



**Advanced Building Industries Co. (SENAAT)**

(Formerly Zamil Industrial Investment Co.)

(A Listed Saudi Joint Stock Company)

Condensed Consolidated Interim Financial Statements

For the Three-Month Period Ended 31 March 2026

with

Independent Auditor's Review Report on Review of Condensed

Consolidated Interim Financial Statements

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Condensed consolidated interim financial statements with independent auditor's review report**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ﷲ '000 unless otherwise stated)**

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<b>INDEX</b>	<b>PAGE</b>
Independent auditor's report on review of condensed consolidated interim financial statements	-
Condensed consolidated statement of financial position	1
Condensed consolidated statement of profit or loss	2
Condensed consolidated statement of comprehensive income	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated statement of cash flows	5
Notes to the condensed consolidated interim financial statements	6 - 21



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Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

الطابق ١٦، برج البرعش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Advanced Building Industries Company (formerly Zamil Industrial Investment Company) (A Saudi Joint Stock Company)

## Introduction

We have reviewed the accompanying 31 March 2026 condensed consolidated interim financial statements of **Advanced Building Industries Company (formerly Zamil Industrial Investment Company)** ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2026;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2026;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2026; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated 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.



**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**


**Condensed consolidated statement of financial position**

**As at 31 March 2026**


**(All amounts stated in # '000 unless otherwise stated)**

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	775,792	772,999
Right-of-use assets		61,550	64,212
Investments in an associate and joint venture	4	157,758	148,488
Equity instrument at FVOCI	19	65,951	65,951
Net investment in finance lease		144,791	152,601
Deferred tax assets, net		9,269	10,013
<b>Total non-current assets</b>		<b>1,215,111</b>	<b>1,214,264</b>
<b>Current assets</b>			
Inventories	5	1,464,938	1,521,201
Accounts receivable	6	1,985,865	1,942,504
Contract assets	7	674,543	559,207
Amount due from an associate		10,324	10,324
Advances, prepayments and other receivables	8	264,166	201,475
Current portion of net investment in finance lease		30,731	30,399
Short term deposits		134,015	139,915
Cash and cash equivalents		258,420	299,300
<b>Total current assets</b>		<b>4,823,002</b>	<b>4,704,325</b>
<b>Total assets</b>		<b>6,038,113</b>	<b>5,918,589</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		600,000	600,000
Retained earnings		45,002	13,996
Foreign currency translation reserve		(110,166)	(95,994)
Fair value reserve		29,767	29,767
<b>Equity attributable to the shareholders of the Company</b>		<b>564,603</b>	<b>547,769</b>
<b>Non-controlling interests</b>		<b>163,004</b>	<b>146,016</b>
<b>Total equity</b>		<b>727,607</b>	<b>693,785</b>
<b>Non-current liabilities</b>			
Term loans	9	204,580	217,310
Employees' defined benefit liabilities		325,643	320,007
Lease liabilities		39,455	41,257
Deferred tax liability, net		39	45
<b>Total non-current liabilities</b>		<b>569,717</b>	<b>578,619</b>
<b>Current liabilities</b>			
Accounts payable	11	726,752	665,184
Accruals and other payables	12	898,144	958,152
Short term loans	10	1,914,180	1,888,262
Current portion of term loans	9	81,375	81,402
Current portion of lease liabilities		11,715	11,730
Contract liabilities	13	1,055,153	1,002,436
Zakat and income tax provision	15	53,470	39,019
<b>Total current liabilities</b>		<b>4,740,789</b>	<b>4,646,185</b>
<b>Total liabilities</b>		<b>5,310,506</b>	<b>5,224,804</b>
<b>Total equity and liabilities</b>		<b>6,038,113</b>	<b>5,918,589</b>

These condensed consolidated interim financial statements including accompanying notes appearing on pages 6 to 21 were authorized for issue by the Board of Directors of the Group and signed on their behalf by:

  
 Abdulla Al Zamil  
 (Chairman)

  
 Ahmed Zaatari  
 (CEO)

  
 Ozgur Oncu  
 (CFO)

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**


**Condensed consolidated statement of profit or loss**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in # '000 unless otherwise stated)**

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited) (Restated – note 21)
<b>Revenue</b>			
Revenue from contracts with customers	14	1,345,695	1,517,805
Finance lease income		1,915	2,233
		<u>1,347,610</u>	<u>1,520,038</u>
<b>Direct costs</b>			
Cost of revenue		(1,082,475)	(1,260,654)
<b>Gross profit</b>		<u>265,135</u>	<u>259,384</u>
<b>Other operating income and expenses</b>			
Selling and distribution expenses		(39,569)	(43,632)
General and administration expenses		(128,839)	(108,566)
Allowance for expected credit losses	6 & 7	(14,232)	(37,506)
Other operating income		528	3,483
<b>Operating profit</b>		<u>83,023</u>	<u>73,163</u>
Share in results of an associate and joint ventures	4	9,270	6,179
Other income		6,908	9,222
Finance costs		(35,575)	(40,026)
<b>Profit before zakat and income tax</b>		<u>63,626</u>	<u>48,538</u>
Zakat and income tax		(15,632)	(12,605)
<b>Profit for the period</b>		<u>47,994</u>	<u>35,933</u>
<b>Attributable to:</b>			
Shareholders of the Company		31,006	23,717
Non-controlling interests		16,988	12,216
		<u>47,994</u>	<u>35,933</u>
<b>Earnings per share (#)</b>			
Basic and diluted earnings per share attributable to the shareholders of the Parent Company		<u>0.52</u>	<u>0.40</u>

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 \_\_\_\_\_  
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 (Chairman)

