

**Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)**

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

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

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Independent auditor's review report on the interim condensed consolidated financial statements to the shareholders of Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Printing and Packaging Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income / (loss), changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim 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 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the interim condensed consolidated financial statements, which indicates that the Group incurred a net profit of ﷲ7.2 million for the three-month period ended 31 March 2026 (31 March 2025: net loss of ﷲ24.4 million) and that, as at that date, the Group's current liabilities exceeded its current assets by ﷲ332.8 million (31 December 2025: ﷲ399.7 million). In addition, the Group had accumulated losses of ﷲ583.1 million as at 31 March 2026 (31 December 2025: ﷲ590.3 million), representing approximately 89.4% (31 December 2025: 98.4%) of the share capital. These events and conditions, as further described in Note 1, indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

for Ernst & Young Professional Services


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

Riyadh: 24 Thul-Qi'dah 1447H
(11 May 2026)

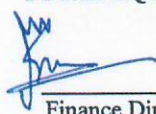


Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME / (LOSS)**

For the three-month period ended 31 March 2026

	Notes	31 March 2026 (Unaudited) ﷲ	31 December 2025 (Audited) ﷲ
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	412,311,621	438,643,762
Intangible assets and goodwill	10	175,255,046	175,298,458
Investment properties	17	5,788,410	5,870,732
Right-of-use assets		3,247,799	3,374,064
Restricted bank balances	8	9,792,852	9,792,852
TOTAL NON-CURRENT ASSETS		606,395,728	632,979,868
CURRENT ASSETS			
Prepayments and other current assets		15,239,731	12,134,465
Inventories	6	80,303,165	98,139,171
Trade receivables	7	112,727,590	123,854,124
Cash and short-term deposits	8	13,741,874	6,527,529
TOTAL CURRENT ASSETS		222,012,360	240,655,289
Assets held for sale		343,230	-
TOTAL ASSETS		828,751,318	873,635,157
EQUITY AND LIABILITIES			
EQUITY			
Issued capital	11	652,070,640	600,000,000
Contractual reserve	11	2,909,935	2,909,935
Accumulated losses		(583,096,305)	(590,302,148)
Share discount	11	(9,737,210)	-
Other reserves		(212,380)	(324,272)
TOTAL EQUITY		61,934,680	12,283,515
NON-CURRENT LIABILITIES			
Loans and Murabaha	12	106,022,611	115,454,004
Loan from Shareholder	13	75,000,000	75,000,000
Employees' defined benefit liabilities		25,951,806	25,495,796
Lease liabilities		3,551,792	3,648,678
Trade payables		1,147,001	1,403,099
TOTAL NON-CURRENT LIABILITIES		211,673,210	221,001,577
CURRENT LIABILITIES			
Trade payables	15	74,273,556	80,074,672
Accrued expenses and other current liabilities	16	34,489,103	38,764,368
Loans and Murabaha	12	394,949,284	470,734,575
Loan from Shareholder	13	11,372,809	10,052,136
Lease liabilities		346,896	346,896
Due to a related party	14	32,521,822	31,339,181
Dividends payable		697,151	697,151
Zakat and taxation	5	6,492,807	8,341,086
TOTAL CURRENT LIABILITIES		555,143,428	640,350,065
TOTAL LIABILITIES		766,816,638	861,351,642
TOTAL EQUITY AND LIABILITIES		828,751,318	873,635,157


Finance Director


Chief Executive Officer


Chairman

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

Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME / (LOSS)
For the three-month period ended 31 March 2026

		<i>For the three-month period ended 31 March</i>	
		2026 (Unaudited) S	2025 (Unaudited) S
	Notes		
Continuing operations			
Revenue	3	91,824,462	149,999,327
Cost of revenue		<u>(88,806,355)</u>	<u>(140,076,533)</u>
Gross profit		3,018,107	9,922,794
Selling, marketing and distribution expenses		(5,618,561)	(6,884,644)
General and administrative expenses		(11,951,745)	(15,788,222)
Impairment of trade receivables	7	(1,295,108)	-
Impairment of Property, plant and equipment	9	<u>(3,568,327)</u>	<u>-</u>
Operating loss for the period		(19,415,634)	(12,750,072)
Other income		4,393,007	492,139
Gain on the loan conversion into equity		31,346,538	-
Finance costs		<u>(8,050,462)</u>	<u>(11,963,148)</u>
Profit / (loss) before zakat and tax from continuing operations		8,273,449	(24,221,081)
Zakat and tax expense	5	-	556,002
Profit / (loss) for the period from continuing operations		8,273,449	(23,665,079)
Discontinued operations			
Loss after zakat and tax for the period from discontinued operations	4	<u>(1,067,606)</u>	<u>(736,789)</u>
Profit / (loss) for the period		7,205,843	(24,401,868)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		<u>111,892</u>	<u>62,245</u>
Other comprehensive income for the period		111,892	62,245
Total comprehensive income / (loss)		7,317,735	(24,339,623)
Profit / (Loss) per share-basic and diluted		0.11	(0.41)
Profit / (Loss) per share-basic and diluted from continuing operations		0.13	(0.39)


