues	-	31,500	-	65,373,827	65,405,327
Total income, sales commissions, and net rental income	1,164,840,510	44,753,805	-	45,949,293	1,255,543,608
Operating profit	113,786,525	44,753,805	-	24,067,516	182,607,846
Share in profit of associates and joint venture, net	-	-	25,661,728	-	25,661,728

*The “others” business segment mainly represents the labor and human resources services, resulted from the subsidiary company “Mueen for human resources”.

b. Distribution of retail and wholesale sales and rental income on geographical regions as follows:

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

Geographical area	**Retail and Wholesale**	**Percentage %**	**Real Estate and Leasing**	**Percentage %**	**Others**	**Percentage %**
Kingdom of Saudi Arabia	**4,979,743,460**	**97.6%**	**81,216,195**	**99.8%**	**381,164,679**	**100%**
Arab Republic of Egypt	**124,668,704**	**2.4%**	**197,921**	**0.2%**	**-**	**-**
Total	**5,104,412,164**	**100%**	**81,414,116**	**100%**	**381,164,679**	**100%**

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

Geographical area	Retail and Wholesale	Percentage %	Real Estate and Leasing	Percentage %	Others	Percentage %
Kingdom of Saudi Arabia	5,311,898,333	97.9%	70,323,132	99.7%	266,917,779	100%
Arab Republic of Egypt	114,715,569	2.1%	186,113	0.3%	-	-
Total	5,426,613,902	100%	70,509,245	100%	266,917,779	100%

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

18. RENTAL INCOME, NET

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Stores rental income	**22,551,244**	26,324,119	**43,356,664**	47,672,753
Marketing rental income	**12,577,649**	6,687,348	**19,561,380**	14,967,475
Total rental income	**35,128,893**	33,011,467	**62,918,044**	62,640,228
Rental expenses	**(9,444,590)**	(8,379,808)	**(18,350,207)**	(17,886,423)
Net rental income	**25,684,303**	24,631,659	**44,567,837**	44,753,805

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has the following contingent liabilities and capital commitments:

	30 June 2026	31 December 2025
Letters of guarantee (*)	**68,568,562**	113,026,448
Letters of credit	**4,661,333**	11,598,068
Commitments on capital work in progress	**168,909,857**	205,016,089
Long-term capital contracts	**13,356,327**	26,506,701

(*) The balance includes an amount of ⃁ 46.75 million (31 December 2025: ⃁ 85.71 million) related to promissory note issued under the name of the Company as a guarantee for bank facilities obtained by Riyadh Foods Industries Company (Associate).

(*) The balance includes an amount of ⃁ 5.72 million (31 December 2025: ⃁ 5.66 million) related to joint guarantee (equivalent to EGP 75 million) for Abdullah AlOthaim Markets Company – Egypt (Subsidiary).

20. FINANCE COSTS

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Finance costs on lease contracts liabilities	**37,490,652**	39,214,067	**75,047,424**	76,630,468
Cost of discount factor on obligation for employees' end of service benefits	**4,284,118**	4,117,887	**8,571,566**	8,354,775
Finance costs on short-term loans	**4,863,918**	2,321,869	**9,380,362**	6,311,152
	46,638,688	45,653,823	**92,999,352**	91,296,395

21. FOREIGN CURRENCY TRANSLATION DIFFERENCES

Losses arising from the foreign currency translation differences included in the interim condensed consolidated statement of comprehensive income amounted to ⃁ 639 thousand for the six-month period ended 30 June 2026 (30 June 2025: gains amounted to 223 thousand), which is mainly due to exchange difference resulted from the Company's net investment in its subsidiary in Egypt, whose functional currency is Egyptian Pound, which has been affected by the devaluation since March 2022 by the Egyptian Authorities. The Egyptian Authorities decided during the previous periods to adopt a flexible exchange policy in which the Egyptian Pound is subject to a pricing policy based on supply and demand forces against other foreign currencies.

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

22. COMPARATIVE FIGURE

Certain comparative figures for the previous period have been reclassified to be in line with the presentation of the current period. The reclassifications shown below have no impact on the net profit, retained earnings, or previously disclosed financial positions:

Interim condensed consolidated statement of income for the six-month period ended 30 June 2025

	As previously presented	Reclassification	Impact of a change in accounting treatment in a subsidiary*	As currently presented
Net sales	5,673,208,729	(117,269)	20,440,221	5,693,531,681
Cost of sales	(4,462,330,250)	(453,446)	(20,440,221)	(4,483,223,917)
Rental income, net	44,184,684	569,121	-	44,753,805
Selling and marketing expenses	(988,680,325)	569,920	-	(988,110,405)
General and administrative expenses	(84,257,031)	(568,326)	-	(84,825,357)
Finance Income from deposits and others	9,209,956	240,000	-	9,449,956
Other income, net	3,704,583	(240,000)	-	3,464,583
		-	-	

