BENA STEEL INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR SIX MONTHS PERIOD ENDED JUNE 30, 2026
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

BENA STEEL INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026
AND INDEPENDENT AUDITOR'S REVIEW REPORT

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF BENA STEEL INDUSTRIES COMPANY
A SAUDI JOINT STOCK COMPANY

INTRODUCTION

We have reviewed the accompanying interim condensed financial statements of Bena Steel Industries Company (the "Company") as of 30 June 2026 which comprises:

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

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

CONCLUSION

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

PKF Al-Bassam
Chartered Accountants

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

Ibrahim Ahmed Al - Bassam
Certified Public Accountant
License No. 337
Khobar, Kingdom of Saudi Arabia
17 Rabi Al Awwal 1448H
Corresponding to: 30 August 2026

BENA STEEL INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	June 30, 2026 (Unaudited) SR	December 31, 2025 (Audited) SR
ASSETS			
Current assets			
Cash and cash equivalents		**2,043,656**	3,104,748
Trade receivables	6	**114,840,637**	96,099,332
Inventories	7	**130,145,847**	134,649,146
Prepayments and other assets		**13,428,967**	10,584,826
Total current assets		**260,459,107**	244,438,052
Non-current assets			
Property, plant and equipment	8	**33,336,240**	38,182,267
Right-of-use assets		**1,991,861**	2,262,506
Investment property		**29,692,115**	29,692,115
Total non-current assets		**65,020,216**	70,136,888
TOTAL ASSETS		**325,479,323**	314,574,940
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities			
Trade payables	9	**77,480,376**	76,005,913
Short-term borrowings		**130,134,488**	126,945,909
Lease liabilities - current		**716,866**	627,427
Accruals and other liabilities		**8,665,125**	10,303,025
Zakat payable	10	**600,000**	800,000
Total current liabilities		**217,596,855**	214,682,274
Non-current liabilities			
Lease liabilities - non-current		**1,026,399**	1,479,056
Employee benefits obligations		**9,061,758**	9,175,955
Total non-current liabilities		**10,088,157**	10,655,011
Total liabilities		**227,685,012**	225,337,285
EQUITY			
Share capital	11	**60,000,000**	60,000,000
Actuarial reserve		**(260,605)**	(260,605)
Revaluation surplus		**12,540,059**	12,540,059
Retained earnings		**25,514,857**	16,958,201
Total equity		**97,794,311**	89,237,655
TOTAL LIABILITIES AND EQUITY		**325,479,323**	314,574,940

Khalid Bin Mohammed Bin Saad Albawardi Chairman	**Fawaz Khalid Mohammed Albawardi** Chief Executive Officer	**Mahmoud Abbas Said Alkurdi** Chief Financial Officer

The accompanying notes form an integral part of these interim condensed financial statements.

BENA STEEL INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026

	Note	Six months period ended June 30, 2026	2025
		SR	SR
Revenue	9	**223,643,885**	179,977,855
Cost of revenue	9	**(202,591,811)**	(165,767,568)
Gross profit		**21,052,074**	14,210,287
Selling and distribution expenses		**(2,863,977)**	(3,128,374)
General and administrative expenses		**(4,304,657)**	(3,952,085)
Reversal of allowance for expected credit losses	6	**1,066,232**	-
Operating profit		**14,949,672**	7,129,828
Finance costs		**(5,738,714)**	(5,728,621)
Other (expense) income, net		**(36,724)**	4,502
Profit before zakat		**9,174,234**	1,405,709
Zakat	10	**(617,578)**	(425,056)
Profit for the period		**8,556,656**	980,653
Other comprehensive income:			
Other comprehensive income		**-**	-
Total comprehensive income for the period		**8,556,656**	980,653
Earnings per share - basic and diluted:			
Earnings per share of profit for the period	14	**1.43**	0.16

Khalid Bin Mohammed Bin Saad Albawardi	**Fawaz Khalid Mohammed Albawardi**	**Mahmoud Abbas Said Alkurdi**
Chairman	Chief Executive Officer	Chief Financial Officer

The accompanying notes form an integral part of these interim condensed financial statements.