Finance Director


Chief Executive Officer



Chairman

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


Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 31 March 2026

	Issued capital ﷲ	Share discount ﷲ	Contractual reserve ﷲ	Accumulated losses ﷲ	Other reserves ﷲ	Total ﷲ
Balance at 1 January 2025 (audited)	600,000,000	-	2,909,935	(321,109,835)	(386,517)	281,413,583
Loss for the period (unaudited)	-	-	-	(24,401,868)	-	(24,401,868)
Other comprehensive income for the period (unaudited)	-	-	-	-	62,245	62,245
Total comprehensive loss for the period (unaudited)	-	-	-	(24,401,868)	62,245	(24,339,623)
Balance at 31 March 2025 (unaudited)	<u>600,000,000</u>	<u>-</u>	<u>2,909,935</u>	<u>(345,511,703)</u>	<u>(324,272)</u>	<u>257,073,960</u>
Balance at 1 January 2026 (audited)	600,000,000	-	2,909,935	(590,302,148)	(324,272)	12,283,515
Profit for the period (unaudited)	-	-	-	7,205,843	-	7,205,843
Other comprehensive income for the period (unaudited)	-	-	-	-	111,892	111,892
Total comprehensive income for the period (unaudited)	-	-	-	7,205,843	111,892	7,317,735
Increase in capital issued (note 11)	<u>52,070,640</u>	<u>(9,737,210)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,333,430</u>
Balance at 31 March 2026 (unaudited)	<u>652,070,640</u>	<u>(9,737,210)</u>	<u>2,909,935</u>	<u>(583,096,305)</u>	<u>(212,380)</u>	<u>61,934,680</u>


Finance Director


Chief Executive Officer


Chairman

Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2026

	31 March 2026 (Unaudited) ﷲ	31 March 2025 (Unaudited) ﷲ
OPERATING ACTIVITIES:		
Profit before zakat and tax from continuing operations	8,273,449	(24,221,081)
Loss before zakat and tax from discontinued operations	4 (1,067,606)	(736,789)
<i>Adjustment to reconcile loss before zakat to net cash inflows:</i>		
Depreciation and amortization	11,517,456	13,019,990
Finance costs	8,050,462	11,972,164
Impairment of Property, plant and equipment	3,568,327	-
Impairment loss of trade receivables	1,295,108	-
Loss on disposal of property, plant and equipment	9 230,859	-
Provision of slow-moving inventory	96,271	-
Gain on loan conversion	(31,346,538)	-
Derivative financial instruments	-	800,427
Provision for employees' defined benefit liabilities	817,604	1,429,560
	<u>1,435,392</u>	<u>2,264,271</u>
<i>Working capital adjustments:</i>		
Inventories	17,739,735	19,989,520
Trade receivables	9,831,426	683,815
Due to a related party	1,182,641	5,112,894
Prepayments and other current assets	(3,105,266)	3,195,077
Trade payables	(6,057,214)	(10,443,030)
Accrued expenses and other current liabilities	1,224,735	9,817,478
Cash generated from operating activities	<u>22,251,449</u>	<u>30,620,025</u>
Employees' defined benefit liabilities paid	(361,594)	(1,405,410)
Zakat paid	(1,848,279)	-
Net cash flows from operating activities	<u>20,041,576</u>	<u>29,214,615</u>
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(290,476)	(1,812,110)
Proceeds from disposal of property, plant and equipment	11,214,742	-
Net cash from / (used in) investing activities	<u>10,924,266</u>	<u>(1,812,110)</u>
FINANCING ACTIVITIES:		
Proceeds from loans and Murabaha	57,870,378	142,523,612
Payments of loans and Murabaha	(70,199,904)	(160,924,879)
Payments of finance cost	(11,376,005)	(10,056,432)
Proceeds from termination of derivative financial instruments	-	2,497,829
Payment of lease liabilities	(157,858)	(870,280)
Cash used in financing activities	<u>(23,863,389)</u>	<u>(26,830,150)</u>
Increase in Cash and short-term deposits	7,102,453	572,355
Foreign currency translation adjustments	111,892	62,245
Cash and short-term deposits at the beginning of the period	<u>6,527,529</u>	<u>19,987,523</u>
Cash and short-term deposits at the end of the period	<u>13,741,874</u>	<u>20,622,123</u>

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

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the three-month period ended 31 March 2026

	31 March 2026 (Unaudited) ﷲ	31 March 2025 (Unaudited) ﷲ
Significant non-cash transaction:		
Settlement of loans through share issuance to Alinma Bank	68,179,968	-
Settlement of real estate transaction tax through share issuance to Alinma Bank	5,500,000	-
Deferred tax asset	-	1,105,565
Right-of-use assets and lease liabilities additions	-	382,320



Finance Director



Chief Executive Officer



Chairman

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

1. CORPORATE INFORMATION

Saudi Printing and Packaging Company (the “Company” or “Parent Company”) is a Saudi Joint Stock Company, registered in Kingdom of Saudi Arabia under Commercial Registration number 1010219709 and Unified Identification number 7001527535 issued from Riyadh dated 1 Jumada Al-Ula 1427H (corresponding to 28 May 2006).