  
 \_\_\_\_\_  
**Ahmed Zaatari**  
 (CEO)

  
 \_\_\_\_\_  
**Ozgur Oncu**  
 (CFO)

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)  
(A Saudi Joint Stock Company)**

**Condensed consolidated statement of comprehensive income  
For the three-month period ended 31 March 2026  
(All amounts stated in # '000 unless otherwise stated)**

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		(Restated – note 21)
<b>Profit for the period</b>	<b>47,994</b>	<b>35,933</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<b>(14,172)</b>	<b>438</b>
<b>Other comprehensive (loss) / income for the period</b>	<b>(14,172)</b>	<b>438</b>
<b>Total comprehensive income for the period</b>	<b>33,822</b>	<b>36,371</b>
<b>Attributable to:</b>		
Shareholders of the Company	<b>16,834</b>	<b>24,155</b>
Non-controlling interests	<b>16,988</b>	<b>12,216</b>
	<b>33,822</b>	<b>36,371</b>

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**Ahmed Zaatari**  
(CEO)



**Ozgur Oncu**  
(CFO)

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
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**Condensed consolidated statement of changes in equity**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in # '000 unless otherwise stated)**

	Share capital	Retained earnings / accumulated losses	Foreign currency translation reserve	Fair value reserve	Total	Non-controlling interests	Total equity
<b>As at 1 January 2026 (Audited)</b>	<b>600,000</b>	<b>13,996</b>	<b>(95,994)</b>	<b>29,767</b>	<b>547,769</b>	<b>146,016</b>	<b>693,785</b>
<i>Total comprehensive income for the period</i>							
Profit for the period	-	31,006	-	-	31,006	16,988	47,994
Other comprehensive loss for the period	-	-	(14,172)	-	(14,172)	-	(14,172)
Total comprehensive income for the period	-	31,006	(14,172)	-	16,834	16,988	33,822
<b>As at 31 March 2026 (unaudited)</b>	<b>600,000</b>	<b>45,002</b>	<b>(110,166)</b>	<b>29,767</b>	<b>564,603</b>	<b>163,004</b>	<b>727,607</b>
As at 1 January 2025 (Audited)	600,000	(52,153)	(96,985)	27,656	478,518	190,669	669,187
Impact of restatement (note 21)	-	(28,089)	-	-	(28,089)	(95,661)	(123,750)
As at 1 January 2025 (as restated)	600,000	(80,242)	(96,985)	27,656	450,429	95,008	545,437
<i>Total comprehensive income for the period</i>							
Profit for the period (restated – note 21)	-	23,717	-	-	23,717	12,216	35,933
Other comprehensive income for the period	-	-	438	-	438	-	438
Total comprehensive income for the period	-	23,717	438	-	24,155	12,216	36,371
<b>As at 31 March 2025 (as restated) (unaudited)</b>	<b>600,000</b>	<b>(56,525)</b>	<b>(96,547)</b>	<b>27,656</b>	<b>474,584</b>	<b>107,224</b>	<b>581,808</b>

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**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Condensed consolidated statement of cash flows**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ﷻ '000 unless otherwise stated)**

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit for the period	47,994	35,933
<i>Adjustment for:</i>		
Zakat and income tax expenses	15,632	12,605
Depreciation of property, plant and equipment	26,177	21,740
Depreciation of right-of-use assets	2,665	1,294
Provision for employees' defined benefit liabilities	12,631	8,384
Finance costs	35,575	40,026
Share results of an associate and joint venture	(9,270)	(6,179)
Allowance for impairment of accounts receivables and contract assets	14,232	37,506
Net realizable value adjustment	9,688	2,247
	<b>155,324</b>	<b>153,556</b>
<i>Changes in:</i>		
Inventories	46,575	49,202
Accounts receivable	(57,596)	89,651
Contract assets	(115,336)	(14,951)
Advances, prepayments and other receivables	(62,691)	(88,337)
Net investment in finance lease	7,478	7,162
Accounts payable	61,568	78,551
Accruals and provisions	(60,008)	(10,586)
Contract liabilities	52,717	(172,768)
<b>Cash generated from operations</b>	<b>28,031</b>	<b>91,480</b>
Finance cost paid	(35,018)	(35,926)
Employees' benefits paid	(6,995)	(3,278)
Zakat and income tax paid	-	(19,896)
<b>Net cash (used in) / generated from operating activities</b>	<b>(13,982)</b>	<b>32,380</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(33,217)	(37,644)
Net movement in short term deposits	5,900	33,223
Proceeds from disposal of property, plant and equipment	14	-
Addition to right-of-use assets	-	(19)
<b>Net cash used in investing activities</b>	<b>(27,303)</b>	<b>(4,440)</b>
<b>Cash flows from financing activities</b>		
Acquisition of NCI	-	(102,814)
Net movement in short term loans	25,918	(98,031)
(Repayment) / proceeds from term loans	(12,757)	125,072
Payments against lease liabilities	(2,373)	(649)
<b>Net cash generated from / (used in) financing activities</b>	<b>10,788</b>	<b>(76,422)</b>
<b>Net change in cash and cash equivalents</b>	<b>(30,497)</b>	<b>(48,482)</b>
Cash and cash equivalents at beginning of the period	299,300	551,735
Effect of exchange rate fluctuations on cash and cash equivalents	(10,383)	570
<b>Cash and cash equivalents at end of the period</b>	<b>258,420</b>	<b>503,823</b>
<b>Significant non-cash transactions:</b>		
Payable for purchase of a subsidiary	-	22,300

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(CEO)



**Ozgur Oncu**  
(CFO)

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)  
(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ﷲ '000 unless otherwise stated)**

**1. CORPORATE INFORMATION**

**1.1.** Advanced Building Industries Company (formerly Zamil Industrial Investment Company) ("the Company") was converted to a Saudi Joint Stock Company in accordance with the Ministerial Resolution number 407 dated 14 Rabi' I 1419 H (corresponding to 9 July 1998). Prior to that the Company was operating as a limited liability company under the name of Zamil Steel Buildings Company Limited.

