

**FILLING AND PACKING MATERIALS  
MANUFACTURING COMPANY  
(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

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**INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF FILLING AND PACKING MATERIALS MANUFACTURING COMPANY (A Saudi Joint Stock Company)**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Filling and Packing Materials Manufacturing Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2026, and the interim condensed consolidated statements of profit or loss and the other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and other 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") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standards on Review Engagements (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 financial information requires inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

For Maham Company for Professional Services

Abdulaziz Saud Al Shabeebi  
Certified Public Accountant  
License no. (339)



25 Thul-Qi'dah 1447H  
12 May 2026



Filling and Packing Materials Manufacturing Company

(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2026

	Note	31 March 2026 (Unaudited) س.ع	31 December 2025 (Audited) س.ع
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	135,750,312	137,679,872
Right-of-use assets		4,837,454	4,961,491
Intangible assets		497,063	542,250
<b>Total non-current assets</b>		<b>141,084,829</b>	<b>143,183,613</b>
<b>Current assets</b>			
Inventories	5	70,712,659	62,226,996
Trade receivables and contract assets	6	62,571,015	49,981,424
Prepayments and other current assets	7	18,117,654	13,993,330
Cash and cash equivalents		3,810,019	15,871,618
<b>Total current assets</b>		<b>155,211,347</b>	<b>142,073,368</b>
<b>Total assets</b>		<b>296,296,176</b>	<b>285,256,981</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	8	115,000,000	115,000,000
Retained earnings		39,160,119	36,566,278
Other reserves		(25,358,702)	(25,358,702)
<b>Total shareholders' equity</b>		<b>128,801,417</b>	<b>126,207,576</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Term loans – non-current portion	10	6,020,725	7,302,639
Government grants - non-current portion	10	409,344	437,105
Lease liabilities – non-current portion		5,035,525	5,746,252
Employees' defined benefit obligations		17,574,937	17,065,529
Contingent liability for acquisition of non-controlling interest	9	6,966,208	6,782,075
<b>Total non-current liabilities</b>		<b>36,006,739</b>	<b>37,333,600</b>
<b>Current liabilities</b>			
Trade payables		36,125,851	23,905,809
Accrued expenses and other current liabilities		21,371,469	18,385,470
Accrued dividend		5,148,109	5,148,109
Term loans – current portion	10	2,597,996	2,460,929
Short-term loans	10	64,659,537	70,354,565
Government grants - current portion	10	265,824	346,059
Lease liabilities - current portion		502,810	478,867
Zakat provision	11	816,424	635,997
<b>Total current liabilities</b>		<b>131,488,020</b>	<b>121,715,805</b>
<b>Total liabilities</b>		<b>167,494,759</b>	<b>159,049,405</b>
<b>Total shareholders' equity and liabilities</b>		<b>296,296,176</b>	<b>285,256,981</b>



Ansar Mahmoud Hussein  
Chief Financial Officer (CFO)



Abdullah Mohammed Al-Harbi  
Chief Executive Officer (CEO)



Ahmed Abdulatif Al-Barak  
Chairman of the Board

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Filling and Packing Materials Manufacturing Company  
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the three-month period ended 31 March 2026

		<b>For the three-month period ended</b>	
	<i>Note</i>	<b>31 March 2026</b>	<b>31 March 2025</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		S	S
Revenue	16	<b>64,506,149</b>	53,755,085
Cost of revenue		<b>(49,581,257)</b>	(44,891,175)
<b>Gross Profit</b>		<b>14,924,892</b>	8,863,910
<b>Expenses</b>			
Selling and marketing expenses		<b>(4,734,110)</b>	(3,721,494)
General and administrative expenses	12	<b>(6,261,009)</b>	(6,716,030)
Provision for expected credit losses - trade receivables	6	<b>(1,015,997)</b>	(532,382)
<b>Profit (loss) from operations</b>		<b>2,913,776</b>	(2,105,996)
Finance costs		<b>(1,664,862)</b>	(1,492,763)
Other income, net	13	<b>1,533,621</b>	295,462
<b>Profit (loss) before Zakat</b>		<b>2,782,535</b>	(3,303,297)
Zakat	11	<b>(188,694)</b>	(303,995)
<b>Net profit (loss) for the period</b>		<b>2,593,841</b>	(3,607,292)
<b>Total comprehensive income (loss) for the period</b>		<b>2,593,841</b>	(3,607,292)
<b>Earnings (Loss) per share</b>			
Basic and diluted earnings (loss) per share from net profit (loss) for the period	14	<b>0.23</b>	(0.31)



