

**Bawan Company**  
**(A Saudi Joint Stock Company)**

**INDEPENDENT AUDITOR'S REVIEW REPORT AND  
INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED)**

**FOR THE THREE AND NINE MONTHS PERIODS ENDED  
30 SEPTEMBER 2025**

Bawan Company  
(A Saudi Joint Stock Company)

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months periods ended 30 September 2025

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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BAWAN COMPANY (A SAUDI JOINT STOCK COMPANY)

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Bawan Company (A Saudi Joint stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2025, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three and nine months period ended 30 September 2025, and the related interim condensed consolidated statements of changes in equity and interim condensed consolidated statement of cashflows for nine months period ended 30 September 2025 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 condensed 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.

### Other matter

The consolidated financial statements for the year ended December 31, 2024 and the interim financial information for the three and nine months period ended September 30, 2024 were audited and reviewed, respectively, by another auditor who expressed an unmodified audit opinion on those statements and unmodified review conclusion on that information on 24 March 2025 (corresponding to 24 Ramadan 1446H) and 3 November 2024 (corresponding to 1 Jumada Al Ula 1446H), respectively.

### 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



Waleed G. Tawfiq  
Certified Public Accountant  
License No. (437)



Riyadh: 19 Jumada al-Ula 1447  
10 November 2025

**Bawan Company**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As of 30 September 2025

(All amounts in Saudi riyals thousands unless otherwise stated)

		<b>30 September 2025</b>	<b>31 December 2024</b>
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	<b>765,088</b>	701,532
Right-of-use assets		<b>67,549</b>	23,288
Goodwill	15,11	<b>232,079</b>	4,397
Intangible assets		<b>9,541</b>	5,716
Non current portion of due from a related party	11	<b>49,982</b>	-
Other assets		<b>1,314</b>	1,634
<b>Total non-current assets</b>		<b>1,125,553</b>	736,567
<b>Current assets</b>			
Inventories		<b>987,945</b>	781,539
Spare parts		<b>33,946</b>	32,357
Financial assets at fair value through profit or loss (FVTPL)		-	2,226
Trade receivables and other current assets	7	<b>1,048,579</b>	620,296
Current portion of due from a related party	15,11	<b>18,733</b>	-
Contract assets		<b>237,175</b>	-
Cash and cash equivalents		<b>121,429</b>	424,913
<b>Total current assets</b>		<b>2,447,807</b>	1,861,331
<b>TOTAL ASSETS</b>		<b>3,573,360</b>	2,597,898
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8.1	<b>600,000</b>	600,000
Statutory reserve	8.2	<b>69,440</b>	69,440
Other reserves	15	<b>(117,482)</b>	(10,915)
Retained earnings		<b>409,475</b>	270,261
Equity attributable to shareholders of the Company		<b>961,433</b>	928,786
Non-controlling interests (NCI)		<b>39,350</b>	32,684
<b>TOTAL EQUITY</b>		<b>1,000,783</b>	961,470

(continued)

The attached notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Bawan Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (CONTINUED)

As of 30 September 2025

(All amounts in Saudi riyals thousands unless otherwise stated)

		30 September 2025 (Unaudited)	31 December 2024 (Audited)
	Note		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	9	465,280	476,305
Payables to NCI	15	192,100	-
Lease liabilities		53,784	18,938
Employee defined benefit liabilities		98,412	70,884
<b>Total non-current liabilities</b>		<b>809,576</b>	<b>566,127</b>
<b>Current liabilities</b>			
Trade and other payables		674,090	565,575
Short-term borrowings	9	792,404	352,407
Current portion of payable to NCI	15	75,000	-
Current portion of long-term borrowings	9	42,339	58,059
Contract liabilities		139,312	67,564
Current portion of lease liabilities		15,219	3,493
Zakat and income tax payable		22,391	20,957
Dividends payable		2,246	2,246
<b>Total current liabilities</b>		<b>1,763,001</b>	<b>1,070,301</b>
<b>TOTAL LIABILITIES</b>		<b>2,572,577</b>	<b>1,636,428</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,573,360</b>	<b>2,597,898</b>



Chief Financial Officer



Chief Executive Officer



Chairman of the Board of  
Directors

Bawan Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025

(All amounts in Saudi riyals thousands unless otherwise stated)

		<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
			<i>2024</i>		<i>2024</i>
	<i>Note</i>	<b>2025</b>	<i>Restated (note 18)</i>	<b>2025</b>	<i>Restated (note 18)</i>
Revenue	12, 11	<b>1,088,978</b>	682,596	<b>2,965,299</b>	2,199,034
Cost of revenue	11 & 18	<b>(920,536)</b>	(608,337)	<b>(2,507,357)</b>	(1,973,445)
<b>Gross profit</b>	18	<b>168,442</b>	74,259	<b>457,942</b>	225,589
Selling and distribution expenses	18	<b>(22,253)</b>	(16,458)	<b>(63,803)</b>	(49,492)
General and administrative expenses		<b>(58,734)</b>	(23,857)	<b>(139,869)</b>	(72,678)
Reversal / (charge) of expected credit loss (ECL) on trade receivables	7	<b>(1,250)</b>	(225)	<b>1,974</b>	475
Gain/(loss) on disposal of investment in financial assets at FVTPL		<b>196</b>	(91)	<b>2,218</b>	2,886
Fair value loss on investment in financial assets at FVTPL		<b>(5)</b>	(21)	-	(31)
Other income, net		<b>3,948</b>	1,792	<b>2,309</b>	4,840
<b>Profit before finance costs and zakat and income tax</b>		<b>90,344</b>	35,399	<b>260,771</b>	111,589
Finance costs	13	<b>(23,555)</b>	(7,294)	<b>(77,675)</b>	(23,523)
<b>Profit before zakat and income tax</b>		<b>66,789</b>	28,105	<b>183,096</b>	88,066
Zakat and income tax		<b>(13,055)</b>	(3,314)	<b>(30,154)</b>	(8,835)
<b>Net profit for the period</b>		<b>53,734</b>	24,791	<b>152,942</b>	79,231
<b>Other comprehensive loss</b>					
<i>Item that may be reclassified to profit or loss:</i>					
Foreign currency translation differences		<b>(620)</b>	-	<b>(1,747)</b>	-
<b>Other comprehensive loss for the period</b>		<b>(620)</b>	-	<b>(1,747)</b>	-
<b>Total comprehensive income for the period</b>		<b>53,114</b>	24,791	<b>151,195</b>	79,231
<b>Profit for the period attributable to:</b>					
Ordinary shareholders of the Company		<b>52,336</b>	23,447	<b>139,214</b>	75,719
Non-controlling interests		<b>1,398</b>	1,344	<b>13,728</b>	3,512
		<b>53,734</b>	24,791	<b>152,942</b>	79,231
<b>Total comprehensive income for the period attributable to</b>					
Ordinary shareholders of the Company		<b>51,840</b>	23,447	<b>137,818</b>	75,719
Non-controlling interests		<b>1,274</b>	1,344	<b>13,377</b>	3,512
		<b>53,114</b>	24,791	<b>151,195</b>	79,231