The principal activities of the Group are printing works in accordance with the license issued by the Ministry of Culture and Media No. 21050 on 24 Thul-Hijjah 1412H (corresponding to 25 September 1992).

These interim condensed consolidated financial statements include the financial position and results of operations of the Company and its subsidiaries (collectively referred to as “Group”), as shown in the table below.

Subsidiary	Country of incorporation	Effective ownership interest	
		31 March 2026	31 December 2025
Hala Printing Company	Saudi Arabia	100%	100%
Al-Madinah Al Munawarah Printing & Publishing Company	Saudi Arabia	100%	100%
Future Industrial Investment Company (“FIIC”)	Saudi Arabia	100%	100%
Emirates National Factory for Plastic Industries (“ENPI”) (a)	United Arab Emirates	100%	100%

a) The following are wholly owned subsidiaries of Emirates National Factory for Plastic Industries (“ENPI”):

Subsidiary	Country of incorporation	Effective ownership interest	
		31 March 2026	31 December 2025
City Pack Company	United Arab Emirates	100%	100%
Future Printing Company	United Arab Emirates	100%	100%
United International Clear Packaging Company	United Arab Emirates	100%	100%
United Security Company	United Arab Emirates	100%	100%
Commercial United Packaging Company	United Arab Emirates	100%	100%
Future Plastic Industries	United Arab Emirates	100%	100%
Future Plus Company	Saudi Arabia	100%	100%
Taiba Printing and Publishing Company	Saudi Arabia	100%	100%
Flexible Packaging Company	Saudi Arabia	100%	100%

The Group carries out printing as per license issued by the Ministry of Culture and Media No. 21050 dated 24 Thul-Hijjah 1412H (corresponding to 25 September 1992). Furthermore, the Group also trades in machines, printing machines, ink, all kinds of paper and raw materials necessary for printings and all the tools and equipment, books, publications, supplies, office materials and materials of advertising. In addition, the Group carries out packaging services.

The fiscal year of the Company starts from 1 January and ends on 31 December as per the Company by-laws. The fiscal year of the subsidiaries also starts from 1 January and ends on 31 December.

The head office of the Group is located at Riyadh and the registered address is as follows:
 King Abdulaziz Branch Road – Al Muruj District
 PO Box 12282
 Riyadh 7117
 National address RHGA7117

Recent geopolitical developments in the Middle East

During the period, geopolitical tensions in parts of the Middle East intensified, leading to regional instability. Given that the majority of the Group’s operations are conducted within the region, management continues to monitor these developments closely as the situation remains evolving, and any further escalation or prolonged continuation of the conflict could potentially affect its business. Management determined that, as at 31 March 2026, these events had no material adverse impact on the carrying values of the Group’s assets and liabilities.

Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month period ended 31 March 2026

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three-months ended 31 March 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") The Group has prepared the financial statements on the basis that it will continue to operate as a going concern

The 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.

An interim period is considered as integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

As at 31 March 2026, the Group's current liabilities exceed its current assets by ~~ﷲ~~ 332.8 million (31 December 2025: ~~ﷲ~~ 399.7 million). Moreover, the Group has accumulated losses amounting to ~~ﷲ~~ 583.1 million as at 31 March 2026 (31 December 2025: ~~ﷲ~~ 590.3 million), which approximate 89.4% (31 December 2025: 98.4%) of the Company's share capital. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. In accordance with Article 132 of the Companies Law, an Extraordinary General Assembly was convened on 7 October 2025, at which the shareholders approved the Board of Directors' recommendation for the Group to continue its operations despite the accumulated losses exceeding half of the share capital. The shareholders also reviewed the Board-approved plan aimed at addressing these losses and strengthening the Group's capital structure.