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Filling and Packing Materials Manufacturing Company  
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity  
For the three-month period ended 31 March 2026

	Share capital س.ع	Retained earnings س.ع	Other reserves س.ع	Total س.ع
At 1 January 2026 (Audited)	115,000,000	36,566,278	(25,358,702)	126,207,576
Net profit for the period	-	2,593,841	-	2,593,841
Total comprehensive income for the period	-	2,593,841	-	2,593,841
<b>At 31 March 2026 (Unaudited)</b>	<b>115,000,000</b>	<b>39,160,119</b>	<b>(25,358,702)</b>	<b>128,801,417</b>
At 1 January 2025 (Audited)	115,000,000	55,805,475	(25,358,702)	145,446,773
Net loss for the period	-	(3,607,292)	-	(3,607,292)
Total comprehensive loss for the period	-	(3,607,292)	-	(3,607,292)
<b>At 31 March 2025 (Unaudited)</b>	<b>115,000,000</b>	<b>52,198,183</b>	<b>(25,358,702)</b>	<b>141,839,481</b>



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Filling and Packing Materials Manufacturing Company  
(A Saudi Joint Stock Company)  
Interim Condensed Consolidated Statement of Cash Flows  
For the three-month period ended 31 March 2026

	<b>For the three-month period ended</b>	
	<b>31 March 2026</b>	<b>31 March 2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	ؔ	ؔ
<b>OPERATING ACTIVITIES</b>		
Profit (loss) before zakat	2,782,535	(3,303,297)
Adjustments for:		
Depreciation of property, plant and equipment	3,113,508	2,487,327
Depreciation of right-of-use assets	124,037	124,037
Amortization of intangible assets	45,187	36,032
Provision for slow-moving and obsolete inventory	-	337,099
Provision for expected credit losses - trade receivables	1,015,997	532,382
Provision for employees defined benefit obligations	558,705	524,715
Government grants	(107,996)	(175,741)
Finance cost	1,664,862	1,492,763
	<u>9,196,835</u>	<u>2,055,317</u>
<b>Change in operating assets and liabilities:</b>		
Inventories	(8,784,814)	(930,043)
Trade receivables and contract assets	(13,605,588)	252,556
Prepayments and other current assets	(4,124,324)	(3,614,882)
Trade payables	12,220,042	(23,039,781)
Accrued expenses and other current liabilities	2,985,999	407,563
Cash used in operations	<u>(2,111,850)</u>	<u>(24,869,270)</u>
Employees defined benefits liabilities paid	(269,602)	(154,695)
Finance cost paid	(1,167,184)	(852,032)
Zakat paid	(8,267)	-
<b>Net cash used in operating activities</b>	<u>(3,556,903)</u>	<u>(25,875,997)</u>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(884,797)	(350,284)
<b>Net cash used in investing activities</b>	<u>(884,797)</u>	<u>(350,284)</u>
<b>FINANCING ACTIVITIES</b>		
Loans received	22,516,876	36,870,182
Loans paid	(29,356,751)	(11,852,304)
Payment of lease liabilities	(780,024)	(780,024)
<b>Net cash (used in) from financing activities</b>	<u>(7,619,899)</u>	<u>24,237,854</u>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Filling and Packing Materials Manufacturing Company

(A Saudi Joint Stock Company)

Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the three-month period ended 31 March 2026

	<b>For the three-month period ended</b>	
	<b>31 March 2026</b> <b>(Unaudited)</b> S	31 March 2025 (Unaudited) S
<b>Net increase decrease in cash and cash equivalents</b>	<b>(12,061,599)</b>	(1,988,427)
Cash and cash equivalents at the beginning of the period	<b>15,871,618</b>	8,896,196
<b>Cash and cash equivalents at the end of the period</b>	<b>3,810,019</b>	6,907,769
<b>Non-cash transactions</b>		
Transferred from inventory to property, plant and equipment	<b>299,151</b>	1,045,843



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**1 GENERAL INFORMATION**

Filling and Packing Materials Manufacturing Company (“the Company”) is a Saudi Joint Stock Company formed in accordance with the Companies Regulation and is registered in the Kingdom of Saudi Arabia (“KSA”) under the Commercial Registration No. 1010084155 dated 4 Dhul-Hijjah 1411H (corresponding to 17 June 1991).