BENA STEEL INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026

	Share capital	Actuarial reserve	Revaluation surplus	Retained earnings	Total equity
	SR	SR	SR	SR	SR
January 1, 2026 (Audited)	60,000,000	(260,605)	12,540,059	16,958,201	89,237,655
Profit for the period	-	-	-	8,556,656	8,556,656
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	8,556,656	8,556,656
June 30, 2026 (Unaudited)	**60,000,000**	**(260,605)**	**12,540,059**	**25,514,857**	**97,794,311**
January 1, 2025 (Audited)	60,000,000	(628,582)	12,387,596	21,326,937	93,085,951
Profit for the period	-	-	-	980,653	980,653
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	980,653	980,653
Transaction with current owners in their capacity as owners:					
Dividends	-	-	-	(4,980,000)	(4,980,000)
June 30, 2025 (Unaudited)	60,000,000	(628,582)	12,387,596	17,327,590	89,086,604

Khalid Bin Mohammed Bin Saad Albawardi	**Fawaz Khalid Mohammed Albawardi**	**Mahmoud Abbas Said Alkurdi**
Chairman	Chief Executive Officer	Chief Financial Officer

The accompanying notes form an integral part of these interim condensed financial statements.

BENA STEEL INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026

	Six months period ended June 30,	
	2026	2025
	SR	SR
OPERATING ACTIVITIES		
Profit before zakat	**9,174,234**	1,405,709
Adjustments for:		
Reversal of allowance for expected credit losses	**(1,066,232)**	-
Depreciation of property, plant and equipment and right-of-use assets	**5,384,805**	2,514,567
Write off of property, plant and equipment	**43,011**	-
Provision for employee benefits obligations	**489,334**	497,854
Finance costs	**5,738,714**	5,728,621
Changes in working capital:		
Trade receivables	**(17,675,073)**	(10,947,802)
Inventories	**4,503,299**	(37,261,678)
Prepayments and other assets	**(2,844,141)**	(3,920,013)
Trade payables	**1,474,463**	5,782,633
Accruals and other liabilities	**(2,496,208)**	(3,068,447)
Cash generated from (used in) operations	**2,726,206**	(39,268,556)
Employee benefits obligations paid	**(603,531)**	(585,986)
Zakat paid	**(817,578)**	(1,025,056)
Finance costs paid	**(4,837,902)**	(4,810,914)
Net cash flows used in operating activities	**(3,532,805)**	(45,690,512)
INVESTING ACTIVITY		
Purchases of property, plant and equipment	**(155,263)**	(2,500,228)
Net cash flows used in investing activity	**(155,263)**	(2,500,228)
FINANCING ACTIVITIES		
Movement in short term borrowing, net	**3,188,579**	57,689,777
Repayment of term loan	-	(4,257,692)
Lease liabilities payments	**(561,603)**	(726,603)
Dividends paid	-	(4,980,000)
Net cash flows generated from financing activities	**2,626,976**	47,725,482
Net change in cash and cash equivalents	**(1,061,092)**	(465,258)
Cash and cash equivalents at the beginning of the period	**3,104,748**	2,764,776
Cash and cash equivalents at the end of the period	**2,043,656**	2,299,518

Non-cash transactions:		
Addition in right of use assets	**155,881**	-
Transfer from spare parts to property, plant and equipment	-	2,373,413

Khalid Bin Mohammed Bin Saad Albawardi
Chairman

Fawaz Khalid Mohammed Albawardi
Chief Executive Officer

Mahmoud Abbas Said Alkurdi
Chief Financial Officer

The accompanying notes form an integral part of these interim condensed financial statements.

1. GENERAL INFORMATION

Bena Steel Industries Company ("the Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration No. 2050023902 issued in Dammam on 30 August 1992 (corresponding to 2 Rabi al Awal 1413H) and its unified number is 7013612366. The registered address of the Company is P.O. Box 112 Dammam 11411, Kingdom of Saudi Arabia.

During 2021, the Company commenced the process for Initial Public Offering ("IPO") and on 18 November 2021 (corresponding to 13 Rabi‘ II 1443H), the General Assembly approved the registration of the Company’s shares in the Parallel Market (Nomu) and listing of 600,000 ordinary shares (12%) in Nomu. On 14 February 2022 (corresponding to 13 Rajab 1443H), the Company received the conditional approval on its application from Capital Markets Authority ("CMA").

On 2 November 2022 (corresponding to 8 Rabi' Al-Thani 1444H), the Capital Market Authority ("CMA") Board issued its resolution approving the Company's application for the offering of 600,000 shares representing 12% of Company's share capital. On 22 March 2023 (corresponding to 30 Sha'ban 1444H), the Company's shares were traded on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia. The legal formalities of updating the Company's by-laws and commercial registration were completed on 31 May 2023 (corresponding to 11 Dhu‘l-Qi‘dah 1444H).