Management has prepared a Board-approved long-term business plan setting out measures to restore the Group's financial performance and support its long-term sustainability, including revenue stabilisation initiatives, operational efficiency improvements, structural cost-reduction programmes, asset base optimisation, and enhanced governance and management oversight. As part of its capital-strengthening strategy, the Group has undertaken a debt-restructuring programme, including settlement of a bank loan through asset transfers and conversion of the remaining balance into share capital (refer Note 11). The Group continues discussions with other lenders regarding similar or potential restructuring arrangements and continues to receive financial support from its major shareholder (refer Note 13). The Group's ability to continue as a going concern is dependent on the successful implementation and timely execution of these measures, including matters that require agreement by lenders and the continued availability and timing of shareholder support. Management has assessed the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of these interim condensed consolidated financial statements. Accordingly, the interim condensed consolidated financial statements have been prepared on a going concern basis.

sa) Basis of measurement

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the derivative financial instruments is measured at fair value and for the employees' defined benefits plans that are measured at present value of future obligations using the projected unit credit method. Further, the interim condensed consolidated financial statements are prepared using the accrual basis of accounting and going concern concept.

b) Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Arabian Riyal ("ﷲ"), which is the functional currency of the Group. All amounts have been rounded to the nearest ~~ﷲ~~, unless otherwise stated.

Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month period ended 31 March 2026

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

2.2. USE OF ESTIMATES AND JUDGEMENTS

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the interim condensed 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 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed 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 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

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

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

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

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

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

Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month period ended 31 March 2026

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

2.5 FAIR VALUE MEASUREMENTS

A number of the Group's accounting policies require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair value. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized by the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3. OPERATING SEGMENTS

The operational segment is a component of the Group that participates in the business activities and can generate revenue and incur expenses, including income and expenses related to transactions with any of the other components of the Group. All operational results of the operating sectors are reviewed by the Group's operational decision makers to make decisions about the resources that will be allocated to the segment and assess its performance, and for which separate financial information is available.

a) Basis for segments

The Group has the following three strategic divisions which are reportable. These divisions offer different products and services and are managed separately as they require different technical and marketing strategies. Transactions between business sectors are conducted in accordance with fair transaction terms in a manner similar to transactions with third parties.

The following summary describes the operations of each reportable segment

Reportable segment	Operation
Printing	Printing, tools and raw materials.
Packaging	Printing on plastic and commercial posters in addition to the manufacture of plastic products.
Others	Includes the head quarter, management activities, investment activities and others.

The board of directors monitor the results of the operations of the business units independently for the purpose of making decisions on resource allocation and performance assessment.

b) Information about reportable segments

The following tables present revenue and loss before zakat information for the Group's operating segments for the three-months ended 31 March 2026 and 2025, respectively.

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month period ended 31 March 2026

3. OPERATING SEGMENTS (continued)

b) Information about reportable segments (continued)

31 March 2026	Reportable segments					Total ﷲ
	Printing ﷲ	Packaging ﷲ	All other segments ﷲ	Total ﷲ	Adjustments & Eliminations ﷲ	
Revenue						
External customers	8,005,838	83,818,624	-	91,824,462	-	91,824,462
Inter-segments	-	5,100,605	-	5,100,605	(5,100,605)	-
Total revenue	8,005,838	88,919,229	-	96,925,067	(5,100,605)	91,824,462
Segment profit / (loss)	(313,793)	(22,031,284)	30,618,526	8,273,449	-	8,273,449

31 March 2025	Reportable segments					Total ﷲ
	Printing ﷲ	Packaging ﷲ	All other segments ﷲ	Total ﷲ	Adjustments & Eliminations ﷲ	
Revenue						
External customers	13,769,781	136,229,546	-	149,999,327	-	149,999,327
Inter-segments	-	11,290,088	-	11,290,088	(11,290,088)	-
Total revenue	13,769,781	147,519,634	-	161,289,415	(11,290,088)	149,999,327
Segment profit / (loss)	66,555	(19,307,747)	(4,423,887)	(23,665,079)	-	(23,665,079)

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2026 and 31 December 2025, respectively:

	Reportable segments							
	Printing ﷲ		Packaging ﷲ		Other ﷲ		Total ﷲ	
	31 March 2026	31 December 2025	31 March 2026	31 December 2025	31 March 2026	31 December 2025	31 March 2026	31 December 2025
Total assets	49,478,735	54,075,665	772,643,800	818,473,310	6,628,783	1,086,182	828,751,318	873,635,157
Total liabilities	(8,019,560)	(7,552,127)	(451,100,129)	(472,135,224)	(307,696,949)	(381,664,291)	(766,816,638)	(861,351,642)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month period ended 31 March 2026

3. OPERATING SEGMENTS (continued)

c) Geographical information

The printing and packaging sectors are mainly managed from Saudi Arabia and the United Arab Emirates, respectively. The geographical information below shows the Group revenues, assets, liabilities, and operating assets in the countries where the Group operates. When presenting the following geographical information, the sector's revenues were based on the geographical location and assets of the sector based on the geographical location of the assets.