The registered address of the Company is Street 11, 1st Industrial District, Postal code 32234, Dammam, Kingdom of Saudi Arabia. The Company is registered in the Kingdom of Saudi Arabia under Commercial Registration number 7001686273 dated 19 Ramadan 1396H (corresponding to 14 September 1976).

On 21 September 2025, following the approval of the Extraordinary General Assembly, Zamil Industrial Investment Company's name was changed to Advanced Building Industries Company. Following the approval, the Company has obtained regulatory approvals and fulfilled the necessary formalities for the change of name.

The Company has investment in the following subsidiaries:

	<b>Country of Incorporation</b>	<b>Effective ownership at</b>	
		<b>31 March 2026</b>	<b>31 December 2025</b>
- Zamil Steel Holding Company Limited	Saudi Arabia	100%	100%
- Zamil Air Conditioners Holding Company Limited	Saudi Arabia	100%	100%
- ZODCON Holding Company Limited	Saudi Arabia	100%	100%
- Advanced Construction Solutions for Projects Company	Saudi Arabia	100%	100%
- Arabian Stonewool Insulation Company	Saudi Arabia	100%	100%
- Second Insulation Company Limited	Saudi Arabia	100%	100%
- Saudi Preinsulated Pipes Industries	Saudi Arabia	51%	51%
- Gulf Insulation Group	Saudi Arabia	51%	51%
- Middle East Air Conditioners Company Limited	Saudi Arabia	100%	100%
- Zamil Steel Building Company	Egypt	100%	100%
- Zamil Industrial Investment Company	UAE	100%	100%
- Zamil Information Technology Global Private Limited	India	100%	100%
- Zamil Higher Institute for Industrial Training	Saudi Arabia	100%	100%
- Zamil Air Conditioners India Private Limited	India	100%	100%
- Saudi Central Energy Company Limited	Saudi Arabia	100%	100%
<b>Subsidiaries of Zamil Steel Holding Company Limited</b>			
- Zamil Steel Pre-Engineered Buildings Company Limited	Saudi Arabia	100%	100%
- Zamil Structural Steel Company Limited	Saudi Arabia	100%	100%
- Zamil Towers & Galvanizing Company	Saudi Arabia	100%	100%
- Zamil Process Equipment Company Limited	Saudi Arabia	100%	100%
- Zamil Inspection & Maintenance of Industrial Projects Company Limited	Saudi Arabia	100%	100%
- Zamil Steel Buildings Malaysia	Malaysia	100%	100%
- Zamil Steel Holdings Company Limited – Bahrain	Bahrain	100%	100%
- ZAMGETS Engineering and Management Services	Egypt	100%	100%
- Zamil Construction India Private Limited	India	100%	100%
- Zamil Steel Buildings India Private Limited	India	100%	100%
- Zamil Steel Engineering India Private Limited	India	100%	100%
- Zamil Steel Buildings Vietnam Company Limited	Vietnam	100%	100%
- Zamil Steel Holding Singapore PTE. Limited	Singapore	100%	100%
- Zamil Steel Buildings (Shanghai) Company Limited	China	100%	100%
- Zamil Structural Steel Company	Egypt	100%	100%
- Metallic Construction and Contracting Company Limited	Egypt	100%	100%

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)  
(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ﷻ '000 unless otherwise stated)**

**1. CORPORATE INFORMATION (Continued)**

	Country of Incorporation	Effective ownership at	
		31 March 2026	31 December 2025
<b>Subsidiaries of Zamil Air Conditioners Holding Company Limited</b>			
- Zamil Air Conditioners & Home Appliances Company Limited	Saudi Arabia	<b>100%</b>	100%
- Zamil Central Air Conditioners Company Limited	Saudi Arabia	<b>100%</b>	100%
- Zamil Air Conditioning & Refrigeration Services Company Limited	Saudi Arabia	<b>100%</b>	100%
- Ikhtebar Company Limited	Saudi Arabia	<b>100%</b>	100%
- Eastern District Cooling Company Limited	Saudi Arabia	<b>100%</b>	100%
- Zamil Energy Services Company Limited	Saudi Arabia	<b>100%</b>	100%
- Zamil Air Conditioning and Refrigeration Services Company W.L.L.	Bahrain	<b>100%</b>	100%
- Professionals for Engineering and Design Company	Egypt	<b>100%</b>	100%
<b>Subsidiaries of Gulf Insulation Group</b>			
- Saudi Rockwool Factory Company	Saudi Arabia	<b>51%</b>	51%
- Arabian Fiberglass Insulation Company Limited (refer note 21)	Saudi Arabia	<b>51%</b>	51%
- Building Component Solutions Company Limited	Saudi Arabia	<b>51%</b>	51%
- Arabian Gulf Insulation Trading LLC	UAE	<b>51%</b>	51%

The Company and its subsidiaries listed above (collectively referred to as the "Group") are engaged in design and engineering, manufacturing and fabrication of construction materials, pre-engineering steel buildings, steel structures, air conditions and climate control systems for commercial, industrial and residential applications, telecom and broadcasting towers, process equipment, fiberglass, rockwool and engineering plastic foam insulation, and solar power projects.

The condensed consolidated interim financial statements of the Group as of 31 March 2026 were authorised for issuance in accordance with the Board of Directors resolution on 6 May 2026 (corresponding to 19 Dhu al-Qi'dah 1447H).