The main activities of the Group are weaving textiles from industrial threads such as nylon, cutting and detailing covers for machines and goods, manufacturing plastics in their primary forms, manufacturing industrial threads, and manufacturing containers and bags from plastics.

The registered address of the group is 7305 - Second Industrial Area - Unit No. 7306 Riyadh - Kingdom of Saudi Arabia P.O. Box: 14335 Riyadh 2483.

These condensed consolidated financial statements include the financial statements of the Company and the following subsidiaries (collectively referred to as the 'Group')

Subsidiary	Capital (ﷲ)	Ownership percentage direct and indirect %	
		31 March 2026	31 December 2025
FPC Industrial Company	70,000,000	100%	100%
Zilal Al Dana Tents Company	1,000,000	100%	100%

**FPC Industrial Company**

FPC Industrial Company - is a Saudi Closed Joint Stock Company, registered under the Commercial Registration No. 1010468446 dated 2 Jumada al-Thani 1438H corresponding to 1 March 2017. The Company is engaged in cutting and detailing tents and sails, car and furniture covers, machinery and goods covers, and the manufacture of bags, flags, banners, umbrellas, and tents.

**Zilal Al Dana Tents Company**

On 11 Rajab 1446H (corresponding to 11 January 2025), the branch of FPC Industrial Company (Zilal Al Dana Tents Company) was converted into a Limited Liability Company wholly owned by the Packaging Materials Manufacturing Company (FIPCO), under the name “Zilal Al Dana Tents Company” registered under Commercial Registration No. 1010822409 dated 1 Safar 1444H (corresponding to 28 August 2022). The Company is engaged in metal workshop activities, general construction of residential buildings, general construction of non-residential buildings (such as schools, hospitals, hotels, etc.), construction of airports and their facilities, general construction of government buildings, on-site construction of prefabricated buildings, and general sports construction including stadiums and the construction of military yards, installation of canopies and barriers, interior fittings for shops, mobile buildings, and boats.

**Benaa Industrial Investments Holding Company**

On 29 May 2025, the Group’s management signed a non-binding memorandum of understanding (MoU) with Benaa Industrial Investments Holding Company (“Benaa Holding”), a related party due to the presence of a common Board member between the two companies, with the purpose of initiating discussions regarding the Group’s acquisition of all shareholders’ interests in Benaa Industrial Investments Holding Company (“Benaa Holding”). The MoU has a term of 180 days from the signing date, renewable upon mutual agreement of the parties. The MoU covers financial and legal due diligence, valuation of shares, and negotiations to reach a final binding agreement in respect of the potential transaction. The MoU also included provisions relating to confidentiality, exclusivity, and certain regulatory restrictions.

On 22 December 2025, the Group’s management signed the acquisition agreement, with its value to be determined based on the average fair value of the shares of the acquiree during the last 30 trading days prior to 8 December 2025, which was estimated at 372 million ﷲ. The transaction will be financed through the issuance of new shares, while any differences will be covered through additional funding sources. Completion of the acquisition remains subject to fulfilling a number of conditions, including obtaining the approval of the Capital Market Authority regarding the capital increase, obtaining the approval of the Saudi Stock Exchange (Tadawul) for listing the new shares resulting from the capital increase, obtaining the approval of the Company’s Extraordinary General Assembly, as well as any other necessary regulatory approvals in accordance with the acquisition agreement.

## 1 GENERAL INFORMATION (continued)

### Geopolitical developments

The Group continues to monitor regional geopolitical developments and assess their potential impact on the Kingdom of Saudi Arabia and, more broadly, the Gulf Cooperation Council (GCC) region, given that the majority of its operations are concentrated within this area. In light of ongoing uncertainty, the Group maintains a solid operational framework to manage risks associated with these developments. Given the evolving nature of these circumstances, the Group will continue to evaluate potential long-term effects on its operations in future reporting periods.