(continued)

The attached notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Bawan Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME (UNAUDITED) (CONTINUED)

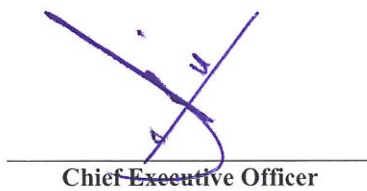
For the three-month and nine-month periods ended 30 September 2025

(All amounts in Saudi riyals thousands unless otherwise stated)

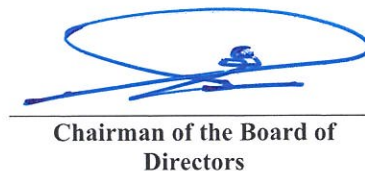
		<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
		<i>2025</i>	<i>2024 Restated (note 18)</i>	<i>2025</i>	<i>2024 Restated (note 18)</i>
	<i>Note</i>				
<b>Earnings per share for profit attributable to the ordinary shareholders of the Company:</b>					
Basic and diluted	5	<b>0.87</b>	0.39	<b>2.32</b>	1.26



Chief Financial Officer



Chief Executive Officer



Chairman of the Board of  
Directors

Bawan Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 September 2025

(All amounts in Saudi riyals thousands unless otherwise stated)

	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Equity attributable to shareholders of the Company</i>	<i>Non Controlling interests</i>	<i>Total</i>
At 1 January 2025 (Audited)	600,000	69,440	(10,915)	270,261	928,786	32,684	961,470
Net profit for the period	-	-	-	139,214	139,214	13,728	152,942
Other comprehensive loss for the period	-	-	(1,396)	-	(1,396)	(351)	(1,747)
Total comprehensive income for the period	-	-	(1,396)	139,214	137,818	13,377	151,195
Non-controlling interest recognized on newly acquired subsidiary (note 15)	-	-	-	-	-	18,367	18,367
Liability against NCI put option recognized against reserve (note 15)	-	-	(130,249)	-	(130,249)	-	(130,249)
Classification of NCI put option reserve (note 15)	-	-	25,078	-	25,078	(25,078)	-
At 30 September 2025 (Unaudited)	600,000	69,440	(117,482)	409,475	961,433	39,350	1,000,783

(continued)

The attached notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.



Bawan Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine months period ended 30 September 2025

(All amounts in Saudi riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Other reserves	Retained earnings	Equity attributable to shareholders of the Company	Non Controlling interests	Total
At 1 January 2024 (Audited)	600,000	66,525	-	253,403	919,928	40,890	960,818
Net profit for the period	-	-	-	75,719	75,719	3,512	79,231
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	75,719	75,719	3,512	79,231
Transfer to statutory reserve	-	2,915	-	(2,915)	-	-	-
<b>Transactions with current owners in their capacity as owners:</b>							
Acquisition of additional shares in subsidiaries (Note 1)	-	-	(10,915)	-	(10,915)	(9,085)	(20,000)
Dividends (note 16)	-	-	-	(87,000)	(87,000)	(4,950)	(91,950)
At 30 September 2024 (Unaudited)	600,000	69,440	(10,915)	239,207	897,732	30,367	928,099

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman of the Board of Directors

The attached notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Bawan Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the Nine months period ended 30 September 2025

(All amounts in Saudi riyals thousands unless otherwise stated)

	<i>Nine months period ended</i>	
	<i>30 September</i>	
	<i>2025</i>	<i>2024</i>
<b>OPERATING ACTIVITIES</b>		
Profit before zakat and income tax:	<b>183,096</b>	88,066
<i>Adjustments for:</i>		
Depreciation and amortization	<b>64,396</b>	46,803
Employee defined benefit liabilities	<b>12,604</b>	8,578
Finance costs	<b>77,675</b>	23,523
Reversal of expected credit loss on trade receivables	<b>(1,974)</b>	(475)
Fair value loss on investment in financial assets at FVTPL	<b>-</b>	31
Gain on disposal of investment in financial assets at FVTPL	<b>(2,218)</b>	(2,886)
Gain on derecognition of right-of-use-assets	<b>(232)</b>	(68)
Gain on disposal of property, plant and equipment	<b>(2,666)</b>	(1,054)
Provision for warranties	<b>967</b>	799
Operating cash flows before movement in working capital	<b>331,648</b>	163,317
<i>Changes in working capital:</i>		
Inventories	<b>5,463</b>	98,164
Spare parts	<b>(1,589)</b>	(1,651)
Trade receivables and other current assets	<b>(73,844)</b>	(7,283)
Contract assets	<b>119,256</b>	-
Trade and other payables	<b>(52,696)</b>	(94,264)
Contract liabilities	<b>(9,579)</b>	5,521
<b>Cash generated from operations</b>	<b>318,659</b>	163,804
Employee defined benefit liabilities paid	<b>(6,668)</b>	(4,805)
Zakat and income tax paid	<b>(67,876)</b>	(19,698)
Finance costs paid	<b>(75,784)</b>	(22,122)
<b>Net cash flows generated from operating activities</b>	<b>168,331</b>	117,179
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	<b>(57,870)</b>	(44,427)
Purchase of intangible assets	<b>(970)</b>	(112)
Proceeds from disposal of property, plant and equipment	<b>16,635</b>	1,383
Purchases of investment in financial assets at FVTPL	<b>(14,051)</b>	(13,532)
Proceeds from sale of investment in financial assets at FVTPL	<b>18,495</b>	14,282
Payment of additional shares of subsidiary from non-controlling interest	<b>-</b>	(20,000)
Payment of purchase consideration payable against acquisition of subsidiary	<b>(75,000)</b>	-
Payment for acquisition of subsidiary, net of cash acquired	<b>(158,360)</b>	-
<b>Net cash flows used in investing activities</b>	<b>(271,121)</b>	(62,406)

(continued)

Bawan Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED) (CONTINUED)

For the nine months period ended 30 September 2025

(All amounts in Saudi riyals thousands unless otherwise stated)