- 1.2.** The Group continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC environment given that the majority of the Group's operations are conducted within GCC region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's condensed consolidated interim financial statements for the period ended 31 March 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

**2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES**

**2.1 Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim 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 for the year ended 31 December 2025 ("Last Annual Consolidated Financial Statements"). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Group's consolidated financial position and performance since the last annual consolidated financial statements.

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)  
(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ﷲ '000 unless otherwise stated)**

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**2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)**

**2.2 Basis of preparation**

These condensed consolidated interim financial statements have been prepared on a going concern basis, applying a historical cost convention, except for employees' benefits obligation which is recognized at the present value of future obligations using the Projected Unit Credit Method and financial assets classified as fair value through other comprehensive income items that have been measured at fair value.

**2.3 Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyals ("ﷲ") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousands ("ﷲ '000"), except when otherwise indicated.

**2.4 Use of judgments and estimates**

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

**2.5 Material accounting policies**

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

A number of amendments to existing standards, as detailed in note 2.6 below, became effective from 1 January 2026 but they do not have a material effect on the condensed consolidated interim financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**2.6 New standards, amendments and interpretations**

**a) New and revised standards with no material effect on the condensed consolidated interim financial statements**

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;
- Annual Improvements to IFRS Accounting Standards, effective for annual periods beginning on or after 1 January 2026 - Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of cash flows
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026;

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)  
(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ₪ '000 unless otherwise stated)**

**2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)**

**2.6. New standards, amendments and interpretations (continued)**

**b) New and revised standards issued but not yet effective**

The amendments to existing standards that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these amendments to existing standards, if applicable, when they become effective:

- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027; and
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28, effective date deferred indefinitely.

The above-mentioned standards are not expected to have a significant impact on the condensed consolidated interim financial statements of the Group.

**3. PROPERTY, PLANT AND EQUIPMENT**

During the three-month period ended 31 March 2026, the Group acquired assets with a cost of ₪ 33,217 thousand (three-month period ended 31 March 2025: ₪ 37,644 thousand) and disposed-off assets with a carrying amount of ₪ 14 thousands (three-month period ended 31 March 2025: ₪ Nil) resulting in no gain or loss on disposal in current and prior period. Depreciation for the three-month period ended 31 March 2026 amounted to ₪ 26,177 thousand (three-month period ended 31 March 2025: ₪ 21,740 thousand).

**4. INVESTMENTS IN AN ASSOCIATE AND JOINT VENTURE**

Carrying values of the Group's share for investments in an associate and joint venture are as follows:

	Effective ownership at		31 March	31 December
	31 March	31 December	2026	2025
	2026	2025	(Unaudited)	(Audited)
<b>Associate</b>				
Perma Pipe Gulf Arabia Industry – Saudi Arabia	40%	40%	46,406	42,767
			<u>46,406</u>	<u>42,767</u>
<b>Joint Venture</b>				
Rabiah Nasser and Zamil Concrete Industries Company Limited - Saudi Arabia ("RANCO")	50%	50%	111,352	105,721
			<u>111,352</u>	<u>105,721</u>
			<u>157,758</u>	<u>148,488</u>

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ₪ '000 unless otherwise stated)**

**5. INVENTORIES**

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
Raw materials	<b>1,064,704</b>	1,080,505
Work-in-progress	<b>113,352</b>	74,391
Finished goods	<b>352,403</b>	363,171
Goods-in-transit	<b>15,825</b>	101,173
Spares	<b>54,445</b>	57,913
	<b>1,600,729</b>	1,677,153
Less: net realisable value adjustment	<b>(135,791)</b>	(155,952)
	<b>1,464,938</b>	1,521,201

**6. ACCOUNTS RECEIVABLE**

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
Trade receivables	<b>2,075,959</b>	2,019,403
Retentions receivable	<b>509,002</b>	513,998
	<b>2,584,961</b>	2,533,401
Less: Allowance for expected credit losses	<b>(616,811)</b>	(606,627)
	<b>1,968,150</b>	1,926,774
Receivables from related parties (note 17)	<b>17,715</b>	15,730
	<b>1,985,865</b>	1,942,504

**6.1** During the period ended 31 March 2026, the Group has recognized provision for expected credit loss amounting to ₪ 12,928 thousand (three-month period ended 31 March 2025: ₪ 19,506 thousand).

**6.2** During 2023, Zamil Air Conditioning & Refrigeration Services Company Limited, a subsidiary of the Company, received notice for immediate termination of a contract from a customer (contractor) mainly due to project delays and violation of certain technical specification as per contract.

The Group had rejected the termination notice on grounds that the termination notice was not served in line with the contractual terms, failure to provide proper technical design, lack of clarity in the scope of work and time.

The Group had filed a legal case against the contractor in the Court for settlement of the amount due to the Group. The Court appointed an external independent expert to review and assess the value of the work executed by the Group.

As of the end of the reporting period, the total due from customer amounted to ₪ 87.1 million (31 December 2025: ₪ 87.1 million), which includes ₪ 12.5 million (31 December 2025: ₪ 12.5 million) billed to the customer, retention receivables of ₪ 6.5 million (31 December 2025: ₪ 6.5 million) and contract assets (note 7) of ₪ 68.1 million (31 December 2025: ₪ 68.1 million). Based on the management assessment and considering the contractual rights confirmed by the management's legal advisor at the last year end, the management believes that the amounts due from customer are expected to be fully recoverable; however, considering the delay in settlement and inherent uncertainty, the Group has made full provision against the amount due from customer during the year 2025.