## 2 BASIS OF PREPARATION

### 2-1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard "Interim Financial Report" ("IAS 34") that is 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 consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

### 2-2 Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except employee defined benefit liabilities which are measured under the projected unit credit method. Furthermore, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting and the going concern principle.

### 2-3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (ﷲ), which is the Group's functional and presentation currency.

### 2-4 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiary as of 31 March 2026. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Control is achieved when the Group is exposed to, or has rights to, variable returns from its relationship with the investee, and has the ability to affect the returns by exercising its power over the investee. In particular, the Company controls an investee only when the Group has:

- Power over the investee company;
- Exposure to risks and has rights to obtain different returns through its relationship with the investee company.
- The ability to use its power over the investee company to affect its returns.

The Group conducts a reassessment to ascertain whether or not it exercises control over an investee when facts and circumstances indicate that there is a change in one or more of the three elements of control mentioned above.

When the Group has less than a majority of the voting rights of an investee, it has control over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee individually.

## **2 BASIS OF PREPARATION (continued)**

### **2-4 Basis of consolidation (continued)**

The Group considers all relevant facts and circumstances when determining whether it exercises power over an investee, including:

- The size of the Group's voting rights in proportion to the size of the voting rights owned by other parties.
- Potential voting rights are held by the Group or voting rights owned by other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicate that the Group has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting methods at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses such control. Specifically, the income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date on which control is transferred to the Group until the date when the Group ceases to have control.

All assets, liabilities, equity, income, expenses, and cash flows relating to transactions between Group companies are eliminated in full consolidation of the financial statements.

### **2-5 Material accounting policies**

The accounting policies applied in these interim condensed consolidated financial statements are the same policies applied to the Group's annual consolidated financial statements as at and for the year ended 31 December 2025.

### **2-6 New and amended standards and interpretations**

New standards and a set of amendments to existing standards became effective on 1 January 2026 and were disclosed in the Group's annual consolidated financial statements. However, they do not have a material impact on the Group's interim condensed consolidated financial statements.

## **3 SIGNIFICANT ASSUMPTIONS AND ESTIMATES**

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates, and assumptions as of the date of the interim condensed consolidated financial statements, that affect the reported amounts of revenue, expenses, assets, and liabilities recognized, as well as the disclosure of contingent assets and liabilities. However, due to the uncertainty of these assumptions and estimates, results may require a material adjustment to the carrying amounts of the affected assets or liabilities in future periods. Estimates and judgments are reviewed on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future, and as a result, the accounting estimates may differ from the actual outcomes related to those estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2025.

**4 PROPERTY, PLANT AND EQUIPMENT**

	<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	For the year ended 31 December 2025 (Audited)
	ﷲ	ﷲ
<b>Cost</b>		
At the beginning of the period/year	347,051,662	343,411,175
Additions	884,797	9,236,811
Transferred from inventory	299,151	1,600,218
Disposals	-	(7,196,542)
At the end of the period/year	<u>348,235,610</u>	<u>347,051,662</u>
<b>Accumulated depreciation</b>		
At the beginning of the period/year	209,371,790	204,482,486
Charged during the period/year	3,113,508	12,085,687
Disposals	-	(7,196,383)
At the end of the period/year	<u>212,485,298</u>	<u>209,371,790</u>
Net book value		
<b>At the end of the period/year</b>	<u><u>135,750,312</u></u>	<u><u>137,679,872</u></u>

Depreciation expense has been charged to the interim condensed consolidated statement of profit or loss and other comprehensive income as follows:

	<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	31 March 2025 (Unaudited)
	ﷲ	ﷲ
Cost of revenue	3,074,544	2,449,496
Selling and marketing expenses	5,550	4,826
General and administrative expenses	33,414	33,005
	<u>3,113,508</u>	<u>2,487,327</u>

**5 INVENTORIES**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Raw materials	27,960,964	27,170,870
Finished goods	23,472,924	16,032,543
Work in progress	13,534,548	11,918,107
Other materials and supplies	3,487,290	2,905,778
Goods in transit	2,256,933	4,199,698
	<u>70,712,659</u>	<u>62,226,996</u>

**5 INVENTORIES (continued)**

The movement of provision for slow-moving and obsolete inventory:

	<b>For the three- month period ended 31 March 2026 (Unaudited)</b>	For the year ended 31 December 2025 (Audited)
	ﷲ	ﷲ
Charged during the period/year	-	2,912,748
Written off during the period/year	-	(2,912,748)
Balance at the end of the period/year	-	-

According to the Group's accounting policy, the Group identifies inventory items that are considered to be impaired due to obsolescence or other factors that have reduced their recoverable value. A provision for impairment is recorded to reduce the carrying amount of these items to their net realizable value. At the end of each financial period, the Group writes off the provision for inventory impairment.

