

Bawan Company
(A Saudi Joint Stock Company)

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

**FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2026**

Bawan Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months 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 BAWAN COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Bawan Company (A Saudi Joint stock Company) (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as at 31 March 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three months period ended 31 March 2026, and the related interim condensed consolidated statements of changes in equity and interim condensed consolidated statement of cashflows for three months period ended 31 March 2026 and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Other matter

The interim financial information for the three months period ended 31 March 2025 were reviewed by another auditor who expressed an unmodified review conclusion on that information on 14 May 2025 (corresponding to 16 Thul-Qi'dah 1446H).

Conclusion

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

for Ernst & Young Professional Services

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



Riyadh: 25 Thul-Qi'dah 1447 H
12 May 2026 G

Bawan Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

	<i>Note</i>	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	6	801,632	800,653
Right-of-use assets		81,069	72,633
Goodwill		4,397	4,397
Intangible assets	6.1	281,313	321,535
Due from a related party	11	50,319	49,377
Other assets		14,056	14,178
Total non-current assets		1,232,786	1,262,773
Current assets			
Inventories		1,026,982	993,461
Spare parts		29,493	34,154
Trade receivables and other current assets	7	1,099,941	1,138,854
Current portion of due from a related party	11	18,728	18,750
Contract assets		373,799	279,431
Cash and cash equivalents		181,541	82,936
Total current assets		2,730,484	2,547,586
TOTAL ASSETS		3,963,270	3,810,359
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8.1	600,000	600,000
Statutory reserve	8.2	69,440	69,440
Other reserves	8.3,15	(76,324)	(58,746)
Retained earnings		531,269	479,346
Equity attributable to owners of the Company		1,124,385	1,090,040
Non-controlling interests (NCI)		37,124	36,738
TOTAL EQUITY		1,161,509	1,126,778

(continued)

Bawan Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (CONTINUED)

As of 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
LIABILITIES			
Non-current liabilities			
Long-term borrowing	9	462,693	469,065
Payables to NCI	15.6	200,314	196,255
Lease liabilities		63,191	56,465
Employee defined benefit liabilities		106,763	105,651
Total non-current liabilities		832,961	827,436
Current liabilities			
Trade and other payables		772,067	754,510
Short-term borrowings	9	840,332	781,332
Payable to NCI – current portion	15.6	75,000	75,000
Current portion of long-term borrowings	9	50,991	54,708
Contract liabilities		166,790	140,060
Current portion of lease liabilities		15,119	14,253
Zakat and income tax accrual		47,560	35,341
Dividends payable		941	941
Total current liabilities		1,968,800	1,856,145
TOTAL LIABILITIES		2,801,761	2,683,581
TOTAL EQUITY AND LIABILITIES		3,963,270	3,810,359



Group Financial Reporting
Manager



Chief Executive Officer
(Acting)



Chairman of the Board of
Directors

Bawan Company
(A Saudi Joint Stock Company)

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


For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)


	Note	Three months period ended 31 March	
		2026	2025 (Restated - note 17)
Revenue	12, 11	1,031,323	910,178
Cost of revenue	11, 17	(874,982)	(806,227)
Gross profit	17	156,341	103,951
Selling and distribution expenses	17	(21,256)	(19,274)
General and administrative expenses		(58,079)	(37,598)
Reversal / (charge) of expected credit loss (ECL) on trade receivables	7	551	(72)
Gain/(loss) on disposal of investment in financial assets at FVTPL		-	1,567
Bargain purchase gain on business combination		-	126,452
Other income, net		2,792	147
Profit before finance costs and zakat and income tax		80,349	175,173
Finance costs		(23,493)	(21,740)
Profit before zakat and income tax		56,856	153,433
Zakat and income tax		(13,835)	(3,856)
Net profit for the period		43,021	149,577
Other comprehensive loss			
<i>Item that may be reclassified to profit or loss:</i>			
Foreign currency translation differences		(1,637)	(871)
Other comprehensive loss for the period		(1,637)	(871)
Total comprehensive income for the period		41,384	148,706
Profit / (loss) for the period attributable to:			
Ordinary shareholders of the Company		51,923	149,112
Non-controlling interests		(8,902)	465
		43,021	149,577
Total comprehensive income / (loss) for the period attributable to			
Ordinary shareholders of the Company		50,613	148,417
Non-controlling interests		(9,229)	289
		41,384	148,706
Earnings per share for profit attributable to the ordinary shareholders of the Company:			
Basic and diluted	5	0.87	2.49