	<i>Nine months period ended</i> <i>30 September</i>	
	<i>2025</i>	<i>2024</i>
<b>FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	1,492,742	543,215
Repayment of short-term borrowings	(1,577,999)	(512,862)
Proceeds from long term borrowings	48,800	27,300
Repayment of long-term borrowings	(77,651)	(10,934)
Due from a related party, net	(75,000)	-
Repayment of lease liabilities	(8,013)	(938)
Dividends paid to the shareholders	-	(51,006)
Dividends paid to the non-controlling interests	-	(2,700)
<b>Net cash flows used in financing activities</b>	<b>(197,121)</b>	<b>(7,925)</b>
<b>Net change in cash and cash equivalents</b>	<b>(299,911)</b>	<b>46,848</b>
Cash and cash equivalents at the beginning of the period	30,543	31,588
Changes in restricted bank balances	394,370	-
Foreign currency translation differences	(3,573)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>121,429</b>	<b>78,436</b>
<b>Significant non-cash transactions</b>		
Derecognition of right-of-use assets	611	1,410
Derecognition of lease liabilities	379	1,478
Right of use assets and lease liabilities recognized	13,040	852
Finance cost capitalized	4,022	-
Transfer from property, plant and equipment to intangibles	2,332	-
Trade receivables written off	380	278
Payable to NCI (note 15)	130,249	-
Classification of NCI to other reserves (note 15)	(25,078)	-



Chief Financial Officer



Chief Executive Officer



Chairman of the Board of  
Directors

**Bawan Company**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months periods ended 30 September 2025  
(All amounts in Saudi riyals thousands unless otherwise stated)

**1 GENERAL INFORMATION**

Bawan Company (“Bawan”, the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration number 1010033032 dated 9 Shawwal 1400H (corresponding to August 20, 1980G) and its unified registration number is 7001401467. The Company’s shares are traded on the Saudi Stock Exchange (Tadawul). The Company’s financial year ends on 31 December every year.

The Company’s registered office is located at King Fahad Road, P.O. Box 25533, Riyadh, Kingdom of Saudi Arabia (“Saudi Arabia”). The principal activities of Bawan and its subsidiaries (collectively referred as “the Group”) remain the same as disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The Group is mainly engaged in the manufacturing of metal and steel works, wooden pallets, plywood panels, boards and all work of carpentry and decorations, electrical transformers, packaged and unit substations and production of flexible packaging and insulation products, oil and gas and provision of related services.

These interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred as “the Group”).

The subsidiaries included in these condensed consolidated interim financial statements are as follows:

<i>Subsidiary</i>	<i>Principal activity</i>	<i>Location</i>	<i>Effective Percentage of ownership</i>	
			<i>30 September 2025</i>	<i>31 December 2024</i>
<b>Bawan Engineering Industries Company (“Bawan Engineering”)</b> <i>Subsidiaries of Bawan Engineering are as follows:</i>	Wholesale and retail of electrical products	KSA	<b>100</b>	100
• United Transformers Electric Company-Saudi (“Utec-Saudi”) *	Manufacturing of electrical products	KSA	<b>90</b>	90
• United Technology of Electric Substations & Switchgears Company (“USSG”) *	-Same as above-	KSA	<b>90</b>	90
<b>Bawan Wood Industries Company (“Bawan Wood”)</b> <i>Subsidiaries of Bawan Wood are as follows:</i>	Manufacturing of wood products	KSA	<b>95</b>	95
• Al-Raya Wood Works Establishment-UAE	-Same as above-	UAE	<b>95</b>	95
• Al-Raya Company for Wood Works-Kuwait	-Same as above-	Kuwait	<b>95</b>	95
• Inma Pallets Company Limited (“Inma Pallets”)	-Same as above-	KSA	<b>95</b>	95
• United Lines Logistics Services Company Limited (“ULLS”)	Logistic services	KSA	<b>95</b>	95

**Bawan Company**  
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the three and nine months periods ended 30 September 2025  
(All amounts in Saudi riyals thousands unless otherwise stated)

**1 GENERAL INFORMATION (continued)**

<i>Subsidiary</i>	<i>Principal activity</i>	<i>Location</i>	<i>Effective Percentage of ownership</i>	
			<i>30 September 2025</i>	<i>31 December 2024</i>
<b>Bawan Metal Industries Company (“Bawan Metal”)</b>	Manufacturing of metal products	KSA	<b>100</b>	100
<b>Arnon Plastic Industries Company (“Arnon”)</b>	Manufacturing plastic packaging and insulation products	KSA	<b>100</b>	100
<b>United Company for Wood and Metal Products (“United Wood and Metal”)</b>	Manufacturing wood / metal products	KSA	<b>95</b>	95
<b>Petronash Holding SPV Limited (“Petronash SPV”) **</b>	Intermediate holding company	UAE	<b>80</b>	-
<i>Subsidiary of Petronash SPV is as follows:</i>				
• Petronash Holding Limited (“Petronash Holding”)	Intermediate holding company	UAE	<b>80</b>	-
<i>Subsidiaries of Petronash Holding are as follows:</i>				
• Petronash FZE	Manufacturing oil and gas equipment	UAE	<b>80</b>	-
• Petronash Engineering Services Private Limited	-Same as above-	India	<b>80</b>	-
• Petronash SPC	-Same as above-	Oman	<b>80</b>	-
• Petronash Arabia Co. Limited	-Same as above-	KSA	<b>80</b>	-
• Petronash Oil Field and Services Sole Proprietorship LLC	-Same as above-	UAE	<b>80</b>	-
• Petronash Qatar SPV Limited	-Same as above-	Cayman Islands	<b>80</b>	-
• Petronash Oil and Gas Services & Trading LLC. ***	-Same as above-	Qatar	<b>80</b>	-
• DTS SPV Limited	-Same as above-	Cayman Islands	<b>80</b>	-
• Dynamic solutions Arabia for consulting and research factory company limited	-Same as above-	KSA	<b>80</b>	-

\* On 1 Sha’ban 1445 corresponding to 2 February 2024, the Group announced that effective from 1 January 2024, one of its subsidiaries, Bawan Engineering, signed an agreement to acquire additional 4.5% shareholding in Utec-Saudi and USSG against total consideration of SR 20 million. During the nine months period ended 30 September 2024 Bawan Engineering acquired control of this additional shareholding. The purchase was accounted for as an equity transaction with owners, with no impact on the interim condensed consolidated statement of profit or loss for the three and nine months periods ended 30 September 2024. The difference of SR 10.92 million between the carrying value of non-controlling interests (determined based on financial statements of subsidiaries as of 31 December 2023) and purchase consideration was recorded under equity as ‘Reserve for acquisition of additional shares in subsidiaries.

**Bawan Company**  
**(A Saudi Joint Stock Company)**

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the three and nine months periods ended 30 September 2025  
(All amounts in Saudi riyals thousands unless otherwise stated)

**1 GENERAL INFORMATION (continued)**

**\*\*** On 13 February 2025, the Group acquired a controlling shareholding in Petronash Holding SPV Limited along with its subsidiaries (note 15).

**\*\*\*** In accordance with Federal Law effective in Qatar, while Petronash Holding Limited Owns 49% of equity interest, according to the shareholders agreement it holds 100% of economic and beneficial rights and has the right to control the business, resulting in consolidation of this investment as a wholly owned subsidiary.