**6 TRADE RECEIVABLES AND CONTRACT ASSETS**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Total trade receivables	<b>74,357,664</b>	67,572,467
Less: provision for expected credit losses	<b>(18,607,040)</b>	(17,591,043)
	<b>55,750,624</b>	49,981,424
Contract assets *	<b>6,820,391</b>	-
	<b>62,571,015</b>	49,981,424

(\*) Contract assets primarily relate to the Group's right to consideration for goods delivered to customers that have not been invoiced at the reporting date. These are transferred to trade receivables when the contracts become unconditional, which occurs when the Group issues an invoice to the customer.

- Trade receivables are non-interest bearing and are generally due within 30-90 working days. The carrying amount could be affected by changes in the credit risk of counterparties.
- The majority of the Group's trade receivables are concentrated in the Kingdom of Saudi Arabia.
- As at 31 March 2026, trade receivables decreased by 18,607,040 ﷲ (31 December 2025: 17,591,043 ﷲ) and a provision has been recognized, as appropriate.

## 6 TRADE RECEIVABLES AND CONTRACT ASSETS (continued)

Movement in the provision for expected credit losses:

	<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	For the year ended 31 December 2025 (Audited)
	ﷲ	ﷲ
At the beginning of the period/year	<u>17,591,043</u>	4,524,697
Charged during the period/year	1,015,997	13,071,306
Written off during the period/year	-	(4,960)
At the end of the period/year	<u><u>18,607,040</u></u>	<u><u>17,591,043</u></u>

The following is the aging analysis of receivables:

<b>Description</b>	<b>Total</b>	<b>0-90 days</b>	<b>91-180 days</b>	<b>181-270 days</b>	<b>271-360 days</b>	<b>More than 360 days</b>
<b>31 March 2026 (Unaudited)</b>	<b>74,357,664</b>	<b>46,652,709</b>	<b>9,703,147</b>	<b>3,824,397</b>	<b>2,018,168</b>	<b>12,159,243</b>
31 December 2025 (Audited)	67,572,467	47,266,204	6,071,248	2,720,007	2,590,424	8,924,584

## 7 PREPAYMENTS AND OTHER CURRENT ASSETS

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Advances to suppliers	11,844,993	7,202,126
Accrued revenue from Human Resources Development Fund (*)	2,835,167	2,835,167
Staff receivables	2,260,565	2,394,078
Prepaid expenses	1,252,520	1,579,912
Accrued incentives from suppliers	174,020	174,020
Letters of credit	164,736	386,696
Recoverable value-added tax (VAT)	146,338	-
Others	44,201	26,217
Less: Allowance for impairment (**)	(604,886)	(604,886)
	<u><u>18,117,654</u></u>	<u><u>13,993,330</u></u>

(\*) Accrued revenue from the Human Resources Development Fund that is still under settlement procedures as per the Ministry of Human Resources and Social Development website.

(\*\*) The allowance for impairment has been recorded against advances to suppliers amounting to 504,823 ﷲ and staff receivables amounting to 100,063 ﷲ.

## 8 SHARE CAPITAL

The Company's authorized, issued and fully paid-up share capital consists of 11.5 million shares with a nominal value of 10 ﷲ each (31 December 2025: 11.5 million shares with a nominal value of 10 ﷲ each).

**9 ACQUISITION OF NON-CONTROLLING INTEREST IN FPC INDUSTRIAL COMPANY**

During 2020, the Company acquired the non-controlling stake of 20% in FPC Industrial Company (the subsidiary) and therefore it became a wholly owned subsidiary of the Group. According to the acquisition agreement, the selling party is entitled to 20% of the annual net profit of the subsidiary, calculated according to the audited financial statements for a period of ten years only, which ends on 31 December 2029. Accordingly, the Company conducted an assessment for the potential commitment in accordance with the agreement. Management believes that the calculation of this potential liability reflects the best estimate in light of the available data and is reassessed annually.