Revenues from customers	31 March 2026	31 March 2025
	ﷲ	ﷲ
Saudi Arabia	31,924,887	67,419,277
United Arab Emirates	44,831,755	47,858,468
Others	15,067,820	34,721,582
	91,824,462	149,999,327
Total assets	31 March 2026	31 December 2025
	ﷲ	ﷲ
Saudi Arabia (including Goodwill)	316,527,259	333,107,106
United Arab Emirates	512,224,059	540,528,051
	828,751,318	873,635,157
Total liabilities		
Saudi Arabia	(697,400,086)	(768,889,915)
United Arab Emirates	(69,416,552)	(92,461,727)
	(766,816,638)	(861,351,642)
Non-current assets (*)		
Saudi Arabia	141,811,652	159,789,580
United Arab Emirates	464,584,076	473,190,288
	606,395,728	632,979,868

(*) Non-current operating assets consist of property, plant, and equipment, investment properties, intangible assets and goodwill, trade receivables, derivative assets, and right-of-use of assets.

4. Discontinued operations

On 2 February 2026, the Group publicly announced that its Board of Directors had approved the commencement of formal procedures for the permanent cessation of operations of City Pack Company ("City Pack Co"), a wholly owned subsidiary held through the Emirates National Factory for Plastic Industries in the United Arab Emirates. Until that date, the operations of City Pack Company comprised the entirety of the Group's Saudi Printing and Packaging Equipment operating segment. Following its classification as a discontinued operation, this segment is no longer presented in the segment information as at 31 March 2026,

Inventories, prepayments and other current assets will be realized in the ordinary course of business. Trade receivables are being collected by the Company. Similarly, trade payables, accrued expenses, other current liabilities and loans will be settled by the Company directly. Accordingly, these assets and liabilities are not classified as assets held for sale. The transaction relating to the sale of City Pack Company has not yet been completed.

The results of City Pack Company for the period are presented below:

	31 March 2026	31 March 2025
	ﷲ	ﷲ
Revenue	9,614,380	14,897,237
Expenses	(10,676,209)	(15,625,011)
Operating loss	(1,061,829)	(727,774)
Finance costs	(5,777)	(9,015)
Loss before tax from discontinued operations	(1,067,606)	(736,789)
Tax expense	-	-
Loss for period from discontinued operations	(1,067,606)	(736,789)

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For the three-month period ended 31 March 2026

5. ZAKAT AND TAXATION

5.1 ZAKAT

Zakat provision is estimated and charged to the interim condensed consolidated statement of comprehensive loss. The Group submitted zakat returns for all years up to 2024. As at March 31, 2026, the status of the Zakat assessments remains unchanged from what was reported in the Group's annual consolidated financial statements for the year ending December 31, 2025,

Movement in zakat provision is as follows:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Balance as at 1 January	8,341,086	18,525,514
Charge during the period/year	-	200,000
Paid during the period/year	(1,848,279)	(4,214,214)
Settlement of zakat payable against advance	-	(6,170,214)
	<u>6,492,807</u>	<u>8,341,086</u>

5.2 TAXATION

UAE Corporate Tax Law

The Company has incurred losses and, a deferred tax asset has not been recognized at this stage, as the utilization of the deductible temporary differences cannot currently be supported. However, if the Company were to expect taxable profits in the more distant future, the deferred tax asset amounting ﷲ 13,158,354 to would be recognized to the extent that the related temporary differences become recoverable.

6. INVENTORIES

The total provision for slow-moving inventories as at 31 March 2026 is ﷲ 15.99 million (31 December 2025: ﷲ 19.76 million).

7. TRADE RECEIVABLES

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Trade receivables	228,023,735	238,629,327
Less: Allowance for expected credit losses	(115,296,145)	(114,775,203)
	<u>112,727,590</u>	<u>123,854,124</u>

Movement in allowance for expected credit losses is as follows:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Balance at the beginning of the period/year	114,775,203	103,339,199
Impairment loss on trade receivables	1,295,108	11,839,457
Write-off	(774,166)	(403,453)
	<u>115,296,145</u>	<u>114,775,203</u>

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For the three-month period ended 31 March 2026

8. CASH AND SHORT-TERM DEPOSITS

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Cash in hand	428,799	18,276
Cash at banks	23,105,927	16,302,105
Cash and short-term deposits in the interim condensed consolidated statement of financial position	23,534,726	16,320,381
Restricted bank balances (*)	(9,792,852)	(9,792,852)
Current portion of Cash and short-term deposits	13,741,874	6,527,529

(*) The restricted bank accounts represent a deposit against a loan obtained (Note 12).

9. PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2026, the cost of property, plant and equipment amounted to ﷲ 1,131.4 million (31 December 2025: ﷲ 1,150.2 million) and the accumulated depreciation and impairment as at 31 March 2026 amounted to ﷲ 719.1 million (31 December 2025: ﷲ 711.5 million). During the three-month period ended 31 March 2026, the Group acquired assets with a cost of ﷲ 0.29 million (31 December 2025: ﷲ 8.64 million).