**2 BASIS OF PREPARATION**

**Statement of compliance**

The interim condensed consolidated financial statements for the three and nine months period ended 30 September 2025 have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the three and nine months periods ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The balances and transactions presented in these interim condensed consolidated financial statements are not entirely comparable with those reported in the consolidated financial statements as of 31 December 2024 and the interim condensed consolidated financial statements for the three and nine months period ended 30 September 2024, due to the acquisition of a subsidiary during the period (Note 15).

**Basis of measurement**

These condensed consolidated interim financial statements are prepared under the historical cost convention, except where IFRS requires other measurement basis.

These interim condensed consolidated financial statements are presented in Saudi Riyals which is functional and presentation currency of the group except for newly acquired subsidiary (note 15) whose functional currency is US Dollar.

All values are rounded to the nearest thousands, except where otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

**3 MATERIAL ACCOUNTING POLICIES**

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Company’s annual consolidated financial statements as of and for the year ended 31 December 2024, and the notes attached thereto, except for the adoption of certain new and revised standards that became effective in the current period and the adoption of certain new policies adopted due to the acquisition of a new group of subsidiaries (note 15) stated as follows:

**3.1 Revenue recognition**

Revenue is recognized in the interim condensed consolidated statement of profit or loss and other comprehensive income to the extent that it is probable that the economic future benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. Revenue shall be measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duty.

The Group recognizes revenue from contracts with customers based on a five-step model set out in IFRS 15.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

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**3 MATERIAL ACCOUNTING POLICIES (continued)**

**3.1 Revenue recognition (continued)**

- (a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- (b) The Group performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) The Group performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations, where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

The Group assesses each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

For contracts where the over time criteria are met, the Group measures progress through the cost to complete method (input method) as it best depicts the transfer of control of products and services under each performance obligation. For contracts where over time criteria are not met, the Group recognizes the revenue at point in time upon transfer of control to the customers.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its their revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Variations which are in the nature of an extension of the existing scope of work are accounted for using cumulative catch-up adjustments to the cost to complete method of revenue recognition. Variation orders which require the addition of distinct goods and services to the scope at discounted prices are accounted for prospectively and variation orders which require the addition of distinct goods and services to the scope at standalone selling prices are accounted for as new contracts with the customers. A loss is recognised in the Interim condensed consolidated statement of comprehensive income when the expected contract costs exceed the total anticipated contract revenue.

The Group combines two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if one or more of the following criteria are met:

- Two or more contracts entered into at or near the same time with the same customer are negotiated as a package with a single commercial objective.
- The amount of consideration to be paid in one contract depends on the price or performance of the other contract: or
- The goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

If the above criteria are met, the arrangements are combined and accounted for as a single arrangement for revenue recognition.

Pre-contract costs of obtaining a contract with a customer is recognised as an asset if those costs are expected to be recovered.

Revenue is recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

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**3 MATERIAL ACCOUNTING POLICIES (continued)**

**3.1 Revenue recognition (continued)**

The Group provides warranties to customers with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications. The Group does not provide warranties as a service, in addition to the assurance that the product complies with agreed-upon specifications in its contracts with customers. As such, the Group expects that such warranties will be assurance-type warranties which will continue to be accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group recognizes revenue from the following major sources:

- Contract revenue from sale of equipment.
- Sale of spare parts; and
- Rendering of services.

Contract revenue from sale of equipment

For equipment contracts, the Group measures progress and recognises revenue based on the actual cost of work performed at the end of the reporting period as a percentage of total contract costs at completion. The Group evaluates each equipment manufacturing contract to determine whether revenue should be recognised over time or at a point in time. For contracts where performance does not create an asset with an alternative use to the Group and the Group has an enforceable contractual right to payment for performance completed to date, revenue is recognised over time. For other equipment contracts that do not meet these criteria, revenue is recognised at a point in time upon transfer of control to the customer.

The Group is involved in the manufacturing and sale of equipment used in the oil and gas industries. These equipment are highly specialised in nature and are built to order based upon the requirements from its customers. The Group's performance obligations include sale of equipment, installation, testing and commissioning at site and contain distinct goods and services. However, these are not distinct in the context of the contract because the customer cannot benefit from the individual good or service on its own neither can the good or services be used with other readily available resources and the goods and services are highly interrelated and are not considered distinct within the context of the contract. Therefore, the contracts are considered to be a single performance obligation. For contracts where revenue is recognised over time, the Group uses the input method to measure progress towards complete satisfaction of performance obligations.

Sale of spare parts

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group's contracts with customers for the sale of spare parts generally includes one performance obligation. The Group concluded that revenue from the sale of spare parts should be recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered which is at a point in time considering the fact that these services are short term in nature. There are no services contracts that are bundled with the manufacturing of equipment.

Contract assets

A contract asset is a right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customers pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

The revenue recognised at the measurement of progress using input based on the actual cost, after deducting the progress payments received or receivable from the customers, is presented within the contract assets line item in the balance sheet as work in progress.



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**3 MATERIAL ACCOUNTING POLICIES (continued)**

**3.1 Revenue recognition (continued)**

Contract assets (continued)

The amounts recognised as work in progress are adjusted for any expected credit loss allowance using the probability of default of the counter party. Contract assets are subject to impairment assessment.

Contract liabilities

A contract liability, in addition to advances from customers, is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due from the customer). If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Where the payments received or receivable for any contract exceeds revenue recognised, the excess is presented as contract liabilities in the interim condensed consolidated statement of financial position.

**3.2 Cost of revenue**

**Cost of revenue for sales recognized over a period of time using input method**

Cost of revenue for revenues that are recognized over a period of time using input method. Costs are recognized based on the Group's costs incurred toward fulfilling the performance obligation.

Costs to obtain a contract such as marketing and advertising expenses and commissions paid to internal sales team, such costs are not directly attributable to securing the contract and are not expected to be recovered from the customers. As such, these costs are recognized as expenses in the period in which they are incurred and are charged to interim condensed consolidated statement of profit or loss.

**Cost of revenue for other types of revenues**

Cost of revenue for other types of revenue (i.e. revenue recognized at point in time) includes the cost of goods sold and other related costs. The costs for other types of revenues in respect of revenue recognized at point in time are recognized on transferring the control to the customer. Cost of revenue in respect of services is based on the cost of providing the services.

**3.3 Non-Controlling Interest (NCI) put option**

When a put option is granted to a non-controlling interest (NCI) shareholder in a subsidiary, the Group assesses whether it has a present ownership interest in the shares held by the NCI. If the Group concludes that it has a present ownership interest, the arrangement is accounted for as the acquisition of those shares, and a financial liability is recognised for the NCI and NCI put option based on the exercise price of the put option.