On 30 December 2025 (corresponding to 10 Rajab 1447 AH), Board of Directors approved the Company’s plan to transition from the Parallel Market (Nomu) to the Main Market. The Company will begin completing the required procedures and will coordinate with the relevant authorities to obtain all necessary approvals.

The principal activities of the Company are manufacture of stairs and handrails; manufacture of semi-finished plastic products, includes (tablets, slices, sheets, tapes, pipes, hoses and supplies etc.); manufacture of primary iron products in form of granules and powders; manufacture of products from iron, steel etc., by pulling, extrusion or metal-rolling; manufacture of lacy sheets, rolls and coils and all types of rods, feathers, wires and angles; manufacture of pipes, tubes and hollow shapes from iron and steel; manufacture of railway supplies, includes (rolled rails etc.); manufacture of metal structures and their parts; manufacture of tubes, pipes, hollow forms, and pipes and tubes connections; manufacture of attached units used with boilers, including (Steam condenser units); manufacture of finished and semi-finished products through peening, compression, casting, and milling; manufacture of metallic cables and girdles from iron; manufacture of objects made of wire, including (barbed wire, railing, extended metallic grill etc.); manufacture of metallic tools for desks; manufacture of metallic ceilings and their items; manufacture of welding steel bars; manufacture of metallic patterns; manufacture of fixing railways tools; manufacture of cable lifting derricks; manufacture of vehicle bodies from metal; manufacture of trailers installed on motor structures; manufacture of trailers for railroad and roads; manufacture of parts of trailers and semi-trailers; manufacture of tanker cars, and self-propelled carts; manufacture of parts, items, and equipment for railroad tractors; Non-ferrous traditional metal works, including (wires - pipes - tubes - powders - papers - plates etc.); Iron and steel casting (finished products); Iron and steel casting (semi-finished finished products); non-ferrous metals casting (semi-finished products), including (aluminum and zinc etc.); manufacture and installation of scaffolds; manufacture and installation of garages doors; manufacture and installation of windows and doors; manufacture and installation of stairs; production of metallic forms directly from powder.

The Company is licensed by Modon (Saudi Authority for Industrial Cities and Technology Zones) under operating license number OLC-25-09-18003660 dated 18 September 2025. The Company is licensed by Ministry of Industry and Mineral Resources under industrial license number 1413100187331 dated 15 July 1992.

The Company has the following branches, which are registered under separate commercial registration numbers:

Commercial registration number	Unified number	Date of issue	Place of issue
2050056369	7009357562	4 September 2007	Dammam
2050142163	7021456608	4 February 2021	Dammam

The results, assets and liabilities of these branches are included in these interim condensed financial statements.

1.1 Going concern

The management of the Company has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These interim condensed financial statements of the Company for the six months period ended 30 June 2026 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).

These 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 months period ended June 30, 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

Basis of measurement

These interim condensed financial statements have been prepared on historical cost basis, except as otherwise stated and are presented in Saudi Riyal (SR) which is also the functional currency of the Company.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these 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. The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

4. NEW AMENDED STANDARDS AND INTERPRETATIONS

4.1 Standards and amendments effective in the current period

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management impact
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7.	The amendments have been adopted during the current period. The adoption did not have a material impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements were not significantly affected.
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	The amendments have been adopted during the current period. The adoption did not have a material impact on the Company's financial statements, as the nature of the Company's operations and contractual arrangements did not result in any significant exposure to such contracts.

4. NEW AMENDED STANDARDS AND INTERPRETATIONS (Continued):

4.2 Standards and amendments issued but not yet effective

The following standards and amendments have been issued but are not yet effective for the reporting period ended 30 June 2026, and have not been early adopted by the Company:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 'Presentation and Disclosure in Financial Statements' replaces IAS 1 "Presentation of Financial Statements" and is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The Company has not early adopted the Standard and will apply it from 1 January 2027. On adoption the Standard will be applied retrospectively, and comparative information will be re-presented on the same basis.

IFRS 18 requires all items of income and expense to be classified into one of five categories — operating, investing, financing, zakat and income tax, and discontinued operations — and introduces two required subtotals in the statement of profit or loss: "operating profit" and "profit before financing and zakat". The Standard also requires disclosure of management defined performance measures used in public communications outside the financial statements, introduces enhanced principles for the aggregation and disaggregation of information in the primary financial statements and the notes, and makes consequential amendments to IAS 7 "Statement of Cash Flows". The Company has determined that it does not have a specified main business activity of investing in assets or of providing financing to customers.

The Standard affects presentation and disclosure only; it does not change the recognition or measurement of assets, liabilities, income or expenses and will not affect profit for the period, earnings per share or total equity.