Interim condensed consolidated statement of income for the three-month period ended 30 June 2025

	As previously presented	Reclassification	Impact of a change in accounting treatment in a subsidiary*	As currently presented
Net sales	2,535,241,682	(8,262)	11,101,707	2,546,335,127
Cost of sales	(1,956,403,678)	(181,344)	(11,101,707)	(1,967,686,729)
Rental income, net	24,442,882	188,777	-	24,631,659
Selling and marketing expenses	(483,619,424)	284,992	-	(483,334,432)
General and administrative expenses	(43,194,799)	(284,163)	-	(43,478,962)
Finance Income from deposits and others	7,288,981	240,000	-	7,528,981
Other income, net	369,641	(240,000)	-	129,641
		-	-	

*Reclassification amounts for the period ended 30 June 2025 include the impact of a change in accounting treatment at a subsidiary, Mueen Human Resources Company, relating to residency permit, work permit, visa, and post-employment costs attributable to manpower and recoverable from customers. Previously, these costs were accounted for as receivable from customers upon becoming due in accordance with the contract. The accounting treatment was revised such that these costs are now included as part of the transaction price with customers in accordance with IFRS 15 “Revenue from Contracts with Customers”.

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

23. DIVIDENDS

Shareholders of the Company

- On 10 May 2026, the Board of directors decided to distribute interim cash dividends to the shareholders for the first quarter of 2026, amounting to ⃁ 54 million, at ⃁ 0.06 per share.
- On 15 March 2026, the Board of Directors decided, by circulation, to distribute interim cash dividends to shareholders for the fourth quarter of 2025 with a total amount of 54 million, at 0.06 per share.
- On 11 May 2025, the Board of Directors decided, by circulation, to distribute interim cash dividends to shareholders for the first quarter of 2025 with a total amount of 99 million, at 0.11 per share, and it was paid during the second quarter of 2025.
- On 24 March 2025, the Board of Directors decided, by circulation, to distribute interim cash dividends to shareholders for the fourth quarter of 2024 with a total amount of 99 million, at 0.11 per share.

Non-controlling interests

- On 14 June 2026, the General Assembly of the shareholders of Mueen for Human Resources Company (Subsidiary) decided to distribute dividends to the Company's shareholders for the fiscal year ended 31 December 2025, with a total amount of SR 8,008,000, of which SR 2,562,560 represents distribution to non-controlling interests.
- On 24 June 2025, the General Assembly of the shareholders of Mueen for Human Resources Company (Subsidiary) decided to distribute dividends to the Company's shareholders for the fiscal year ended 31 December 2024, with a total amount of SR 8,008,000, of which SR 2,562,560 represents distribution to non-controlling interests.

24. FAIR VALUE

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. As such, differences can arise between carrying values and fair value estimates. Fair value is defined by the market-based measurement and assumptions used by market participants.

Management considers that the fair value of short-term financial assets and liabilities approximates their book value due to the short maturity of their maturities.

Management estimated that the fair value of loans and long-term Murabaha is close to their book value, because the commission rate on these loans changes periodically with the change in the market commission rate.

The following table shows the analysis of items recorded at fair value, according to the level of the fair value hierarchical measurement:

	30 June 2026		
	Level 1	**Level 2**	**Level 3**
Unlisted equity instruments at fair value through other comprehensive income	**-**	**-**	**9,248,364**
Financial assets at fair value through income statement*	**42,636,531**	**-**	**-**

	31 December 2025		
	Level 1	Level 2	Level 3
Unlisted equity instruments at fair value through other comprehensive income	-	-	9,248,364
Financial assets at fair value through income statement*	21,678,164	-	-

(All Amounts are Presented in Saudi Riyals Unless Otherwise Stated)

24. FAIR VALUE (continued)

The fair value of the unlisted equity instruments at fair value through other comprehensive income has been estimated on the basis of net asset value based on the latest available financial statements (level 3).

(*) These financial assets represent Mueen Human Resources Company's (a subsidiary) investment in the Alfa Murabaha Fund. The profit arising from revaluation recognized in the statement of income amounted to ⃁538.4 thousand and ⃁ 958.4 thousand for the three- and six-month periods ended 30 June 2026, respectively (30 June 2025: ⃁ 277.9 thousand and ⃁ 581.4 thousand, respectively). Below is the movement during the period:

	30 June 2026	31 December 2025
Balance at the beginning of the period / year	**21,678,164**	20,488,724
Additions during the period / year	**20,000,000**	-
Change in fair value of financial assets at fair value through income statement	**958,367**	1,189,440
Balance at the end of the period / year	**42,636,531**	21,678,164

25. SUBSEQUENT EVENTS

The Group's management believes that no additional material events have occurred after the end of the period that may require an adjustment or disclosure in these interim condensed consolidated financial statements.

26. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Board of Director on 28 Safar 1448H (corresponding to 11 August 2026).