If the Group determines that the Group does not have the present ownership interest in the shares held by the NCI, the Group accounts for the put option in accordance with the partial recognition of NCI approach. Under this approach, the NCI is initially recognised in equity at the date of acquisition, representing its ownership interest in the subsidiary. While the NCI put option remains unexercised, the carrying amount of the NCI is updated at each reporting date to reflect its share of the subsidiary's profit or loss, other comprehensive income (OCI) and dividends declared during the reporting period. Further, at each reporting date, financial liability is recognised at the present value of the amount payable upon exercise of the NCI put option. The NCI is derecognised as if it has been acquired, and any difference between the carrying amount of the NCI and the remeasured financial liability is recognised directly in equity under "NCI put option reserve."

If the NCI put option is exercised, the same treatment is applied up to the date of exercise, and the financial liability recognised at that date is extinguished against payment of the exercise price.

If the NCI put option expires unexercised, the accounting position is unwound such that the NCI is re-recognised at the amount it would have been as if the put option had never been granted (measured initially at the date of the business combination and adjusted for subsequent allocations of profit or loss, OCI, and other changes in equity attributable to the NCI). The financial liability is derecognised, against the "NCI put option reserve."

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**3 MATERIAL ACCOUNTING POLICIES (continued)**

**3.4 New Standards, Amendments to Standards and Interpretations effective from 1 January 2025**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, and the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The International Accounting Standards Board (IASB) has issued the following accounting standards, amendments, which were effective from periods on or after January 1, 2025. The management has assessed that the amendments have no significant impact on the Group's financial statements.

Amendments to IAS 21 – Lack of exchangeability: Sale or contribution of Assets between an Investor and its Associate or Joint Ventures

**Standards and amendments issued and not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and are not expected to have material impact on the Group.

<i>Effective for annual financial periods beginning on or after</i>	<i>Standard, amendment or interpretation</i>	<i>Summary of requirements</i>
1 January 2026	Annual Improvements to IFRS Accounting Standards	Clarification and amendments relating to various IFRSs under annual improvement program.
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements	New requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.
1 January 2027	IFRS 19 - Subsidiaries without Public Accountability: Disclosures	In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.
1 January 2026	Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	Clarifies derecognition of financial liabilities on "Settlement date" and settled through electronic payment system before settlement date with certain conditions, clarifies contractual cash flows characteristic linked with environmental, social and governance (ESG) features, clarifies treatment of non-recourse assets and contractually linked instruments, require additional disclosures financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.
Effective date deferred indefinitely	Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sales or contribution of Assets between an Investor and its Associate or Joint Ventures.

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**4 CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual consolidated financial statements as of and for the year ended 31 December 2024.

**5 EARNINGS PER SHARE**

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing profit for the period attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period for the effects of all dilutive potential ordinary shares. Since the Company has no such dilutive potential ordinary shares, the calculation and presentation of basic and diluted EPS are the same.

The following table reflects the profit and weighted average number of ordinary shares used in the computations:

	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit attributable to the ordinary shareholders of the Company used in calculating basic and diluted earnings per share:	<b>52,336</b>	23,447	<b>139,214</b>	75,719
Weighted average number of ordinary shares outstanding during the period	<b>60,000</b>	60,000	<b>60,000</b>	60,000
<b>Basic and diluted earnings per share</b>				
Total basic and diluted earnings per share attributable to the ordinary shareholders of the Company	<b>0.87</b>	0.39	<b>2.32</b>	1.26

**6 PROPERTY, PLANT AND EQUIPMENT**

During the period ended 30 September 2025, the Group purchased items of property, plant and equipment amounting to SR 57.87 million (period ended 30 September 2024: SR 44.43 million) including additions in capital work in progress amounting to SR 45 million (period ended 30 September 2024: SR 30 million) respectively. During the period ended 30 September 2025 the company acquired a subsidiary whose book value of the property, plant and equipment at the acquisition date amounted to SR 71.39 million (note 15.3).

**7 TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

7.1 During the period ended 30 September 2025, the Group acquired a new subsidiary which resulted in the addition of trade and other receivables amounting to SR 326.37 million as at acquisition date (note 15).

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**7 TRADE RECEIVABLES AND OTHER CURRENT ASSETS (continued)**

7.2 The following table shows the movement in lifetime expected credit loss (ECL) that has been recognized against trade receivables during the period / year:

	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
As at beginning of the period / year	75,667	77,608
Recognised on acquisition of a subsidiary	5,747	-
Expected credit loss reversal for the period / year	(1,974)	(1,272)
Written off during the period / year	(380)	(669)
Foreign exchange translation differences	(23)	-
	<u>79,037</u>	<u>75,667</u>
As at end of the period / year	<u>79,037</u>	<u>75,667</u>

7.3 Other receivables as of 30 September 2025 include an amount of SR Nil (31 December 2024: SR 19.43 million). This represents receivable on disposal of a subsidiary, Bina Industrial Investment Holding Company ("Bina Holding") during 2023. During the nine months period ended 30 September 2025, this balance has been completely collected.

**8 EQUITY**

**8.1 Share Capital**

The Company has 60 million authorized, issued and fully paid ordinary shares with a nominal value of SR 10 per share amounting to total share capital of SR 600 million as at 30 September 2025 and 31 December 2024.

**8.2 Statutory Reserve**

In accordance with the previously applicable Saudi Arabian Regulations for Companies and the Company's by-laws, the Company had established a statutory reserve by the appropriation of 10% of its annual net profit, until such reserve equals 30% of the share capital. The reserve was not available for dividend distribution. During the year ended 31 December 2024, the Company has amended its by-laws to comply with the provisions of the new Company's Regulations. Under the new by-laws of the Company, no statutory reserve is required. Accordingly, the Company allocated 10% of profit to statutory reserve till 31 March 2024 and after the update in the Company's by-laws no further profit has been allocated to the statutory reserve.

**9 BORROWINGS**

**9.1 Short-term borrowings**

The Group has obtained bank facilities ("the Facilities") in the form of short-term loans, Islamic Murabaha, forward exchange contracts, and letters of credit and guarantee. The Facilities carry interest at prevailing market rates and are secured by promissory notes and corporate guarantees of the Group. During the period ended 30 September 2025, the Group acquired a new subsidiary which resulted in addition its short-term borrowings amounting to SR 532.45 million as at acquisition date (note 15).

**9.2 Long term loans payable to banks**

The Group has obtained bank loans from local banks which are repayable in quarterly/ semi-annual installments. The loans carry interest at prevailing market rates and are secured by promissory notes and corporate guarantees of the Group.

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**9 BORROWINGS (continued)**

**9.3 Saudi Industrial Development Fund (SIDF) loans**

The Group has obtained a loan from SIDF for the construction and expansion of its plastic segment plants. This loan is guaranteed by promissory notes and corporate guarantees of the Group.

- 9.4 During the year ended 31 December 2024, the Group obtained a bank loan amounting to SR 393.75 million from a local bank for the purchase of subsidiary (note 15). The loan is repayable in 16 equal semi-annual payments with last payment due in April 2032. The loan carries interest at prevailing market rates and is secured by promissory note and corporate guarantees of the Group.