The Group management team, in line with the strategic plan, has resolved to reallocate specific assets to enhance resource distribution among the companies, aiming to ensure efficient use and to maximize returns. The Group has evaluated certain assets to determine if their utilization exceeds their carrying value. Following this evaluation, the management has recognized an impairment loss of ﷲ 3.56 million.

The Group's total net book value of assets amounted to ﷲ 412.3 million as at 31 March 2026 (31 December 2025: ﷲ 438.6 million). Certain property, plant and equipment were placed as collateral against long-term borrowing (Note 12).

The capital commitments of the Group pertaining to purchase of property, plant and equipment amounted to ﷲ 3.3 million as at 31 March 2026 (2025: ﷲ 3.4 million). These are expected to be delivered in 2026.

10. INTANGIBLE ASSETS AND GOODWILL

The carrying value of intangibles assets amounted to ﷲ 175.2 million as at 31 March 2026 (31 December 2025: ﷲ 175.3 million). The following is a breakdown of net book value of Intangible assets and goodwill:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Goodwill (Emirates National Factory for Plastic Industries) *	174,924,436	174,924,436
Software	330,610	374,022
	175,255,046	175,298,458

*During 2012, the Group acquired 100% of the shares of Emirates National Factory for Plastic Industries LLC ("Emirates Factory"), a Limited Liability Company, established in the Emirates of Sharjah, in the United Arab Emirates, for a net consideration of approximately ﷲ 642 million.

All the parties have agreed under the Shares Purchase and Sale Agreement (the "Agreement") to transfer all rights and liabilities related to the former shareholders to the Group on 1 July 2012 as the date on which effective control is transferred to the Group (the "Acquisition Date"). This acquisition resulted in goodwill amounting to approximately ﷲ 353.8 million, which represents the excess of consideration paid over the fair value of the net assets acquired on the date of acquisition, amounting to approximately ﷲ 288.2 million.

Emirates Factory operates in the manufacture and distribution of packaging and plastic products and has several subsidiaries in both the United Arab Emirates and the Kingdom of Saudi Arabia. The consolidated financial statements of Emirates Factory were consolidated with effect from 1 July 2012.

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10. INTANGIBLE ASSETS AND GOODWILL (continued)

On 1 July 2014, the Group restructured the packaging sector by merging Future Plus Company and Flexible Packaging Company with Emirates National Factory for Plastic Industries. Accordingly, the carrying amount of goodwill has increased to **ﷲ** 380 million after adding the goodwill of these two companies. During 2017, 2023, 2024 and 2025, the group has recognized impairment on the goodwill amounted to **ﷲ** 20.3 million, **ﷲ** 35 million, **ﷲ** 50 million and **ﷲ** 110 million, respectively.

	ENPI ﷲ	Hala ﷲ	Total ﷲ
Initial value of goodwill at the of acquisition	380,013,551	10,216,885	390,230,436
Impairment of goodwill.	(205,089,115)	(10,216,885)	(215,306,000)
	<u>174,924,436</u>	<u>-</u>	<u>174,924,436</u>

Goodwill impairment test

Management performs an annual goodwill impairment test to identify whether an impairment needs to be recognised at the end of each financial year. Although management expects the Group's market share of the printing and packaging market to be stable over the forecast period, any decline in the market share would result in a further impairment. The management found, through the goodwill impairment testing performed, that the recoverable amount was less than the book value of the goodwill as at 31 December 2025 accordingly an impairment of **ﷲ** 110 million was recorded in prior year.

The recoverable amount was determined on the basis of the information used to calculate the present value of the five-year expected cash flows along with cash flow to perpetuity, based on the financial budget approved by the management. The estimated average annual growth rate of revenue of the Emirates National Factory for Plastic Industries is 6 %.

The Management believes that the estimated growth rates do not exceed the long-term average growth rates related to the activities carried out by the group companies.

Sensitivity to changes in assumptions.

In relation to the recoverable amount review, any adverse change in underlying assumptions *might* result in an impairment loss. The terminal growth rates and Weighted Average Cost of Capital Assumptions ("WACC") used are the key assumptions in cases where potential changes might lead to impairment. Any increase in the WACC will result in further significant impairment loss.

The key assumptions used in the estimation of the recoverable amount as at 31 December 2025 and period ended 31 March 2026 are set out below. The values assigned to key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Emirates National Factory for Plastic Industries %
Discount rate	9.90
Estimated total margin	8.5
Average annual growth rate of revenue	6
Terminal growth rate	2.5

WACC represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. WACC calculation is based on the specific circumstances of the Group and its operating segments. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. The terminal growth rate was determined based on management's estimate of the long-term growth forecast for UAE and KSA

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11. SHARE CAPITAL AND RESERVES

Issued capital: as at 31 March 2026, the fully paid-up share capital of the company is **ﷲ** 652.1 million (31 December 2025: **ﷲ** 600 million) divided into 65.2 million shares (31 December 2025: 60 million shares) with a nominal value of **ﷲ** 10 each. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

During the period ended 31 March 2026, the Company completed the conversion of the Alinma Bank loan into equity through the issuance of 5,207,064 ordinary shares at a par value of **ﷲ** 10 per share, resulting in an increase in share capital of **ﷲ** 52,070,640. The conversion resulted in the derecognition of the related loan liability and recognition of the corresponding equity balances.

