Bahrain Flour Mills Company B.S.C.

INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2026 (Reviewed)

Commercial registration	1170 (Bahraini Joint Stock Company)
Board of Directors	Mr. Basim AlSaie (Chairman)
	Mr. Salah Mushari Al Kulaib (Vice Chairman)
	Mr. Ayman A.Hameed Zainal
	Ms. Raghdan Qassim A. Rasool
	Mr. Ali Shawki Fakhro
	Mr. Ahmad Mazhar
	Mr. Mohamed Sadiq Al Rahma
Offices and plant	Building 1773, Road 4236, Block 342 P.O Box 26787, Mina Salman, Manama – Kingdom of Bahrain
	Telephone 17729984, Fax 17729312
	E-Mail: info@bfm.bh
Bankers	Kuwait Finance House B.S.C (c)
	National Bank of Bahrain B.S.C.
	Bank of Bahrain and Kuwait B.S.C.
	Arab Bank
	National Bank of Kuwait
Auditors	Ernst & Young - Middle East
Shares registrar	Bahrain Clear B.S.C (c)

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REPORT ON THE REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BAHRAIN FLOUR MILLS COMPANY B.S.C.

Introduction

We have reviewed the accompanying interim condensed financial statements of Bahrain Flour Mills Company B.S.C. (the "Company") as at 30 June 2026, comprising of the interim statement of financial position as at 30 June 2026, the related interim statement of profit or loss for the three and six-month periods then ended, and the interim statements of cash flows and changes in equity for the six-month period then ended together with the explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information 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 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

12 August 2026
Manama, Kingdom of Bahrain

Bahrain Flour Mills Company B.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	*30 June 2026 (Reviewed) BD*	*31 December 2025 (Audited) BD*
ASSETS			
Non-current assets			
Property, plant and equipment		**6,838,032**	6,862,765
Intangible assets		**59,162**	70,418
Right-of-use assets		**3,990,317**	4,147,889
Investment securities	5	**3,897,159**	3,904,205
		14,784,670	14,985,277
Current assets			
Investment securities	5	**13,098,925**	12,878,542
Inventories		**11,279,934**	5,567,692
Receivables and other assets	6	**757,778**	2,499,815
Bank balances, short-term deposits and cash	7	**6,256,268**	4,763,209
		31,392,905	25,709,258
TOTAL ASSETS		**46,177,575**	40,694,535
EQUITY AND LIABILITIES			
Equity			
Share capital		**2,481,877**	2,481,877
Share premium		**1,350,000**	1,350,000
Statutory reserve		**1,241,625**	1,241,625
Other reserves		**3,463,628**	3,463,628
Retained earnings		**18,905,157**	18,855,741
Total equity		**27,442,287**	27,392,871
Non-current liabilities			
Employees' end of service benefits		**161,933**	150,475
Lease liabilities - non-current portion		**4,595,829**	4,506,712
		4,757,762	4,657,187
Current liabilities			
Lease liabilities - current portion		**185,086**	222,081
Term loan	8	**1,869,814**	2,121,318
Trade payables and other liabilities		**1,708,875**	565,368
Import finance loans		-	1,073,736
Amount due to the Government		-	1,721,654
Advance received from the Government	9	**10,213,751**	2,940,320
		13,977,526	8,644,477
Total liabilities		**18,735,288**	13,301,664
TOTAL EQUITY AND LIABILITIES		**46,177,575**	40,694,535

Basim AlSaie Chairman	Salah Mohamed Al Kulaib Vice Chairman	Wayne Henry Craig Chief Executive Officer

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

Bahrain Flour Mills Company B.S.C.