The consideration amounts due in respect of the acquisition exceeded the fair value of the stake as at the acquisition date by an amount of 25,358,702ﷲ, which was classified under "Other reserves" within shareholders' equity.

The movement of contingent liability for acquisition of non-controlling interest is as follows:

	<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	For the year ended 31 December 2025 (Audited)
	ﷲ	ﷲ
At the beginning of the period/year	<b>6,782,075</b>	11,173,000
Change in revaluation result during the period/year	-	(5,575,263)
Financial costs during the period/year	<b>184,133</b>	1,184,338
At the end of the period/year	<b>6,966,208</b>	6,782,075

**10 TERM LOANS**

The Group has entered into agreements with the Saudi Industrial Development Fund (SIDF) amounting to 50.4 million ﷲ to finance the expansion of the Group's factories and the purchase of machinery and equipment to increase production capacity. The guarantees for the SIDF loans consist of pledging most of the properties, machinery and equipment in favor of the Fund. The outstanding balance payable amounted to 8.8 million ﷲ as at 31 March 2026.

The guarantees for the Saudi Industrial Development Fund (SIDF) loans consist of pledging most of the Group's properties, machinery and equipment.

The Group has signed a renewable credit facility agreement consisting of loans from a local bank, with an outstanding balance of 695 thousand ﷲ payable over varied periods and in unequal installments. The loans bear commission at prevailing interbank commercial rates in the Kingdom of Saudi Arabia and are secured by promissory notes.

The Group has obtained short-term loans with a maximum limit of 94 million ﷲ from local banks to finance the Group's working capital. The outstanding balance amounted to 64.6 million ﷲ in the form of loans maturing within periods ranging from 3 to 12 months as at 31 March 2026. The unutilized balance amounted to 29.3 million ﷲ. These loans bear commission at prevailing interbank commercial rates in the Kingdom of Saudi Arabia and are secured by promissory notes.

**10 TERM LOANS (continued)**

Term financing includes certain covenants. Any future breach of covenants may lead to renegotiation. Covenants are monitored on a monthly basis by management, and in case of any potential breach, management takes necessary actions to ensure compliance. The Company has been in compliance with these covenants.

The following is a summary of loans as at 31 March 2026 and 31 December 2025:

	<b>31 March 2026</b> <b>(Unaudited)</b>	31 December 2025 <b>(Audited)</b>
	ﷲ	ﷲ
Short-term loans	<b>64,659,537</b>	70,354,565
Current portion of term loans	<b>2,597,996</b>	2,460,929
Non-current portion of term loans	<b>6,020,725</b>	7,302,639
	<b><u>73,278,258</u></b>	<u>80,118,133</u>

In accordance with International Financial Reporting Standard (IAS) 20 – accounting for Government Grants and Disclosure of Government Assistance as adopted in the Kingdom of Saudi Arabia, loans bearing interest rates below market rates are measured at fair value. The difference between the carrying amount of the loan from the Saudi Industrial Development Fund (SIDF) and the proceeds received is treated as a government grant. Government grants were as follows:

	<b>31 March 2026</b> <b>(Unaudited)</b>	31 December 2025 <b>(Audited)</b>
	ﷲ	ﷲ
Government grants – current portion	<b>265,824</b>	346,059
Government grants - non-current portion	<b>409,344</b>	437,105
At the end the period / year	<b><u>675,168</u></b>	<u>783,164</u>

**11 ZAKAT**

Zakat expense for the year is determined in accordance with the requirements of the Zakat, Tax and Customs Authority (“ZATCA”) and charged to the consolidated statement of profit or loss and comprehensive income. Differences resulting from the final zakat calculation, if any, are adjusted in the period in which the final assessments are received. The provision for the period was calculated based on the Zakat Base of the Company and its wholly-owned subsidiaries as a whole, as the Group submits a consolidated zakat return.

The Group submitted its zakat returns to the Zakat, Tax, and Customs Authority for all years up to 2025, and the Group obtained the final zakat assessments for the years up to 2024 and paid related zakat on it. ZATCA has not yet issued the zakat assessment for the year 2025.