The conversion resulted in a gain on extinguishment of the loan amounting to **ﷲ** 31,346,538 recognised in the statement of profit or loss, and the recognition of a share discount reserve of **ﷲ** 9,737,210 within equity, representing the excess of the par value over the fair value of shares issued.

Contractual reserve: in accordance with the by-law of the Company, the Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside a percentage not exceeding 20% of the Group's net profits to form a contractual reserve and allocate it for a specific purpose or other purposes.

12. LOANS AND MURABAHA

The Group has signed several financing agreements and banking facilities with a number of local and foreign banks, which include loans and Murabaha, credit facilities, letters of credit and letters of guarantee, on different periods subject to renewal. The credit limit for total facilities was **ﷲ** 539.5 million as at 31 March 2026 (31 December 2025 **ﷲ** 611.7 million). These agreements are subject to the terms and conditions of banking facilities that apply to all types of facilities provided by banks to their clients. The purpose of these facilities is to finance the activity, working capital, investments and capital expenditures as well as to finance the import of raw materials and equipment related to the Group's activities and projects. These facilities are subject to interest charges according to the relevant agreements, ranging from 0.5% to 3.5% per annum in addition to SAIBOR or EIBOR as applicable.

The loan agreements contain covenants, mainly relating to certain current ratio, leverage ratio, total debt to equity ratio, and others. Under the terms of these agreements, the banks have the right to demand immediate repayment of the loans if any of the covenants are not met. The Group didn't comply with certain loans and certain covenants as at 31 December 2025 and on 31 March 2026.

- The Group obtained the facility limit of **ﷲ** 101.95 million in January 2021 for the new capital expenditure with the moratorium period of 18 months. Against which **ﷲ** 8.90 million is utilized against this facility as of 31 December 2023. In October 2022, the same facility was renewed with the limit **ﷲ** 107.57 million for the period of 15 months and again the drawdown was of **ﷲ** 8.90 million, In February 2023, facility limit is reduced to **ﷲ** 76.46 million, As at 31 March 2026, total drawdowns are **ﷲ** 17.8 million (.2025: **ﷲ** 17.8 million)

The loans agreements remain unchanged from what was reported in the Group's annual consolidated financial statements for the year ending December 31, 2025,

The following is an analysis of the loans and Murabaha transactions:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Long term loans*	180,552,264	250,555,916
Short term loans	306,620,034	314,461,999
Overdrafts	12,816,609	15,480,486
Accrued finance cost	982,988	5,690,178
Total	500,971,895	586,188,579

* The long-term loans include current portion of loan which is reclassified into current portion due to breach of certain financial covenants.

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For the three-month period ended 31 March 2026

12. LOANS AND MURABAHA (continued)

The loans and murabaha are presented in the interim condensed consolidated statement of financial position as follows:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Current portion	394,949,284	470,734,575
Non- current portion	106,022,611	115,454,004
	500,971,895	586,188,579

13. LOAN FROM SHAREHOLDER

In prior year ended 31 December 2025, the Group's major shareholder, Saudi Research and Media Group, approved and fully disbursed a loan amounting to ﷲ 75 million to the Group. The loan carries a compounded interest rate of 6.8% and is repayable after a three-years period.

In addition, the shareholder extended a short-term loan amounting to ﷲ 10 million, repayable within 12 months. This short-term loan is interest-free and includes a share conversion option, whereby the loan may be converted into shares at the share price on the transaction date, subject to obtaining the required regulatory and shareholder approvals at the time of exercise.

The following is the movement of the loan from Shareholder:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Opening balance	85,052,136	-
Proceeds during the period/year	-	85,000,000
Interest charged during the period /year	1,320,673	1,498,437
Accrued finance cost transfer to the current account	-	(1,446,301)
Ending balance	86,372,809	85,052,136

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14. RELATED PARTIES

Related parties of the Group comprise shareholders having control, joint control or significant influence, key management personnel and affiliates where shareholders have control or significant influence. The transactions with related parties are made on terms approved by the Board of the Directors of the Group. The Group and its related parties transact with each other in the normal course of business.