INTERIM STATEMENT OF PROFIT OR LOSS

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

		Three-month period ended		*Six-month period ended*	
	Note	***30 June 2026 BD***	*30 June 2025 BD*	***30 June 2026 BD***	*30 June 2025 BD*
Revenue	10	**1,691,141**	1,752,414	**3,740,683**	3,693,169
Cost of revenue		**(4,766,164)**	(4,256,545)	**(9,103,584)**	(8,693,967)
Gross loss before Government subsidy		**(3,075,023)**	(2,504,131)	**(5,362,901)**	(5,000,798)
Government subsidy	11	**3,555,412**	3,531,150	**6,617,214**	6,404,222
Gross profit		**480,389**	1,027,019	**1,254,313**	1,403,424
Other operating income		**126,529**	87,316	**230,861**	193,376
Other operating expenses		**(560,495)**	(411,169)	**(1,155,050)**	(925,809)
Operating profit		**46,423**	703,166	**330,124**	670,991
Net change in fair value of investment securities at fair value through profit or loss		**119,950**	247,416	**220,383**	12,694
Interest income from investment securities at amortised cost - net		**58,513**	58,584	**118,494**	117,314
Finance cost		**(113,206)**	(127,762)	**(237,576)**	(276,985)
Other income		**182,226**	93,117	**263,611**	152,633
Net profit for the period		**293,906**	974,521	**695,036**	676,647
Basic and diluted earnings per share (fils)	12	**11.84**	39.25	**28.00**	27.26

Basim AlSaie
Chairman

Salah Mohamed Al Kulaib
Vice Chairman

Wayne Henry Craig
Chief Executive Officer

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

INTERIM STATEMENT OF CASH FLOWS

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

	Note	*Six-month period ended* **30 June 2026 BD**	*30 June 2025 BD*
OPERATING ACTIVITIES			
Net profit for the period		**695,036**	676,647
Adjustments for:			
Depreciation on property, plant and equipment		**438,145**	444,648
Amortisation of intangible assets		**11,257**	11,255
Depreciation on right-of-use assets		**202,799**	202,670
Net change in fair value of investment securities at fair value through profit or loss		**(220,383)**	(12,694)
Interest income from investment securities at amortised cost- net		**(118,494)**	(117,314)
Interest income from bank balances and short-term deposits		**(87,957)**	(28,404)
Finance cost		**237,576**	276,985
Reversal of provision for slow moving and obsolete inventories		**(4,054)**	(3,862)
Provision for employees' end of service benefits		**24,234**	17,223
Operating profit before working capital changes		**1,178,159**	1,467,154
Working capital changes:			
Inventories		**(5,708,188)**	(719,384)
Receivables and other assets		**(5,165,528)**	(4,061,205)
Trade payables and other liabilities		**1,154,886**	(98,517)
Net cash used in operations		**(8,540,671)**	(3,411,952)
Employees' end of service benefits paid		**(12,776)**	(13,279)
Donation paid		**(25,000)**	(24,527)
Net cash flows used in operating activities		**(8,578,447)**	(3,449,758)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(413,732)**	(235,129)
Interest income received from investment securities at amortised cost- net		**125,540**	124,360
Placement of short-term deposits with an original maturity of more than 90 days		**(1,000,000)**	-
Interest income received from bank balances and short-term deposits		**78,427**	38,629
Net cash flows used in investing activities		**(1,209,765)**	(72,140)
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		**(116,068)**	(114,966)
Term loan paid		**(251,504)**	(17,140)
Import finance loans paid		**(1,073,736)**	(2,258,413)
Amount paid to the Government		**(1,721,654)**	(2,902,669)
Advance received from the Government	9	**14,190,528**	8,862,323
Finance cost paid		**(125,675)**	(169,560)
Dividends paid		**(620,620)**	(620,620)
Net cash flows from financing activities		**10,281,271**	2,778,955
NET CHANGE IN CASH AND CASH EQUIVALENTS		**493,059**	(742,943)
Cash and cash equivalents at 1 January		**4,763,209**	4,377,581
CASH AND CASH EQUIVALENTS AT 30 JUNE		**5,256,268**	3,634,638

Non-cash Items:

- Advance received from the Government of BD 6,917,097 (30 June 2025: BD 3,330,316) has been adjusted with the subsidy receivable (note 9).
- Recognition of a new lease of BD 45,227 (30 June 2025: nil) has been excluded from the movement in right-of-use assets and lease liabilities.

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY

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

	Note	***Share capital BD***	***Share premium BD***	***Statutory reserve BD***	***Other reserves BD***	***Retained earnings BD***	***Total equity BD***
At 1 January 2026 (Audited)		**2,481,877**	**1,350,000**	**1,241,625**	**3,463,628**	**18,855,741**	**27,392,871**
Net profit for the period		**-**	**-**	**-**	**-**	**695,036**	**695,036**
Charity approved for 2025	15	**-**	**-**	**-**	**-**	**(25,000)**	**(25,000)**
Dividends for 2025	15	**-**	**-**	**-**	**-**	**(620,620)**	**(620,620)**
At 30 June 2026 (Reviewed)		**2,481,877**	**1,350,000**	**1,241,625**	**3,463,628**	**18,905,157**	**27,442,287**