During the nine-month period ended 30 September 2025, the Group obtained an additional loan of SR 48.8 million to partially fund the first earn-out payment related to the acquisition of a subsidiary (note 11.1). The loan is repayable in 14 equal semi-annual payments with last payment due in September 2033. The loan carries interest at prevailing market rates and is secured by promissory note and corporate guarantees of the Group.

- 9.5 Certain borrowings require the maintenance of debt covenants. As of 30 September 2025, the newly acquired subsidiary is in breach of some of its debt covenants for certain short-term borrowings.

**10 CONTINGENCIES AND COMMITMENTS**

The Group has capital commitments of SR 40.43 million as at 30 September 2025 (31 December 2024: SR 415.8 million). The balance outstanding as at 31 December 2024 included SR 300.47 million for commitment of purchase of a subsidiary (note 15). This balance also included SR 93.9 million agreed to be provided to the newly acquired subsidiary as a loan.

The Group had the following contingencies as at 30 September 2025 and 31 December 2024:

	<i><b>30 September 2025 (Unaudited)</b></i>	<i><b>31 December 2024 (Audited)</b></i>
Letters of credit	<b>197,518</b>	91,114
Letters of guarantees	<b>705,940</b>	603,293

**11 RELATED PARTIES' INFORMATION**

Related parties mainly represent shareholders, affiliates, subsidiary companies, key personnel and entities controlled or significantly influenced by such parties. In addition to the related parties already disclosed in the consolidated financial statements as at 31 December 2024 the Group identified some new related parties due to acquisition of a subsidiary and as of period ended 30 September 2025 they are stated as follows:

<i><b>Name</b></i>	<i><b>Relationship</b></i>
Petronash Holding SPV Limited and its Subsidiaries	Subsidiaries
Petronash Global Limited	Affiliate

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**11 RELATED PARTIES' INFORMATION**

During the periods presented, the Group entered the following significant transactions with its related parties:

	<i>Nature of relationship</i>	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
		<i>2025 (Unaudited)</i>	<i>2024 (Unaudited)</i>	<i>2025 (Unaudited)</i>	<i>2024 (Unaudited)</i>
Revenue	Affiliate	<b>42,475</b>	59,885	<b>147,120</b>	179,125
Purchases	Affiliate	<b>1,259</b>	4,187	<b>2,145</b>	9,856
Royalties	Affiliate	<b>401</b>	241	<b>1,059</b>	962
Management fee and commission paid	Affiliate	<b>85</b>	-	<b>693</b>	-
Purchase of additional shares in subsidiaries	Affiliate	-	-	-	20,000
Payment against acquisition of subsidiary (note 15.1)	Affiliate	-	-	<b>300,472</b>	-
Payment against first earn out against newly acquired subsidiary (11.1)	Affiliate	<b>75,000</b>	-	<b>75,000</b>	-
Loan to a related party	Affiliate	-	-	<b>93,796</b>	-

As of 30 September 2025, amounts due from and due to related parties are as follows;

	<i>30 September 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Loan to a related party	<b>68,715</b>	-
Trade receivables	<b>56,214</b>	80,662
Non-Trade receivables	<b>35,115</b>	601
Trade payables	<b>1,877</b>	3,107
Board and committee members compensation payables	<b>2,108</b>	2,817

During the period, short-term and long-term employment benefits to the Company's key management personnel amounted to SR 6.21 million (30 September 2024: SR 5.02 million). Key management personnel include directors and key executives at the Company level.

11.1 The newly acquired subsidiary (note 15.1) achieved its financial targets for FY 2024 and the previous shareholder (i.e. seller) became entitled to its first earn-out payment amounting to SR 75 million (equivalent to USD 20 million approximately.). Accordingly, during the nine month period ended 30 September 2025, the Group paid the first earn-out payment SR 75 million related to the 80% acquired shares.

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**12 REVENUE**

	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Timing of revenue recognition:				
At a point in time	<b>944,853</b>	682,596	<b>2,638,424</b>	2,199,034
Over time	<b>144,125</b>	-	<b>326,875</b>	-
	<b>1,088,978</b>	682,596	<b>2,965,299</b>	2,199,034

The amount of revenue to be recognized is based on the consideration that the Group expects to receive at contract inception, in exchange for its goods and services. The Group does not have any contracts where the period between the transfer of the promised goods or services to customers and payment required by the customer exceeds one year. Accordingly, the Group does not adjust the transaction price for time value of money.

Refer to note 13 for revenue from each reportable segment under IFRS 8 “Operating Segments”.

**13 SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”), i.e. the Board of Directors.

Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in internal reporting structure. The Group's operating segments are as follows:

- Metal and Wood** The segment is engaged in the production of wooden pallets, plywood panels and boards, medium and high density coated in decoration paper, platforms, wooden bowls and boxes, premade hangars and steel buildings and forming and bending rebars, general contracting (repair, demolition, rebuilding, construction) of residential, commercial and public buildings, educational recreational and health facilities, maintenance, operation and installation of equipment, devices and electrical and electronic systems, aluminum works, iron and wood doors and their installation, electrical extension works, carpentry, painting, drawing on iron and wood, roads, bridges and street works and all acts of carpentry and decorations.
- Plastic** The principal activities of the segment are the production of plates and polystyrene foam, packaging and insulation slices from polyethylene foam, soft colored polyvinyl chloride sheets, rigid colored and non-colored Polyvinyl Chloride sheets, soft and hard Polyvinyl Chloride sheets padded by polystyrene and parts for vacuum fans, transparent containers of PET polyethylene, polyethylene bottles, PET preforms and their covers.
- Electrical** The principal activities of the segment are wholesale and retail of electric transformers, voltage stabilizers, battery chargers, welding caustics, electric substations, electric station equipment and voltage transformers, trading and distribution, import and export, testing and inspection services, goods and commodities clearance and double-weight services in addition to acquiring shares in other companies.
- Oil and gas (note 15)** The principal activities of this segment include providing engineered solutions to the oil and gas industry, primarily through the manufacturing of modular wellsite packages, chemical injection skids, and wellhead control panels. The segment operates through manufacturing facilities located in the Kingdom of Saudi Arabia, United Arab Emirates, India, and Qatar.
- Other** Other segment is a residual segment and comprises of Bawan Company representing only the parent company and associated activities carried out at the head office level.