During the year ended 31 December 2025, the court issued ruling in the said case by imposing a penalty of ₪ 29 million and ordered the Group to pay ₪ 7.1 million to the customer by adjusting ₪ 21.9 million from receivables from the customer. Accordingly, the Group adjusted the accounts receivable balance and paid the amount to the customer in July 2025.

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ₪ '000 unless otherwise stated)**

**6. ACCOUNTS RECEIVABLE (Continued)**

6.2 In addition, during the year 2025, the customer filed a claim for compensation of anticipated profits amounting to ₪ 376 million, including compensation for damages resulting from litigation amounting to ₪ 37.6 million in attorney's fees; however, subsequent to the period ended 31 March 2026, a preliminary ruling was issued by Second Circuit Commercial Court of Dammam, rejecting the lawsuit filed by the customer. Accordingly, management does not expect any outflow of economic resources arising from this claim and, therefore, no provision has been recognized in the condensed consolidated interim financial statements.

**7. CONTRACT ASSETS**

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
Contract assets	<b>866,084</b>	749,444
Less: Allowance for expected credit losses	<b>(191,541)</b>	(190,237)
	<b>674,543</b>	559,207

During the period ended 31 March 2026, the Group has recognized provision for expected credit loss amounting to ₪ 1,304 thousand (three-month period ended 31 March 2025: ₪ 18,000 thousand).

**8. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
Advances to suppliers	<b>137,727</b>	91,567
Prepaid expenses	<b>48,623</b>	33,025
Value added tax refundable	<b>16,477</b>	12,910
Deposits	<b>5,804</b>	4,063
Other receivables	<b>55,535</b>	59,910
	<b>264,166</b>	201,475

**9. TERM LOANS**

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
Non-current portion	<b>204,580</b>	217,310
Current portion	<b>81,375</b>	81,402
	<b>285,955</b>	298,712

The term loans are obtained by the Group's subsidiaries for working capital and for certain capital expenditures. The loans are repayable in unequal instalments. The loans carry financial charges at prevailing market rates. As at 31 March 2026 and 31 December 2025, the Group was in compliance with loan covenants as per the agreement with the banks.

Following are the combined aggregate amounts of future maturities of the term loans:

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
Less than one year	<b>81,375</b>	81,402
Between one to two years	<b>85,107</b>	85,107
More than two years	<b>119,473</b>	132,203
	<b>285,955</b>	298,712

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ﷻ '000 unless otherwise stated)**

**10. SHORT TERM LOANS**

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Murabaha and tawarruq financing	1,844,562	1,822,125
Short term loans – conventional	69,618	66,137
	<b>1,914,180</b>	<b>1,888,262</b>

The short term loans, Murabaha and Tawarruq finances were obtained from various local banks to meet the working capital requirements. These loans are secured by promissory notes and assignment of corporate guarantees. These loans carry commission charges at prevailing market borrowing rates. The effective commission rate for the period ended 31 March 2026 is 5.82 % per annum (2025: 6.54 % per annum).

**11. ACCOUNTS PAYABLE**

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade payables	676,887	615,291
Retentions payable	45,284	49,752
Payable to related parties (note 17)	4,581	141
	<b>726,752</b>	<b>665,184</b>

**12. ACCRUALS AND OTHER PAYABLES**

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Accrued expenses	381,049	450,544
Warranties provision	447,570	424,368
Value Added Tax (VAT) payable	42,202	39,828
Payable against acquisition of additional shares in a subsidiary	14,171	14,171
Other payables	13,152	29,241
	<b>898,144</b>	<b>958,152</b>

**13. CONTRACT LIABILITIES**

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Advance from customers	814,574	782,607
Billings in excess of value of work executed	240,579	219,829
	<b>1,055,153</b>	<b>1,002,436</b>

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)  
(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements  
For the three-month period ended 31 March 2026  
(All amounts stated in ₪ '000 unless otherwise stated)**

**14. REVENUE FROM CONTRACTS WITH CUSTOMERS**

Set out below is the disaggregation of the Group's revenue from contract with customers:

	<b>For the three-month period ended 31 March</b>	
	<b>2026 (Unaudited)</b>	<b>2025 (Unaudited)</b>
Sale of goods	<b>926,394</b>	919,210
Revenue from long-term contracts	<b>335,158</b>	517,971
Rendering of services	<b>84,143</b>	80,624
Total revenue from contracts with customers	<b><u>1,345,695</u></b>	<u>1,517,805</u>

Reconciliation of the Group's disaggregate revenue for its reportable segments, geographical markets, and timing of revenue recognition is disclosed in note 18.

**15. ZAKAT AND INCOME TAX**

**(a) Zakat**

*(i) The Company and its wholly owned subsidiaries*

During the year 2025, the Group completed the settlement of its prior years' zakat assessments for the years 2015 to 2023 with the Zakat, Tax and Customs Authority ("ZATCA"). The settlement included additional zakat liabilities of ₪ 61 million relating to the years 2015 to 2018 and ₪ 2.9 million relating to the years 2019 to 2023, which were fully settled by the Group. Accordingly, there are no outstanding liabilities in respect of these assessments as at 31 March 2026.

Zakat declaration for the year 2024 has been filed with ZATCA; however, the assessment has not yet been raised by ZATCA.

*ii) Partially owned Saudi subsidiaries*

*Saudi Preinsulated Pipes Industries*

Zakat assessments have been agreed with ZATCA up to 2019. The zakat declarations for the years 2020 to 2024 have been filed with ZATCA; however, the assessments have not yet been raised by ZATCA.

*Gulf Insulation Group*

Zakat and income tax assessments have been agreed with the ZATCA up to 2019. The zakat and income tax declarations for the years from 2019 to 2024 have been filed with ZATCA; however, the assessments have not yet been raised by ZATCA.