		Share capital BD	*Share premium BD*	*Statutory reserve BD*	*Other reserves BD*	*Retained earnings BD*	*Total equity BD*
At 1 January 2025 (Audited)		2,481,877	1,350,000	1,241,625	3,463,628	18,326,466	26,863,596
Net profit for the period		-	-	-	-	676,647	676,647
Charity approved for 2024	15	-	-	-	-	(25,000)	(25,000)
Dividends for 2024	15	-	-	-	-	(620,620)	(620,620)
At 30 June 2025 (Reviewed)		2,481,877	1,350,000	1,241,625	3,463,628	18,357,493	26,894,623

1 CORPORATE INFORMATION

Bahrain Flour Mills Company B.S.C. (the "Company") is a Bahraini public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain under commercial registration number 1170 obtained on 16 July 1970 and listed on Bahrain Bourse. The Company was incorporated by an Amiri Charter dated 9 May 1970 and commenced commercial operations on 1 May 1972. The Company is engaged in the production of flour and related products which are mainly sold in the local market.

The interim condensed financial statements comprise the results of the Company for the six-month period ended 30 June 2026.

The Company's majority shareholder is Bahrain Food Holding Company W.L.L, which holds 65.73% of the Company's shares (the "Parent"). The Parent is wholly owned by Bahrain Investment Holding Company - Istithmar W.L.L, which in turn is wholly owned by Bahrain Mumtalakat Holding Company B.S.C (c) (the "Ultimate Parent"). The Ultimate Parent is controlled by the Government of the Kingdom of Bahrain (the "Government").

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 12 August 2026.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

Basis of preparation
The interim condensed financial statements for the six-month period ended 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Board of Directors considers that there are no material uncertainties that may cast significant doubt over this assumption and formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025. In addition, results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. As the Company had no items of other comprehensive income (OCI) in the current and prior periods, an interim statement of comprehensive income has not been presented in these interim condensed financial statements.

Accounting convention
The interim condensed financial statements have been prepared under the historical cost convention except for fair value measurement of investment securities classified as at fair value through profit or loss.

Functional and presentation currency
The interim condensed financial statements have been presented in Bahrain Dinars ("BD") which is the functional currency of the Company.

New and amended standards and interpretations effective from 1 January 2026
The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of certain amendments and improvements to standards as of 1 January 2026. The Company has not early adopted any other new and amended standards and interpretations that have been issued but are not yet effective.

- *Annual Improvements to IFRS Accounting Standards - Volume 11 - In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS Accounting Standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows;*

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

New and amended standards and interpretations effective from 1 January 2026 (continued)

- *Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments - In May 2024, the IASB issued these amendments which:*
  - *i) Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.*
  - *ii) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.*
  - *iii) Clarify the treatment of non-recourse assets and contractually linked instruments.*
  - *iv) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that refer a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income; and*
- *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7- In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:*
  - *i) Clarify the application of the 'own-use' requirements for in-scope contracts.*
  - *ii) Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts.*
  - *iii) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.*

The above amendments and improvements had no material impact on Company's interim condensed financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed financial statements for the six-month period ended 30 June 2026 are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2025.

4 SEASONALITY OF OPERATIONS

The Company is engaged in the production and sale of flour and related products and does not experience any seasonality in its operations. It also generates income from its investments segment, including interest and dividend income. Interest income is generally consistent throughout the year and is not subject to seasonality, except in the case of changes in interest rates, while dividend income may vary across reporting periods depending on the timing of dividend declarations.

5 INVESTMENT SECURITIES

	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*
Non-current:		
Investment securities at amortised cost	**3,897,159**	3,904,205
Current:		
Investment securities at fair value through profit or loss	**13,098,925**	12,878,542

The investments at amortised cost consist of unquoted debt securities while investments at fair value through profit or loss consist of quoted equity securities and a managed fund.