The Company has completed a preliminary assessment of the expected impact of the initial application of IFRS 18 on its interim condensed financial statements. The expected impact is set out below. Being a preliminary assessment, the conclusions may be refined as the Company completes its implementation of the Standard.

Presentation of Interim Condensed Statement of profit or loss

- A new subtotal, "profit before financing and zakat", will be presented in addition to operating profit.
- Rental income and changes in the fair value of the Company's investment property will be presented in the investing category.
- Bank charges and other charges not related to raising finance or to changes in interest rates will be reclassified and presented in the operating category, and finance costs will be disaggregated and presented with labels describing the nature of each component.
- Items presently reported within "other income, net" will be classified according to their nature, and amounts arising from the Company's operating activities will be presented within operating profit.
- Accordingly, the composition of the operating profit subtotal may differ from the amount currently reported. Gross profit, profit before zakat, profit for the period and earnings per share will not be affected.

Presentation of Interim Condensed Statement of Cash Flows

- The starting point for the reconciliation of cash flows from operating activities will be 'operating profit'. The Company currently uses profit before zakat, and certain adjusting items included in the reconciliation will change as a result of the new starting point.
- Finance cost paid will be presented within financing activities. The net change in cash and cash equivalents will not be affected.

Aggregation and Disaggregation

- The presentation of certain line items, aggregations and subtotals will be revised to provide useful structured summaries in the primary financial statements and to support the additional material information disclosed in the notes. Line items currently presented as "Others" will be replaced, where appropriate, with labels describing the nature of the underlying items.
- As the Company presents operating expenses by function, IFRS 18 introduces a new mandatory disclosure of specified expenses by nature — depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories — and of the amounts of those expenses included in each functional line item presented in the operating category.

4. NEW AMENDED STANDARDS AND INTERPRETATIONS: (Continued)

4.2 Standards and amendments issued but not yet effective (Continued)

IFRS 18 "Presentation and Disclosure in Financial Statements" (Continued)

Management-defined performance measures (MPMs)

An MPM is a subtotal of income and expenses that is used in public communications outside the financial statements and that is presumed to communicate management's view of an aspect of the financial performance of the entity as a whole, other than subtotals listed in IFRS 18 or specifically required by IFRS Accounting Standards. For each MPM, the Standard requires disclosure, in a single note, of how the measure is calculated, a reconciliation to the most directly comparable subtotal specified by IFRS Accounting Standards, and the related zakat effect.

Based on the preliminary assessment of the Company's public communications, the Company has not identified any financial performance indicator that meets the definition of a management-defined performance measure.

The Company will apply IFRS 18 from its effective date.

Other Amendments issued but not yet effective

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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

6. TRADE RECEIVABLES

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Trade receivables - third parties	**107,022,297**	90,033,845
Trade receivables - related parties (note 9)	**9,074,913**	8,388,292
	116,097,210	98,422,137
Less: allowance for expected credit losses	**(1,256,573)**	(2,322,805)
	114,840,637	96,099,332

Movement in the allowance for expected credit losses is as follows

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Opening	**2,322,805**	2,322,805
Reversal during the period/year	**(1,066,232)**	-
Closing	**1,256,573**	2,322,805

Trade receivables are unsecured and non-interest bearing. Trade receivables are generally on terms of 30 to 120 days.

An aged analysis of trade receivable as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Not yet due	**49,393,966**	49,784,008
1 - 90 days	**45,417,421**	32,763,769
91 - 180 days	**14,577,660**	11,195,374
181 - 365 days	**4,790,278**	2,309,056
Above 365 days	**1,917,885**	2,369,930
	116,097,210	98,422,137
Less: allowance for expected credit losses	**(1,256,573)**	(2,322,805)
	114,840,637	96,099,332

The Company records an allowance for expected credit losses considering various factors including age of the receivable balances.

7. INVENTORIES

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Raw materials	**97,941,569**	86,492,181
Work in progress	**18,740,318**	30,358,062
Finished goods	**13,252,630**	17,589,074
Spare parts	**211,330**	209,829
	130,145,847	134,649,146

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment amounted to SR 33.34 million as at 30 June 2026 (31 December 2025: SR 38.18 million). During the six-month period ended 30 June 2026, the Company incurred insignificant additions to property, plant and equipment amounting to SR 0.16 million. In addition, capital work-in-progress of SR 0.04 million relating to the proposed Riyadh factory project was written off following the Board of Directors' decision not to proceed with its establishment. As of 30 June 2026, included within the property, plant and equipment fully depreciated assets with total cost amounting to SR 62.73 million (31 December 2025: SR 62.49 million).