**(a) Income tax**

Income tax provision is provided for in accordance with authorities in which the Group's subsidiaries operate outside the Kingdom of Saudi Arabia. Income tax has been computed based on the management's understanding of the income tax regulations enforced in their respective countries.

The income tax regulations are subject to different interpretations, and the assessments to be raised by the tax authorities could be different from the income tax returns filed by the respective subsidiary.

There is no change in the status of income tax assessments of all foreign subsidiaries from those disclosed in the last annual consolidated financial statements.

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ₪ '000 unless otherwise stated)**

**(b) Deferred tax**

During the period ended 31 March 2026, the Group has recorded a net deferred tax benefit of ₪ 0.137 million (31 March 2025: net deferred tax benefit of ₪ 0.010 million).

**16. CONTINGENCIES**

The Group's bankers have issued performance & payments guarantees and letter of credits, on behalf of the Group, amounting to ₪ 2,149 million (31 December 2025: ₪ 1,712 million).

**17. RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties include the Group's major shareholders having control, joint control or significant influence, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties ("Other Related Parties"). Pricing policies and terms of payments of transactions with related parties are approved by the Board of Directors. Outstanding balances at the period-end are unsecured, interest free and to be settled in cash.

During the period, the Group transacted with the following related parties.

<b>Relationship and name of related party</b>	<b>Nature of transactions</b>	<b>For the three-month period ended</b>	
		<b>31 March</b>	
		<b>2026</b>	<b>2025</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Zamil Group Holding Company	Sales	<b>1,362</b>	947
	Purchases	<b>6,530</b>	4,237
<i>Other related parties</i>	Sales	-	188
	Purchases	<b>86</b>	1,006

The compensation to the key management personnel during the period amounted to ₪ 1.73 million (31 March 2025: ₪ 1.53 million).

The compensation to the Board of Directors during the period amounted to ₪ 0.425 million (31 March 2025: ₪ 0.425 million).

Amounts due from related parties at 31 March 2026 amounting to ₪ 17.71 million (31 December 2025: ₪ 15.73 million) have been included in accounts receivable in the condensed consolidated statement of financial position. Amounts due to related parties at 31 March 2026 amounting to ₪ 4.58 million (31 December 2025: ₪ 0.14 million) have been included in the accounts payable in the condensed consolidated statement of financial position.

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ﷲ '000 unless otherwise stated)**

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**18. SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on its products and services and has four reportable segments, as follows:

- The air conditioners segment, which is engaged in the manufacture and sale of residential, commercial, and industrial HVAC equipment, including window, split, and central air-conditioners, as well as fabrication of air-conditioning ducts and channels, and the installation, leasing, operation, and after-sales maintenance of air-conditioning and refrigeration systems.
- The steel segment, which is engaged in engineering, manufacturing, and supplying pre-engineered steel buildings, structural steel, and plate work; fabricating steel sheets, storage tanks, pressure vessels, silos, heavy-equipment parts, installation containers, and pumps; and providing related design, detailing, galvanizing, erection, and after-sales services for industrial, commercial, and infrastructure projects.
- The construction segment, which is engaged in turnkey industrial and commercial projects, encompassing civil, structural, mechanical, electrical, and plumbing (MEP) works; engineering, procurement, and construction (EPC) contracting; project management; warehouses, logistics parks, and specialised facilities; the installation of fire-protection and communication-tower systems; and the provision of integrated building solutions from concept design through commissioning.
- The insulation segment, which is engaged in production of complete line of insulation products including fiberglass for using in thermal insulation of central air conditioners, pre-insulated pipes, glass wool, rock wool and engineering plastic foam insulations.

The Board of Directors monitor 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 income and is measured consistently in the condensed consolidated interim financial statements.

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ₪ '000 unless otherwise stated)**

**18. SEGMENT INFORMATION (Continued)**

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliation presented below.

**Business segments:**

	<b>For the three-month period ended 31 March 2026 (Un-audited)</b>							
	<b>Air conditioners</b>	<b>Steel</b>	<b>Construction</b>	<b>Insulation</b>	<b>Total segments</b>	<b>Corporate and others</b>	<b>Adjustments and eliminations</b>	<b>Consolidated</b>
<i>Timing of revenue recognition:</i>								
At a point in time	169,065	624,163	-	156,372	949,600	564	(23,770)	926,394
Over time	166,916	133,266	119,119	-	419,301	-	-	419,301
	<u>335,981</u>	<u>757,429</u>	<u>119,119</u>	<u>156,372</u>	<u>1,368,901</u>	<u>564</u>	<u>(23,770)</u>	<u>1,345,695</u>
<i>Revenue from contracts with customers:</i>								
External customers	335,981	757,429	119,119	132,602	1,345,131	564	-	1,345,695
Inter-segment	-	-	-	23,770	23,770	-	(23,770)	-
	<u>335,981</u>	<u>757,429</u>	<u>119,119</u>	<u>156,372</u>	<u>1,368,901</u>	<u>564</u>	<u>(23,770)</u>	<u>1,345,695</u>
Finance lease income	1,915	-	-	-	1,915	-	-	1,915
Total revenue	<u>337,896</u>	<u>757,429</u>	<u>119,119</u>	<u>156,372</u>	<u>1,370,816</u>	<u>564</u>	<u>(23,770)</u>	<u>1,347,610</u>
Cost of revenue	281,252	610,483	111,511	103,867	1,107,113	-	(24,638)	1,082,475
Gross profit	<u>56,644</u>	<u>146,946</u>	<u>7,608</u>	<u>52,505</u>	<u>263,703</u>	<u>564</u>	<u>868</u>	<u>265,135</u>
Operating profit / (loss)	<u>1,648</u>	<u>65,119</u>	<u>(14,521)</u>	<u>34,368</u>	<u>86,614</u>	<u>(4,459)</u>	<u>868</u>	<u>83,023</u>
<b>Unallocated profit / (expenses):</b>								
Share in results of an associate and joint venture								9,270
Other income								6,908
Finance costs								(35,575)
Profit before zakat and income tax								63,626
Zakat and income tax								(15,632)
Profit for the period								<u>47,994</u>