6 RECEIVABLES AND OTHER ASSETS

	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*
Subsidy receivable (note 13)	**233,333**	1,891,669
Trade receivables	**206,641**	201,569
Advances to suppliers	**137,119**	128,184
VAT receivable - net	**106,130**	48,452
Interest accrued	**67,519**	57,989
Prepayments	**32,960**	31,580
Accrued income	**40,002**	-
Other receivables	**24,783**	231,081
	848,487	2,590,524
Allowance for expected credit losses	**(90,709)**	(90,709)
	757,778	2,499,815

7 BANK BALANCES, SHORT-TERM DEPOSITS AND CASH

For the purpose of the interim statement of cash flows, cash and cash equivalents comprise of the following:

	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*
Cash on hand	**1,172**	2,175
Bank balances	**2,029,394**	719,321
Short-term deposits with an original maturity of less than 90 days	**3,225,702**	4,041,713
Cash and cash equivalents	**5,256,268**	4,763,209
Short-term deposits with an original maturity of more than 90 days	**1,000,000**	-
	6,256,268	4,763,209

8 TERM LOAN

The Company has obtained a loan to finance the mill expansion project as well as other operating needs through a repo facility arrangement with a financial institution with an aggregate limit of BD 2,250,000 (the "Facility Amount"). The Board of Directors decided to utilise the proceeds from the term loan to finance the mill expansion project only. The loan is secured against debt securities and as per the arrangement, the value of the collateral must always exceed the Facility Amount and a minimum collateral ratio of 1.33x or a loan-to-value ratio ("LTV") of 75% or below is required to be maintained. At 30 June 2026, the fair value of debt securities held as collateral is BD 3,928,037 (31 December 2025: BD 4,101,257). A143. The loan carries annual interest rate of 3 month SOFR plus 2% being 5.57% per annum at 30 June 2026 (31 December 2025: 5.85% per annum). Management of the Company intends to rollover the term loan until 2030. Based on the contractual maturity of three months and the fact that any rollover is subject to mutual agreement between the parties, the loan has been classified as a current liability.

9 ADVANCE RECEIVED FROM THE GOVERNMENT

The Company has entered into an arrangement with the Ministry of Finance and National Economy of the Kingdom of Bahrain, to receive advance payment against the import of wheat, flour and bran. The main purpose of such an advance payment is to support the payment for such import shipments. As a part of the funding mechanism, Government subsidy is adjusted against advance received from the Government and any unadjusted balance is payable or receivable to or from the Government at year end. During the six-month period ended 30 June 2026, a further amount of BD 14,190,528 (30 June 2025: BD 8,862,323) was received as an advance, out of which BD 6,917,097 (30 June 2025: BD 3,330,316) was adjusted against subsidy on the sale of goods in the local market.

10 REVENUE

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Three-month period ended		*Six-month period ended*	
	30 June 2026 (Reviewed) BD	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*
a) Type of goods				
Flour	**1,162,943**	1,228,285	**2,460,169**	2,491,251
Bran	**289,907**	320,356	**629,675**	591,788
Special products	**238,291**	203,773	**650,839**	610,130
	1,691,141	1,752,414	**3,740,683**	3,693,169
b) Geographical markets				
Kingdom of Bahrain	**1,691,141**	1,752,414	**3,740,683**	3,693,169
c) Timing of revenue recognition				
Recorded at a point in time	**1,691,141**	1,752,414	**3,740,683**	3,693,169

11 GOVERNMENT SUBSIDY

Government subsidy is available for most of the Company's products sold locally and is calculated as the difference between the actual cost of wheat, flour, and bran purchased and used for local sales, plus a conversion cost of BD 31 per ton for manufactured flour, a range of BD 98 to BD 145 per ton for special products (30 June 2025: same), and an execution fee of BD 7.5 per ton for imported flour and bran, and the sales value of these products during the period.

The following table shows the details of Government subsidy:

	Three-month period ended		*Six-month period ended*	
	30 June 2026 (Reviewed) BD	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*
Actual cost of wheat used for products sold subject to subsidy	**2,736,755**	3,602,564	**6,433,800**	7,378,604
Actual cost of imported flour sold	**955,849**	-	**955,849**	-
Actual cost of imported bran sold	**364,238**	-	**364,238**	-
Plus: landing costs on imports	**54,446**	21,276	**54,446**	43,040
	4,111,288	3,623,840	**7,808,333**	7,421,644
Plus: conversion fee per ton of wheat products sold subject to subsidy	**754,714**	965,816	**1,849,243**	1,995,001
Plus: execution fee of BD 7.5 per ton of imported flour sold	**30,272**	-	**30,272**	-
Plus: execution fee of BD 7.5 per ton of imported bran sold	**12,867**	-	**12,867**	-
	4,909,141	4,589,656	**9,700,715**	9,416,645
Gross sales subject to subsidy	**(1,703,729)**	(1,758,506)	**(3,783,501)**	(3,712,423)
	3,205,412	2,831,150	**5,917,214**	5,704,222
Plus: compensation (note 11.1)	**350,000**	700,000	**700,000**	700,000
	3,555,412	3,531,150	**6,617,214**	6,404,222

11 GOVERNMENT SUBSIDY (continued)

11.1 This represents the amount approved by the Ministry of Finance and National Economy of the Kingdom of Bahrain to compensate for the increase in conversion costs per ton of the subsidised products sold.