9. RELATED PARTIES TRANSACTIONS AND BALANCES

The Company entered into transactions with related parties based on terms and conditions approved by the management of the Company.

Name	**Relationship**
Albawardi Group Holding Company	Shareholder / Parent Company
Albawardi Building Materials Company	Affiliate
Albawardi Tools and Hardware Company	Affiliate

(a) Sales to a related party:

	For the six months period ended	
	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SR	SR
Albawardi Building Materials Company	**31,681,878**	52,597,268

(b) Purchases from related parties:

	For the six months period ended	
	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SR	SR
Albawardi Building Materials Company	**30,722,057**	51,179,195
Albawardi Tools and Hardware Company	**162,714**	-

(c) Expenses paid by the Company on behalf of a related party:

	For the six months period ended	
	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SR	SR
Albawardi Building Materials Company	**1,598,338**	4,534,702

(d) Expenses paid by a related party on behalf of the Company:

	For the six months period ended	
	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SR	SR
Albawardi Building Materials Company	**161,440**	138,000

9. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

(e) Collections from a related party:

	For the six months period ended	
	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SR	SR
Albawardi Building Materials Company	**1,835,507**	2,285,955

(f) Trade receivables from related parties:

	June 30, 2026 (Unaudited)	31 December, 2025 (audited)
	SR	SR
Albawardi Building Materials Company	**9,074,913**	8,369,728
Albawardi Tools and Hardware Company	**-**	18,564
	9,074,913	8,388,292

Related parties balances bear no interest and are as per the standard credit terms. The Company has determined that balance with the related party is collectible and fully recoverable and that the financial position of the related entity is sound.

(g) Trade payable to a related party:

	June 30, 2026 (Unaudited)	31 December, 2025 (audited)
	SR	SR
Albawardi Tools and Hardware Company	**168,557**	-

(h) Compensation of key management personnel of the Company

Key management includes the Board of Directors (executive and non-executive) and all members of Company's top management. The Compensation of key management for employee services is shown below:

	For the six months period ended	
	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
	SR	SR
Salary and allowances	**666,188**	607,688
Bonus and commission	**147,712**	140,392
Employee benefits obligations	**50,522**	49,858
	864,422	797,938

10. ZAKAT

The movement in the zakat payable is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Opening	**800,000**	1,200,000
Charge for the period/year	**617,578**	625,056
Payment	**(817,578)**	(1,025,056)
Closing	**600,000**	800,000

Zakat charged to profit or loss is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Zakat for the period/year	**600,000**	800,000
(Excess)/under provision from prior year	**(13,045)**	(174,944)
Zakat assessment for 2024	**30,623**	-
	617,578	625,056

Status of certificates and assessments

The Company has submitted its zakat returns up to the year ended December 31, 2025 and obtained the required certificate.

During the period, the Company received full and final zakat and withholding tax assessment for 2024 amounting to SR 30,623 and SR 46,875 respectively and has paid the amount in full during the period.

11. SHARE CAPITAL

As of 30 June 2026, authorized, issued and paid-up capital comprise of 6,000,000 shares of Saudi Riyal 10 each (31 December 2025: 6,000,000 shares of Saudi Riyal 10 each).

12. CONTINGENCIES AND COMMITMENTS

(a) As of June 30, 2026, the Company's outstanding contingencies and commitments are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Letter of credits	**24,945,687**	33,764,331
Letter of guarantees	**66,116,388**	69,493,847

(b) As of June 30, 2026, and December 31, 2025, the Company has no outstanding capital commitments related to property, plant and equipment.

13. SEGMENTAL REPORTING

The Company operates solely in the Kingdom of Saudi Arabia. For management purposes, the Company is organized into a single business unit based on its single stream of revenue, i.e. sale of steel.

14. EARNINGS PER SHARE

	Six months period ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
	SR	SR
Earnings per share attributable to ordinary shareholders	**1.43**	0.16
Profit for the period	**8,556,656**	980,653
Weighted average number of shares	**6,000,000**	6,000,000

15. RECLASSIFICATIONS

Following comparative figures have been reclassified to conform the presentation in current period:

Description	**From**	**To**	**Amount**
Reclassification of transportation cost	Selling and distribution expenses	Cost of revenue	2,160,523

16. SUBSEQUENT EVENTS

There have been no significant subsequent events since the period end that would have a material impact on the financial results of the Company as reflected in these interim condensed financial statements.

17. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue by the Company's Board of Directors on 30 August 2026 (corresponding to 17 Rabi Al Awwal 1448H).