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ₪ '000 unless otherwise stated)**

**18. SEGMENT INFORMATION (Continued)**

**Business segments (continued):**

**For the three-month period ended 31 March 2025 (Un-audited)**

	<u>Air conditioners</u>	<u>Steel</u>	<u>Construction</u>	<u>Insulation</u>	<u>Total segments</u>	<u>Corporate and others</u>	<u>Adjustments and eliminations</u>	<u>Consolidated</u>
<i>Timing of revenue recognition:</i>								
At a point in time	208,719	604,216	-	132,143	945,078	257	(26,125)	919,210
Over time	149,509	123,583	325,503	-	598,595	-	-	598,595
	<u>358,228</u>	<u>727,799</u>	<u>325,503</u>	<u>132,143</u>	<u>1,543,673</u>	<u>257</u>	<u>(26,125)</u>	<u>1,517,805</u>
<i>Revenue from contracts with customers:</i>								
External customers	358,228	727,357	325,503	106,460	1,517,548	257	-	1,517,805
Inter-segment	-	442	-	25,683	26,125	-	(26,125)	-
	<u>358,228</u>	<u>727,799</u>	<u>325,503</u>	<u>132,143</u>	<u>1,543,673</u>	<u>257</u>	<u>(26,125)</u>	<u>1,517,805</u>
Finance lease income	2,233	-	-	-	2,233	-	-	2,233
Total revenue	<u>360,461</u>	<u>727,799</u>	<u>325,503</u>	<u>132,143</u>	<u>1,545,906</u>	<u>257</u>	<u>(26,125)</u>	<u>1,520,038</u>
Cost of revenue	286,233	618,201	289,488	93,590	1,287,512	-	(26,858)	1,260,654
Gross profit	<u>74,228</u>	<u>109,598</u>	<u>36,015</u>	<u>38,553</u>	<u>258,394</u>	<u>257</u>	<u>733</u>	<u>259,384</u>
Operating profit / (loss)	<u>22,475</u>	<u>32,682</u>	<u>572</u>	<u>25,543</u>	<u>81,272</u>	<u>(9,285)</u>	<u>1,176</u>	<u>73,163</u>

**Unallocated (expenses) / profit:**

Share in results of an associate and a joint venture								6,179
Other income								9,222
Finance costs								(40,026)
Profit before zakat and income tax								48,538
Zakat and income tax								(12,605)
Profit for the period								<u>35,933</u>

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**

**For the three-month period ended 31 March 2026**

**(All amounts stated in ₪ '000 unless otherwise stated)**

**18. SEGMENT INFORMATION (Continued)**

**Business segments (continued):**

	<b>As at 31 March 2026 (Un-audited)</b>							
	<b>Air conditioner</b>	<b>Steel</b>	<b>Construction</b>	<b>Insulation</b>	<b>Total segments</b>	<b>Corporate and others</b>	<b>Adjustments and eliminations</b>	<b>Consolidated</b>
Total assets	2,191,060	2,549,222	755,780	675,711	6,171,773	679,741	(813,401)	6,038,113
Total liabilities	1,853,183	1,807,740	1,068,783	343,058	5,072,766	1,051,141	(813,401)	5,310,506
	<b>As at 31 December 2025 (audited)</b>							
	<b>Air conditioner</b>	<b>Steel</b>	<b>Construction</b>	<b>Insulation</b>	<b>Total segments</b>	<b>Corporate and others</b>	<b>Adjustments and eliminations</b>	<b>Consolidated</b>
Total assets	2,105,342	2,476,826	853,264	644,407	6,079,839	543,549	(704,799)	5,918,589
Total liabilities	1,755,174	1,782,496	1,143,012	346,423	5,027,105	902,498	(704,799)	5,224,804

**Geographic information:**

The revenue for the three-month periods ended 31 March 2026 and 2025, categorized by the geographical segments is as follows:

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Kingdom of Saudi Arabia	1,048,077	1,231,950
Egypt	115,287	126,015
India	103,880	112,850
Vietnam	80,366	49,223
	<b>1,347,610</b>	<b>1,520,038</b>

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ₪ '000 unless otherwise stated)**

**18. SEGMENT INFORMATION (Continued)**

The non-current operating assets of the Group as at 31 March 2026 and 31 December 2025 are categorized by the geographical segments as follows:

	<b>31 March 2026</b>	31 December 2025
	<b>(Unaudited)</b>	(Audited)
Kingdom of Saudi Arabia	<b>666,869</b>	677,729
Egypt	<b>64,568</b>	61,444
Other Asian countries	<b>105,905</b>	98,038
	<b>837,342</b>	837,211

Non-current operating assets for this purpose consist of property, plant and equipment and right-of-use assets.

**19. FAIR VALUE MEASUREMENT**

The Group's principal financial assets include cash and cash equivalents, equity instruments at fair value through other comprehensive income, accounts receivable, net investment in finance lease and some other current assets that arise directly from its operations. The Group's principal financial liabilities comprise of term loans, short term loans, lease liabilities, accounts payable and some other current liabilities.

*Fair values hierarchy*

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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

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

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

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no such transfers during the periods ended 31 March 2026 and 31 December 2025 respectively.