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**13 SEGMENT REPORTING (continued)**

The following is an analysis of the Group's revenue and results by segment:

	<i>Oil and Gas</i>	<i>Metal and Wood</i>	<i>Electrical</i>	<i>Plastic</i>	<i>Other</i>	<i>Total</i>
<b><i>Nine months period ended 30 September 2025 (Unaudited)</i></b>						
Revenue	655,499	1,348,919	654,811	306,070	-	2,965,299
Depreciation and amortization	12,890	16,229	9,530	23,510	2,237	64,396
Finance costs	36,774	2,136	9,860	15,100	13,805	77,675
Profit / (loss) for the period	78,691	32,629	56,656	22,107	(37,141)	152,942
Total assets	1,153,015	821,596	662,891	676,588	259,270	3,573,360
Total liabilities	704,266	360,169	391,211	427,736	689,195	2,572,577
<b><i>Nine months period ended 30 September 2025 (Unaudited)</i></b>						
Segment revenues	655,499	1,348,919	654,811	306,070	-	2,965,299
Intersegment revenues	-	-	-	-	-	-
External revenues	655,499	1,348,919	654,811	306,070	-	2,965,299
<b><i>As of 30 September 2025 (Unaudited)</i></b>						
Segment assets	1,160,462	826,599	670,227	676,588	374,878	3,708,754
Consolidation adjustments	(7,447)	(5,003)	(7,336)	-	(115,608)	(135,394)
Total assets	1,153,015	821,596	662,891	676,588	259,270	3,573,360
Segment liabilities	783,242	385,479	390,711	428,726	689,195	2,677,353
Consolidation adjustments	(78,976)	(25,310)	500	(990)	-	(104,776)
Total liabilities	704,266	360,169	391,211	427,736	689,195	2,572,577
<b><i>Nine months period ended 30 September 2024 – Unaudited</i></b>						
Revenue	1,453,549	467,210	278,275	-	-	2,199,034
Depreciation and amortization	16,938	5,640	21,975	2,250	-	46,803
Finance costs	2,475	7,766	13,279	3	-	23,523
Profit / (loss) for the period	31,354	37,253	17,639	(7,015)	-	79,231
Total assets	871,257	572,956	615,967	60,877	-	2,121,057
Total liabilities	400,763	373,115	371,955	47,125	-	1,192,958
<b><i>Nine months period ended 30 September 2024 (Unaudited)</i></b>						
Segment revenues	1,453,549	467,210	278,275	-	-	2,199,034
Intersegment revenues	-	-	-	-	-	-
External revenues	1,453,549	467,210	278,275	-	-	2,199,034



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**13 SEGMENT REPORTING (continued)**

	<i>Metal and Wood</i>	<i>Electrical</i>	<i>Plastic</i>	<i>Other</i>	<i>Total</i>
As of 31 December 2024 – Audited					
Total assets	918,688	602,172	631,341	445,697	2,597,898
Total liabilities	453,227	386,598	384,687	411,916	1,636,428
Segment assets	918,947	609,508	631,341	521,821	2,681,617
Consolidation adjustments	(259)	(7,336)	-	(76,124)	(83,719)
Total assets	918,688	602,172	631,341	445,697	2,597,898
Segment liabilities	510,456	386,648	405,586	411,916	1,714,606
Consolidation adjustments	(57,229)	(50)	(20,899)	-	(78,178)
Total liabilities	453,227	386,598	384,687	411,916	1,636,428

**Geographic information**

The geographic information analysis of the Group's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue is based on the geographic location of customers and segment assets are based on the geographic location of the assets.

	<i>Oil and Gas</i>	<i>Metal and Wood</i>	<i>Electrical</i>	<i>Plastic</i>	<i>Other</i>	<i>Total</i>
<i>Nine months period ended September 30, 2025 – (Unaudited)</i>						
<b>Revenue</b>						
Kingdom of Saudi Arabia	574,993	1,348,919	654,811	306,070	-	2,884,793
United Arab Emirates	41,334	-	-	-	-	41,334
Other Countries	39,172	-	-	-	-	39,172
	655,499	1,348,919	654,811	306,070		2,965,299

*As at September 30, 2025 –  
(Unaudited)*

<b>Non-current assets</b>						
Kingdom of Saudi Arabia	130,971	193,159	117,232	411,649	248,358	1,101,369
United Arab Emirates	12,513	-	-	-	-	12,513
Other Countries	11,671	-	-	-	-	11,671
	155,155	193,159	117,232	411,649	248,358	1,125,553

Segment revenues reported above represent revenue generated from both external customers and related parties. There were no significant inter-segment revenues during the nine months period ended 30 September 2025 and 2024. One customer contributed more than 10% of the Group's revenue during the nine months period ended 30 September 2025 and 2024, with revenue amounting to SR 408.4 million (30 September 2024:253.33 million).

**14 FAIR VALUE MEASUREMENT**

The Group measures financial assets at fair value through profit or loss (FVTPL) at each statement of financial position date. 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.

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**14 FAIR VALUE MEASUREMENT (continued)**

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices 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.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The financial assets measured at FVTPL at the end of the reporting period are classified as level 1 in the fair value hierarchy. There were no transfers between the levels of fair value hierarchies during the period.

The carrying values of the financial instruments reported in the interim condensed consolidated statement of financial position approximate their fair values.

**15 BUSINESS COMBINATION**

15.1 On 8 September 2024, the Company announced a binding memorandum of understanding (MOU) to acquire all outstanding shares of Petronash Holding Limited (Petronash) from Petronash Global Limited. The acquisition was valued at USD 175 million (equivalent to approximately SR 656.25 million), contingent on Petronash achieving specific financial targets over three financial years starting from 2024. The Company was required to initially pay USD 80 million (equivalent to approximately SR 300 million) for 80% of Petronash's shares, subject to completion of certain approvals and conditions detailed in the share purchase agreement (SPA). Additionally, the Company will pay Petronash Global Limited up to USD 60 million (equivalent to approximately SR 225 million) if Petronash achieves set financial results over the period of three financial years (2024-2026). On 27 October 2024, the Company signed the Share Purchase Agreement (SPA) with Petronash Global Limited. For the purpose of acquisition, the Group established a new special purpose vehicle i.e. Petronash Holding SPV Limited. The legal procedures for transferring 80% of the shares of Petronash Holding SPV Limited to Bawan Company were completed during the year ended 31 December 2024. Petronash Global Limited transferred all its shares in Petronash to Petronash Holding SPV Limited on 12 February 2025. Accordingly, the consolidation of the newly acquired subsidiary started from 13 February 2025.

As part of the acquisition of an 80% interest, SPA and Shareholders' Agreement (SHA) includes a put option granted to the non-controlling interest shareholder (NCI), representing the remaining 20% ownership. Based on the valuation method and payment structure defined in the SPA and SHA, the put option allows the NCI to sell its interest to Bawan following the release of Petronash's audited financial statements for financial year 2027. However, if the NCI does not exercise the put option, Bawan is required to mandatorily acquire the remaining 20% interest following the release of audited financial statements for the financial year 2028.