Quantity sold during the six-month period ended 30 June 2026 was 61,636 tons out of which 61,634 tons were subsidised and 2 tons were commercial sales (30 June 2025: 61,269 tons sold, out of which 61,174 tons were subsidised and 95 tons were commercial sales).

12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the period attributed to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period and is as follows:

	Three-month period ended		*Six-month period ended*	
	30 June 2026 (Reviewed)	*30 June 2025 (Reviewed)*	***30 June 2026 (Reviewed)***	*30 June 2025 (Reviewed)*
Net profit for the period (BD)	**293,906**	974,521	**695,036**	676,647
Weighted average number of equity shares in issue	**24,825,570**	24,825,570	**24,825,570**	24,825,570
Basic and diluted earnings per share (fils)	**11.84**	39.25	**28.00**	27.26

Basic and diluted earnings per share are the same since the Company has not issued any instruments that would have a dilutive effect.

13 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, the Ultimate Parent, key management personnel of the Company, as well as their immediate family members, and entities controlled, jointly controlled, or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

Being an entity under the control of the Government of the Kingdom of Bahrain, the Company qualifies as a government related entity under the definitions provided in International Accounting Standard 24 *Related Party Disclosures* ("IAS 24"). Accordingly, the Company considers Government departments, ministries and other Government controlled organisations as its related parties. The Company purchases electricity, receives subsidy against the sale of goods in the local market, receives grant against specific expenses incurred, pays lease rentals and receives other services from various Government, semi-Government organisations and other Government related entities in the Kingdom of Bahrain. Other than the subsidy and grant, all such other transactions are not considered to be individually significant. All related party transactions and balances are in the normal course of business.

Transactions with the Government and other related parties included in the interim statement of profit or loss are as follows:

	Six-month period ended	
	30 June 2026 (Reviewed) BD	*30 June 2025 (Reviewed) BD*
Government		
Government subsidy (note 11)	**6,617,214**	6,404,222
Other operating income	**230,861**	193,376

13 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	Six-month period ended	
	30 June 2026 (Reviewed) BD	30 June 2025 (Reviewed) BD
Affiliates of Ultimate Parent		
Interest income on bank balances and short-term deposits	**15,868**	757
Other operating expenses	**14,831**	11,132

Balances with the Government and other related parties included in the interim statement of financial position are as follows:

	30 June 2026 (Reviewed) BD	31 December 2025 (Audited) BD
Government		
Subsidy receivable (note 6)	**233,333**	1,891,669
Amount due to the Government	**-**	1,721,654
Advance received from the Government	**10,213,751**	2,940,320
Other liabilities	**675,381**	-
Affiliates of Ultimate Parent		
Bank balances and short-term deposits	**1,298,893**	510,702
Trade payables and other liabilities	**6,679**	-

During the six-month period ended 30 June 2026, the Ultimate Parent provided the Company with storage space for finished goods inventory and office space, without any charge to the Company.

Compensation of key management personnel

Key management personnel of the Company comprise of the Board of Directors and other members of key management having authority and responsibility for planning, directing and controlling the activities of the Company.

The remuneration of key management personnel included in the interim statement of profit or loss are as follows:

	Six-month period ended	
	30 June 2026 (Reviewed) BD	30 June 2025 (Reviewed) BD
Board of Directors:		
Remuneration	**30,000**	30,000
Sitting fees	**36,800**	25,400
Other expenses	**8,832**	6,876
Other members of key management:		
Salaries and short-term benefits	**213,639**	235,059
End of service benefits	**18,696**	11,835
	307,967	309,170

13 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Compensation of key management personnel (continued)

The balances of remuneration payable to the key management personnel included in the interim statement of financial position are as follows:

	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*
Board of Directors:		
Remuneration	**30,000**	60,000
Other members of key management:		
Salaries and short-term benefits	**31,541**	17,162
End of service benefits	**98,603**	88,548
	160,144	165,710