**11 ZAKAT (continued)**

Zakat provision movement:

	<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	<b>For the year ended 31 December 2025 (Audited)</b>
	S	S
At the beginning of the period/year	<u>635,997</u>	<u>1,503,308</u>
Charged during the period/year	<b>188,694</b>	541,148
Paid during the period/year	<b>(8,267)</b>	<b>(1,408,459)</b>
At the end of the period/year	<u><b>816,424</b></u>	<u>635,997</u>

**12 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>
	S	S
Employees' salaries and related benefits	<u>4,141,326</u>	5,029,016
Consulting and professional fees	<b>621,812</b>	395,471
Board of Directors' allowances	<b>302,500</b>	317,500
Research and development expenses	<b>151,752</b>	294,916
Bank charges	<b>117,374</b>	26,172
Training expenses	<b>114,127</b>	75,704
Insurance expenses	<b>98,983</b>	35,837
Security and safety expenses	<b>62,964</b>	63,653
Telephone and postage	<b>59,766</b>	93,529
Amortization of intangible assets	<b>45,186</b>	36,032
Electricity and water	<b>44,628</b>	23,620
Depreciation of property, plant and equipment	<b>33,414</b>	33,005
Maintenance and repairs	<b>22,577</b>	28,849
Others	<b>444,600</b>	262,726
	<u><b>6,261,009</b></u>	<u>6,716,030</u>

**13 OTHER INCOME, NET**

	<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>
	S	S
Bad debts recovered	<u>1,318,170</u>	-
Technical consulting income	<b>300,000</b>	-
Sale of scrap and other materials	<b>50,207</b>	62,582
Export Development Authority support	-	21,135
Foreign exchange differences	<b>(146,014)</b>	211,745
Others	<b>11,258</b>	-
	<u><b>1,533,621</b></u>	<u>295,462</u>

**14 EARNINGS (LOSS) PER SHARE**

Basic earnings (loss) per share attributable to ordinary shares are calculated by dividing net profit (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings (loss) per share are the same as basic earnings (loss) per share since the Company has no issued dilutive shares.

	<b>For the three-month period ended</b>	
	<b>31 March 2026 (Unaudited)</b>	31 March 2025 (Unaudited)
	ﷲ	ﷲ
Net profit (loss) for the period attributable to shareholders	<u>2,593,841</u>	<u>(3,607,292)</u>
Weighted average number of shares	<u>11,500,000</u>	<u>11,500,000</u>
Basic and diluted earnings (loss) per share	<u><b>0.23</b></u>	<u>(0.31)</u>

**15 RELATED PARTY TRANSACTIONS AND BALANCES**

Senior management employees are defined as people who have the authority and responsibility to plan, direct and control the Group's activities (directly or indirectly)

Transactions with related parties include salaries, bonuses and allowances of the Board of Directors and senior executives that were carried out during the period between the Group and key management personnel. Related party transactions were as follows:

	<b>For the three-month period ended</b>	
	<b>31 March 2026 (Unaudited)</b>	31 March 2025 (Unaudited)
	ﷲ	ﷲ
Short-term salaries and benefits for the executive management	<u>1,124,448</u>	<u>995,296</u>
Allowances and rewards for the Board of Directors and other Committees	<u>302,500</u>	<u>317,500</u>
Defined employee benefit obligations	<u>59,728</u>	<u>55,330</u>
	<u><b>1,486,676</b></u>	<u>1,368,126</u>

**16 SEGMENT REPORTING**

The Group's management has determined the operating segments based on the reports reviewed by the Board of Directors, on the basis of which strategic decisions are taken. For management purposes, the Group is organized into two segments. The following are the operating segments of the Group:

**Packing and packaging**

The Packing and packaging sector is engaged in weaving textiles from industrial threads such as nylon, manufacturing bags from plastics, manufacturing plastics (plastics) in their primary forms, spinning and preparing plant fibers such as hemp and staple.

**Technical textiles**

The technical textiles sector is engaged in cutting and detailing tents and sails, car and furniture covers, machinery and goods covers, and the manufacture of bags, flags, banners, umbrellas and awnings.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with the operating profit or loss in the interim condensed consolidated financial statements.