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**15 BUSINESS COMBINATION (continued)**

Based on an analysis of the contractual terms and economic substance, the Group has determined that while Bawan has control over 80% shares of Petronash Holding SPV Limited, it does not have a present ownership interest in the remaining 20% shares held by the NCI's. Accordingly, the Group has adopted the partial recognition of NCI approach, to account for the put option. Under this approach, the NCI is recognized in equity at proportionate share in the net assets of Petronash Holding SPV Limited at the date of acquisition. Subsequently at each reporting period, the carrying value of NCI is derecognized as if it was acquired at that date and recognizes financial liability at the present value of the estimated amount payable if the put option is exercised. Any difference between the present value of put option liability and the carrying value of NCI is recognized directly in equity under "NCI put option reserve" under other reserves in equity. This approach is considered to best reflect the economic substance of the transaction and the continuing rights of the NCI.

Further, during the three months period ended 30 September 2025, the Company and Petronash Global Limited (PGL) executed a variation deed to the original SPA and SHA, which revoked the previously permitted dividend to PGL related to pre-acquisition period. This amendment resulted in an increase in the overall net assets of Petronash as of the acquisition date. Consequently, the allocation of net assets at the acquisition date between Bawan and PGL was revised, resulting in reduction of goodwill by SR 25.84 million and an increase in the non-controlling interest recognized on acquisition by SR 19.31 million.

<b>15.2</b>	Breakup of purchase consideration is as follows:	<b>12 February 2025 (Unaudited)</b>
	Cash paid	<b>300,472</b>
	Contingent consideration*	<b>209,119</b>
		<b>509,591</b>

\* The contingent consideration has been determined based on the present value of expected future cash outflows relating to the remaining earnouts, payable to Petronash Global Limited for the 80% shares acquired.

<b>15.3</b>	The fair value of assets and liabilities acquired are as follows	<b>12 February 2025 (Unaudited)</b>
	<b>Assets</b>	
	Property, plant and equipment	<b>71,394</b>
	Right-of-use assets	<b>40,686</b>
	Intangible assets	<b>1,942</b>
	Prepayments and others	<b>94,689</b>
	Due from related parties, net	<b>25,437</b>
	Trade and other receivables	<b>231,680</b>
	Inventories	<b>211,869</b>
	Contract assets	<b>356,431</b>
	Cash and cash equivalents	<b>142,112</b>
	<b>Total assets</b>	<b>1,176,240</b>

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**15 BUSINESS COMBINATION (continued)**

**15.3** The fair value of assets and liabilities acquired are as follows (continued)

	<i>12 February 2025 (Unaudited)</i>
Lease liabilities	41,327
Employee defined benefit liabilities	21,682
Short-term borrowings	532,448
Contract liabilities	81,327
Trade and other payables	159,905
Zakat and income tax payable	39,275
<b>Total liabilities</b>	<b>875,964</b>
<b>Net assets of subsidiary acquired</b>	<b>300,276</b>
Non-controlling interest	18,367
<b>Bawan Company share of net assets acquired</b>	<b>281,909</b>

**15.4** Goodwill has been calculated as follows:

	<i>12 February 2025 (Unaudited)</i>
Total consideration	509,591
Net assets acquired	(281,909)
<b>Goodwill (note 15.1)</b>	<b>227,682</b>

As at period ended 30 September 2025, management is in the process of conducting the purchase price allocation. Management expects that this exercise will be completed within one year of the acquisition date. As mentioned in note 11.1, the newly acquired subsidiary achieved its financial targets for FY 2024 and became entitled to its first earn-out payment amounting to SR 75 million (equivalent to USD 20 million approximately.). Accordingly, during the nine-month period ended 30 September 2025, the Group paid the first earn-out payment of SR 75 million related to the 80% acquired shares.

**15.5 Cash flows on acquisition**

At 31 December 2024, the Group held restricted cash balances of SR 394 million (USD 105 million) in an escrow account pursuant to the Share Purchase Agreement (SPA) executed for the acquisition of a subsidiary. Of this amount, SR 300 million (USD 80 million) related to the payment against acquisition of 80% shares in the subsidiary, while the remaining SR 94 million (USD 25 million) related to a loan given by the Group to a related party on completion of closing conditions described in the SPA. These escrowed funds were legally restricted for the specific purposes outlined in the SPA and were not available for general use by the Group. The acquisition and related transactions were completed on 12 February 2025 and these amounts were disbursed from the escrow account to Petronash Global Limited. Cash outflows on acquisition of a subsidiary are stated as follows:

	<i>12 February 2025 (Unaudited)</i>
Cash paid	300,472
Cash acquired on the acquisition of a subsidiary	(142,112)
<b>Payment for acquisition of subsidiary, net of cash acquired</b>	<b>158,360</b>

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**15 BUSINESS COMBINATION (continued)**

**15.6** Payable to NCI include liability against contingent consideration payable and liability against NCI put option amounting to SR 136.85 million and SR 130.25 million, respectively.

**15.7** Acquisition related costs amounting to SR 3.9 million were incurred during the year ended 31 December 2024 which were charged to consolidated statement of profit or loss and other comprehensive income.

**16 DIVIDENDS**

On 29 February, 2024, the Board of Directors of the Company approved the distribution of dividends of SR 0.85 per share, amounting to SR 51 million, to the shareholders of the Company. On August 4, 2024, the Board of Directors of the Company approved the distribution of dividends of SR 0.60 per share, amounting to SR 36 million, to the shareholders of the Company.

**17 SUBSEQUENT EVENTS**

There were no significant subsequent events, adjusting or non-adjusting, since 30 September, 2025 that would have a material impact on the financial position and financial performance of the Group as reflected in these condensed consolidated interim financial statements.

**18 COMPARATIVE FIGURES**

During the period, management has reassessed the classification of transportation costs based on the requirements of IFRS 15 'Revenue from contracts with customers' for some entities and identified that the Group has a performance obligation i.e., sale of goods, in addition to a promise to transfer/deliver the goods to its customers. Consequentially, prior year transportation costs amounting to SR 7.3 million and SR 23.86 million for the three months and nine months periods ended 30 September 2024, respectively, have been reclassified from selling and distribution expenses to cost of revenue to conform with the current year presentation.

Such reclassification changes do not affect previously reported profit, equity, cash flows or items in the statement of financial position. The reclassification in the interim condensed consolidated statement of profit or loss and other comprehensive income for the three and nine months periods ended 30 September 2024 is summarized below:

	<i>As previously reported</i>	<i>Reclassification</i>	<i>As reported currently</i>
<b><i>Three months period ended 30 September 2024</i></b>			
Cost of revenue	601,042	7,295	608,337
Gross profit	81,554	(7,295)	74,259
Selling and distribution costs	23,753	(7,295)	16,458
<b><i>Nine months period ended 30 September 2024</i></b>			
Cost of revenue	1,949,583	23,862	1,973,445
Gross profit	249,451	(23,862)	225,589
Selling and distribution costs	73,354	(23,862)	49,492

**19 APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements for the three and nine months periods ended 30 September 2025 were approved by the Company's Board of Directors on 3 November 2025.