14 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Classification

The details of classification of financial assets and financial liabilities held by the Company at the reporting date are as follows:

	30 June 2026 (Reviewed)		
	Fair value through profit and loss BD	***Amortised cost BD***	***Total carrying value BD***
Financial assets			
Investment securities	**13,098,925**	**3,897,159**	**16,996,084**
Receivables and other assets	**-**	**441,567**	**441,567**
Bank balances, short-term deposits and cash	**-**	**6,256,268**	**6,256,268**
	13,098,925	**10,594,994**	**23,693,919**

	31 December 2025 (Audited)		
	Fair value through profit and loss BD	*Amortised cost BD*	*Total carrying value BD*
Financial assets			
Investment securities	12,878,542	3,904,205	16,782,747
Receivables and other assets	-	2,291,599	2,291,599
Bank balances, short-term deposits and cash	-	4,763,209	4,763,209
	12,878,542	10,959,013	23,837,555

	30 June 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*
Financial liabilities at amortised cost		
Lease liabilities	**4,780,915**	4,728,793
Term loan	**1,869,814**	2,121,318
Trade payables and other liabilities	**605,643**	229,809
Import finance loans	**-**	1,073,736
Amount due to the Government	**-**	1,721,654
	7,256,372	9,875,310

14 CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value measurement
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 in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the interim condensed financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

Fair value of investment securities at fair value through profit or loss
Fair values of quoted equity investments and a managed fund are derived from quoted prices in active markets. The fair values are categorised into level 1 of the fair value hierarchy. There were no transfers between the different levels of the fair value hierarchy during the current period and prior year.

Fair value of other financial instruments
The fair values of other financial instruments are estimated based on the following methods and assumptions:

a) Receivables and other assets, bank balances, short-term deposits and cash, term loan, trade payables and other liabilities, import finance loans and amount due to the Government approximate their carrying amounts at the reporting date largely due to the short-term maturities of these instruments (31 December 2025: same).

b) Investment securities measured at amortised cost and lease liabilities are evaluated by the Company based on parameters such as interest rates. At the reporting date, the carrying amount of lease liabilities is not materially different from its fair value (31 December 2025: same); whereas the fair value of investment securities measured at amortised cost amounted to BD 3,928,037 (31 December 2025: BD 4,101,257).

15 APPROPRIATIONS

At the Annual General Meeting of the shareholders held on 18 March 2026, a final cash dividend of 25 fils per share totalling BD 620,620 and contribution to charity of BD 25,000 for the year ended 31 December 2025 were declared (2025: at the Annual General Meeting of the shareholders held on 26 March 2025, a final cash dividend of 25 fils per share totalling BD 620,620 and contribution to charity of BD 25,000 for the year ended 31 December 2024 were declared).

The directors' remuneration of BD 60,000 for the year ended 31 December 2025 was approved by the shareholders at the Annual General Meeting held on 18 March 2026 (2025: the directors' remuneration of BD 46,815 for the year ended 31 December 2024 was approved by the shareholders at the Annual General Meeting held on 26 March 2025).

16 SEGMENTAL INFORMATION

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular environment (geographical segment), and is subject to risks and rewards that are different from those of other segments. The Company's activities mainly comprise two segments (i) Flour Mills and (ii) Investments.

The following table presents the details of segmental operating results for the three and six month periods ended 30 June 2026 and 30 June 2025:

	Flour sales segment		*Investments segment*		*Total*	
Three-month period ended	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*
Revenue	**1,691,141**	1,752,414	**-**	-	**1,691,141**	1,752,414
Government subsidy	**3,555,412**	3,531,150	**-**	-	**3,555,412**	3,531,150
Other operating income	**126,529**	87,316	**-**	-	**126,529**	87,316
Change in fair value of investment securities at fair value through profit or loss	**-**	-	**(1,104)**	169,477	**(1,104)**	169,477
Dividend income on equity securities	**-**	-	**151,256**	104,571	**151,256**	104,571
Interest income from investment securities at amortised cost	**-**	-	**69,272**	69,272	**69,272**	69,272
Other income	**182,226**	93,117	**-**	-	**182,226**	93,117
Total revenue	**5,555,308**	5,463,997	**219,424**	343,320	**5,774,732**	5,807,317
Cost of revenue	**4,766,164**	4,256,545	**-**	-	**4,766,164**	4,256,545
Other operating expenses	**560,495**	411,169	**-**	-	**560,495**	411,169
Management and performance fee	**-**	-	**40,961**	37,320	**40,961**	37,320
Finance cost	**113,206**	127,762	**-**	-	**113,206**	127,762
Total expenses	**5,439,865**	4,795,476	**40,961**	37,320	**5,480,826**	4,832,796
Segment profit for the period	**115,443**	668,521	**178,463**	306,000	**293,906**	974,521