**16 SEGMENT REPORTING (continued)**

Below represents the summary of Groups revenue from contracts with customers:

<b>For the three-month period ended 31 March 2026 (Unaudited)</b>	<b>Packing and packaging</b>	<b>Technical textiles</b>	<b>Settlements</b>	<b>Total</b>
	(ﷲ)	(ﷲ)	(ﷲ)	(ﷲ)
Revenues	46,846,585	17,659,564	-	64,506,149
Cost of revenue	(34,997,399)	(14,646,568)	62,710	(49,581,257)
<b>Gross profit</b>	<b>11,849,186</b>	<b>3,012,996</b>	<b>62,710</b>	<b>14,924,892</b>
For the three-month period ended 31 March 2025 (Unaudited)	Packing and packaging	Technical textiles	Settlements	Total
	(ﷲ)	(ﷲ)	(ﷲ)	(ﷲ)
Revenues	43,392,164	10,771,690	(408,769)	53,755,085
Cost of revenue	(35,320,852)	(10,041,802)	471,479	(44,891,175)
Gross profit	8,071,312	729,888	62,710	8,863,910

**REVENUES**

	<b>For the three-month period ended</b>	
	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>
	ﷲ	ﷲ
Revenue from sale of packaging and packaging products	46,846,585	42,983,395
Revenue from sale of technical textiles	17,659,564	10,771,690
Revenue recognized at a point of time	64,506,149	53,755,085

**Revenue geographical analysis**

The geographical analysis of the Group's revenue is as follows:

	<b>For the three-month period ended</b>	
	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>
	ﷲ	ﷲ
Kingdom of Saudi Arabia	38,455,885	33,209,716
Other countries	26,050,264	20,545,369
Total revenue	64,506,149	53,755,085

**16 SEGMENT REPORTING (continued)**

The details of the assets and liabilities of the Group's segments are as follows:

<b>As at 31 March 2026 (Unaudited)</b>	<b>Packing and packaging (ﷲ)</b>	<b>Technical textiles (ﷲ)</b>	<b>Settlements (ﷲ)</b>	<b>Total (ﷲ)</b>
<b>Total assets</b>	<b>297,165,588</b>	<b>150,144,662</b>	<b>(151,014,074)</b>	<b>296,296,176</b>
<b>Total liabilities</b>	<b>141,069,909</b>	<b>88,166,899</b>	<b>(61,742,049)</b>	<b>167,494,759</b>
<b>As at 31 December 2025 (Audited)</b>	<b>Packing and packaging (ﷲ)</b>	<b>Technical textiles (ﷲ)</b>	<b>Settlements (ﷲ)</b>	<b>Total (ﷲ)</b>
<b>Total assets</b>	<b>296,498,271</b>	<b>139,221,961</b>	<b>(150,463,251)</b>	<b>285,256,981</b>
<b>Total liabilities</b>	<b>144,931,997</b>	<b>75,308,633</b>	<b>(61,191,225)</b>	<b>159,049,405</b>

**17 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the value at which assets are exchanged, or liabilities are settled between willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. Financial assets include cash and cash equivalents, trade receivables and contract assets. Financial liabilities include term loans, trade payable and lease liabilities.

The management has assessed that the fair value of cash and cash equivalents and trade receivables, contract assets term loans, trade payable, and lease liabilities approximate their carrying amounts. This is mainly due to the short-term maturity of these instruments.

During the period ended 31 March 2026 and the year ended 31 December 2025, there were no transfers between Level 1 and Level 2 of the fair value hierarchy, nor were there any transfers into or out of Level 3 of the fair value hierarchy.

**18 CONTINGENCIES**

As at 31 March 2026, the Group had outstanding letters of credit and guarantees amounting to 615,000 ﷲ (31 December 2025: 958,767 ﷲ).

**19 INTERIM RESULTS**

The results of operations for the three-month period ended 31 March 2026 are not necessarily indicative of the Group's annual results.

**20 SUBSEQUENT EVENTS**

Management believes that there are no significant subsequent events since the end of the period that may require disclosure or amendment to these consolidated financial statements.

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

The interim condensed consolidated financial statements were approved by the board of directors on 19 Thul-Qi'dah 1447H (corresponding to 6 May 2026).