Transactions with key management personnel

	31 March 2026	31 March 2025
	ﷲ	ﷲ
Expenses and allowances of the Board of Directors	332,001	424,655
Remuneration of key management personnel	1,075,461	933,845

Remuneration of key management personnel

	31 March 2026	31 March 2025
	ﷲ	ﷲ
Short -term employee benefits	1,039,002	855,787
Long -term employee benefits	36,459	78,058
	1,075,461	933,845

Key management personnel compensation includes salaries and equivalents and employees defined benefit liabilities.

Due from related parties	Nature of transaction	Sales transactions during three-month ended		Finance charge		Balances outstanding	
		31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 December 2025
		ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Saudi Research Publishing Company	Fellow subsidiaries (*)	2,980,143	6,334,111	-	-	-	-
Saudi Specialized Publishing Co.	Fellow subsidiaries (*)	60,480	87,458	-	-	-	-
Saudi Research and Media Group	Holding Company	278,820	436,785	1,320,674	-	-	-
Saudi Distribution Company	Fellow subsidiaries (*)	-	-	-	-	-	-

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14. RELATED PARTIES (continued)

Due to a related party	Nature of transaction	Advance payments during three-month ended		Balances outstanding	
		31 March 2026	31 March 2025	31 March 2026	31 December 2025
		ﷲ	ﷲ	ﷲ	ﷲ
Saudi Research and Media Group	Holding Company	(5,000,000)	(13,000,000)	32,521,822	31,339,181
				32,521,822	31,339,181

(*) The fellow subsidiaries are the Holding company's subsidiaries.

None of the balances are subject to any guarantees. No expense has been recognized in the current period or prior period for bad or doubtful debts in respect of amounts owed by related parties.

15. TRADE PAYABLES

Trade payables are non-interest bearing and are normally settled by the Group within the credit time frame.

16. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March 2026	31 December 2025
	ﷲ	ﷲ
Accrued expenses	19,167,432	18,794,775
Advances from customers	5,627,841	4,165,758
Real estate transaction tax	-	5,500,000
Employees accruals	6,620,465	7,071,955
Value add tax	2,162,095	1,465,291
Others advances	-	1,019,522
Other	911,270	747,067
	34,489,103	38,764,368

17. INVESTMENT PROPERTIES

As at 31 March 2026, the Group holds investment properties with carrying value of ﷲ 5.79 million (31 December 2025: ﷲ 5.87 million) which had a fair value of ﷲ 12.29 million as at 31 December 2025.

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18. FINANCIAL INSTRUMENTS

The table below shows the carrying value of financial assets and liabilities as at 31 March 2026 and 31 December 2025, which are not measured at fair value, as all financial assets and financial liabilities of the Group are measured at amortized cost.

	31 March 2026			31 December 2025		
	Amortized cost	Other financial liabilities	Total	Amortized cost	Other financial liabilities	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Financial assets not measured at fair value						
Trade receivable, net	112,727,590	-	112,727,590	123,854,124	-	123,854,124
Other current assets	10,293,751	-	10,293,751	8,288,942	-	8,288,942
	<u>123,021,341</u>	<u>-</u>	<u>123,021,341</u>	<u>132,143,066</u>	<u>-</u>	<u>132,143,066</u>
Financial liabilities not measured at fair value						
Loans and Murabaha	-	500,971,895	500,971,895	-	586,188,579	586,188,579
Loan from Shareholder	-	86,372,809	86,372,809	-	85,052,136	85,052,136
Trade payable	-	75,420,557	75,420,557	-	81,477,771	81,477,771
Financial lease liabilities	-	3,898,688	3,898,688	-	3,995,574	3,995,574
Employee accruals	-	6,620,465	6,620,465	-	7,071,955	7,071,955
Dividend payable	-	697,151	697,151	-	697,151	697,151
	<u>-</u>	<u>673,981,565</u>	<u>673,981,565</u>	<u>-</u>	<u>764,483,166</u>	<u>764,483,166</u>

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19. COMMITMENTS AND CONTINGENT LIABILITIES

Legal cases

The Group, in its ordinary course of business, is subject to proceedings, lawsuits and other claims. However, these matters are not expected to have any material impact on the Group's financial position or on the results of its operations as reflected in these interim consolidated condensed financial statements.

Commitments

As 31 March 2026, contingent liabilities related to letter of credit amounted to ~~ﷲ~~ 2.64 million (31 December 2025: ~~ﷲ~~ 3.56 million). As at 31 March 2026, the Group has outstanding bank guarantee letters from a local bank amounting to ~~ﷲ~~ 0.42 million (31 December 2025: ~~ﷲ~~ 0.5 million.).

20. SUBSEQUENT EVENTS

No matters have occurred up to and including the date of approval of these interim condensed consolidated financial statements by the board of directors which would materially affect the interim condensed consolidated financial statements and the related disclosures for the period ended 31 March 2026.

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by the Board of Directors on 19 Thul-Qi'dah 1447H (corresponding to 6 May 2026).