16 SEGMENTAL INFORMATION (continued)

Six-month period ended	*Flour sales segment*		*Investments segment*		*Total*	
	30 June 2026 (Reviewed) BD	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*	***30 June 2026 (Reviewed) BD***	*30 June 2025 (Reviewed) BD*
Revenue	**3,740,683**	3,693,169	**-**	-	**3,740,683**	3,693,169
Government subsidy	**6,617,214**	6,404,222	**-**	-	**6,617,214**	6,404,222
Other operating income	**230,861**	193,376	**-**	-	**230,861**	193,376
Change in fair value of investment securities at fair value through profit or loss	**-**	-	**125,314**	(125,832)	**125,314**	(125,832)
Dividend income on equity securities	**-**	-	**279,094**	213,313	**279,094**	213,313
Interest income from investment securities at amortised cost	**-**	-	**138,582**	138,582	**138,582**	138,582
Other income	**263,611**	152,633	**-**	-	**263,611**	152,633
Total revenue	**10,852,369**	10,443,400	**542,990**	226,063	**11,395,359**	10,669,463
Cost of revenue	**9,103,584**	8,693,967	**-**	-	**9,103,584**	8,693,967
Other operating expenses	**1,155,050**	925,809	**-**	-	**1,155,050**	925,809
Management and performance fee	**-**	-	**204,113**	96,055	**204,113**	96,055
Finance cost	**237,576**	276,985	**-**	-	**237,576**	276,985
Total expenses	**10,496,210**	9,896,761	**204,113**	96,055	**10,700,323**	9,992,816
Segment profit for the period	**356,159**	546,639	**338,877**	130,008	**695,036**	676,647
Capital expenditure*	**413,732**	235,129	**-**	-	**413,732**	235,129

* This represents capital expenditures incurred for the acquisition of property, plant, and equipment during the current and prior periods.

16 SEGMENTAL INFORMATION (continued)

The following table presents the details of segmental assets and liabilities as at 30 June 2026 and as at 31 December 2025:

	Flour sales segment		***Investments segment***		***Total***	
	30-Jun 2026 (Reviewed) BD	*31 December 2025 (Audited) BD*	***30-Jun 2026 (Reviewed) BD***	*31 December 2025 (Audited) BD*	***30-Jun 2026 (Reviewed) BD***	*31 December 2025 (Audited) BD*
Total assets	**29,132,322**	23,862,619	**17,045,253**	16,831,916	**46,177,575**	40,694,535
Total liabilities	**18,735,288**	13,301,664	**-**	-	**18,735,288**	13,301,664

17 GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST

The geopolitical situation in the Middle East has intensified since late February 2026, with ongoing developments affecting several countries in the region, including the Kingdom of Bahrain. These developments have increased uncertainty in the regional economic environment and have disrupted certain business and economic activities across the region.

During the six-month period ended 30 June 2026, the Company did not experience any material adverse impacts on its operations or supply chain. However, production activities were temporarily halted and one of the Company’s warehouses was relocated to an alternate location due to security concerns. Management responded to these circumstances and managed the resumption and continuation of production activities thereafter.

In response to the evolving geopolitical environment, the Company has reviewed its business continuity arrangements and enhanced its existing risk management and monitoring practices to address potential operational, credit, and liquidity risks. Management continues to closely monitor developments and their potential implications for the Company’s operations, financial position and performance.

As at 30 June 2026, management assessed the carrying values of the Company’s financial and non-financial assets for any indicators of impairment or the need for valuation adjustments arising from the prevailing geopolitical environment, the circumstances described above, and maritime traffic disruptions in the region. Based on the information available at the reporting date, management concluded that the carrying values of these assets appropriately reflect the conditions and risks existed as at 30 June 2026.

However, given the ongoing uncertainty surrounding the geopolitical environment, management will continue to monitor developments and assess their potential implications on the Company’s business in future reporting periods.