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ₪ '000 unless otherwise stated)**

**19. FAIR VALUE MEASUREMENT (Continued)**

The table below presents the financial assets at their fair values as at 31 March 2026 and 31 December 2025 based on the fair value hierarchy:

Financial Assets at FVOCI	Carrying value	Level 1	Level 2	Level 3	Total
<b>31 March 2026</b>					
Equity instruments at fair value through other comprehensive income	65,951	-	-	65,951	65,951
<b>Total as at 31 March 2026 (Unaudited)</b>	<b>65,951</b>	<b>-</b>	<b>-</b>	<b>65,951</b>	<b>65,951</b>
<b>31 December 2025</b>					
Equity instruments at fair value through other comprehensive income	65,951	-	-	65,951	65,951
<b>Total as at 31 December 2025 (Audited)</b>	<b>65,951</b>	<b>-</b>	<b>-</b>	<b>65,951</b>	<b>65,951</b>

The fair value of the Group's investment in unquoted equity shares at 31 March 2026 and 31 December 2025 was measured using Level 3 (significant unobservable inputs). The Group estimated the fair value of the investment using adjusted net asset method. The adjusted net asset method involves deriving the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities. The management believes that there have been no changes in the value of investment from 31 December 2025.

As at 31 March 2026 and 31 December 2025, the fair values of the Group's financial instruments, other than those mentioned above, are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of condensed consolidated statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry rates which are based on prevailing market interest rates.

**20. COMPARATIVE FIGURES**

During the period, certain comparative figures have been reclassified to conform with the current period presentation of the condensed consolidated interim financial statements.

**21. RESTATEMENT OF COMPARATIVES FIGURES**

**Recognition of financial liability**

As disclosed in the consolidated financial statements for the year ended 31 December 2025, on 19 December 2024, Gulf Insulation Group ("GIG"), a subsidiary of the Company with 51% shareholding, signed a share purchase agreement (SPA) with the foreign shareholder of Arabian Fiberglass Insulation Company Limited ("AFICO") to acquire the remaining 49% shareholding in AFICO for a consideration amounting ₪ 123.8 million, subject to securing the approval of the General Authority for Competition in the Kingdom of Saudi Arabia (GAC) as well as satisfying other conditions as per the SPA. During March 2025, GIG and the foreign shareholder secured a waiver letter from GAC to proceed with the deal and satisfied the other conditions stated in the SPA and therefore GIG recognized the acquisition of foreign shareholder's share in AFICO in March 2025 which caused non-controlling interests and retained earnings at 31 March 2025 to decrease by ₪ 97.6 million and ₪ 26.2 million, respectively.

During the prior year, management re-examined the SPA and concluded that there was an unconditional obligation to deliver cash to the foreign shareholder of AFICO subject to satisfying conditions that are not within the control of GIG as of 31 December 2024. Consequently, a financial liability should have been recorded at the date of the SPA, i.e. 19 December 2024 for the fixed consideration to be paid and non-controlling interest should have been derecognized, rather than waiting for the conditions of the SPA to be satisfied, i.e. 18 March 2025.

**Advanced Building Industries Company (formerly Zamil Industrial Investment Company)**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial statements**  
**For the three-month period ended 31 March 2026**  
**(All amounts stated in ₪ '000 unless otherwise stated)**

**21. RESTATEMENT OF COMPARATIVES FIGURES (CONTINUED)**

**Recognition of financial liability (Continued)**

Accordingly, during the preparation of the consolidated financial statements for the year ended 31 December 2025, management restated the comparative figures as at 31 December 2024. The restatement impacted on the following accounts:

- Accruals and Other Payables at 31 December 2024 increased by ₪ 123.8 million rather than the similar increase which was recognized in March 2025.
- Non-controlling interests at 31 December 2024 decreased by ₪ 95.7 million rather than the decrease of ₪ 97.6 million which was recognized in March 2025.
- Retained earnings at 31 December 2024 decreased by ₪ 28.1 million rather than the decrease of ₪ 26.2 million which was recognized in March 2025.

Accordingly, the comparative information for the three-month period ended 31 March 2025 has been restated. The restatement had no impact on the Group's total profit for the period; however, it resulted in a reallocation within equity, increasing profit and other comprehensive income attributable to the shareholders of the Parent Company by SR 1.9 million, with a corresponding decrease in non-controlling interests.

The impact of restatement on the condensed consolidated interim financial statements for the period ended 31 March 2026 is as follows:

<b>Consolidated statement of changes in equity</b> <b><u>1 January 2025</u></b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>Equity:</b>			
Accumulated losses	(52,153)	(28,089)	(80,242)
Non-controlling interests	190,669	(95,661)	95,008
 <b>Condensed consolidated statement of profit or loss</b> <b><u>For the three-month period ended 31 March 2025:</u></b>			
<b>Attributable to:</b>			
Shareholders of the Company	21,813	1,904	23,717
Non-controlling interests	14,120	(1,904)	12,216
 <b>Condensed consolidated statement of comprehensive income</b> <b><u>For the three-month period ended 31 March 2025:</u></b>			
<b>Attributable to:</b>			
Shareholders of the Company	22,251	1,904	24,155
Non-controlling interests	14,120	(1,904)	12,216

The change did not have an impact on Group's operating, investing and financing cash flows. Basic and diluted earnings per share for the period ended 31 March 2025 have also been restated. The amount of the correction for basic and diluted earnings per share was an increase of SR 0.04 per share.

**22. SUBSEQUENT EVENTS**

Except as disclosed elsewhere in these condensed consolidated interim financial statements, there are no significant subsequent events occurred between 31 March 2026 and the date of approval of these condensed consolidated interim financial statements which may have material impact on these condensed consolidated interim financial statements.