Group Financial Reporting
Manager



Chief Executive Officer
(Acting)



Chairman of the Board of
Directors

The attached notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Bawan Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Equity Attributable to shareholders of the Company</i>	<i>Non Controlling interests</i>	<i>Total</i>
At 1 January 2026 (Audited)	600,000	69,440	(58,746)	479,346	1,090,040	36,738	1,126,778
Net profit for the period	-	-	-	51,923	51,923	(8,902)	43,021
Other comprehensive loss for the period	-	-	(1,310)	-	(1,310)	(327)	(1,637)
Total comprehensive income / (loss) for the period	-	-	(1,310)	51,923	50,613	(9,229)	41,384
Net impact of de-recognition of NCI against Put option reserve	-	-	(14,336)	-	(14,336)	14,336	-
Remeasurement of put option liability	-	-	(1,932)	-	(1,932)	-	(1,932)
Transactions with owners:							
Dividends	-	-	-	-	-	(4,721)	(4,721)
At 31 March 2026	600,000	69,440	(76,324)	531,269	1,124,385	37,124	1,161,509
January 1, 2025 (Audited)	600,000	69,440	(10,915)	270,261	928,786	32,684	961,470
Net profit for the period (note 17)	-	-	-	149,112	149,112	465	149,577
Other comprehensive loss for the period	-	-	(695)	-	(695)	(176)	(871)
Total comprehensive income / (loss) for the period	-	-	(695)	149,112	148,417	289	148,706
Non-controlling interest recognized on newly acquired subsidiary (note 15)	-	-	-	-	-	106,900	106,900
Liability against NCI put option recognized against other reserves	-	-	(126,523)	-	(126,523)	-	(126,523)
Classification of NCI put option reserve	-	-	104,545	-	104,545	(104,545)	-
31 March 2025 (Unaudited)	600,000	69,440	(33,588)	419,373	1,055,225	35,328	1,090,553


Group Financial Reporting
Manager


Chief Executive Officer
(Acting)


Chairman of the Board of
Directors

The attached notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Bawan Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

	<i>Three months period ended</i>	
	<i>31 March</i>	
	<i>2026</i>	<i>2025</i>
Operating activities		
Profit before zakat and income tax:	56,856	153,433
<i>Adjustments for:</i>		
Depreciation and amortization	66,385	36,927
Employee defined benefit liabilities	3,085	5,242
Finance costs	23,493	21,740
Reversal / (Charge) of expected credit loss on trade receivables	(551)	72
Gain on disposal of investment in financial assets at FVTPL	-	(1,567)
Bargain purchase gain on business combinations	-	(126,452)
Gain on disposal of property, plant and equipment	(2,553)	-
Provision for warranties	311	473
Operating cash flows before movement in working capital	147,026	89,868
<i>Changes in working capital:</i>		
Inventories	(33,521)	43,909
Spare parts	4,661	(561)
Trade receivables and other current assets	39,586	(173,985)
Contract assets	(94,368)	35,057
Trade and other payables	17,246	3,050
Contract liabilities	26,730	1,981
Cash generated from / (used in) operations	107,360	(681)
Employee defined benefit liabilities paid	(1,942)	(2,602)
Zakat and income tax paid	(1,561)	(1,822)
Finance costs paid	(21,602)	(24,234)
Net cash flows generated from / (used in) operating activities	82,255	(29,339)
Investing activities		
Purchases of property, plant and equipment	(22,941)	(16,784)
Purchase of intangible assets	(1,912)	(72)
Proceeds from disposal of property, plant and equipment	4,311	-
Purchases of investment in financial assets at FVTPL	-	(7,291)
Proceeds from sale of investment in financial assets at FVTPL	-	11,084
Payment for acquisition of subsidiary, net of cash acquired	-	(158,360)
Net cash flows used in investing activities	(20,542)	(171,423)

(continued)

Bawan Company
(A Saudi Joint Stock Company)

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

For the three months period ended 31 March 2026
(All amounts in Saudi riyals thousands unless otherwise stated)

	<i>Three months period ended</i>	
	<i>31 March</i>	
	<i>2026</i>	<i>2025</i>
Financing activities		
Proceeds from short term borrowings	454,789	332,936
Repayment of short term borrowings	(397,118)	(296,980)
Repayment of long term borrowings	(9,463)	(49,031)
Due from related party	-	(93,548)
Repayment of lease liabilities	(4,879)	(2,277)
Dividends paid to the NCI	(4,721)	-
Net cash flows generate from / (used in) financing activities	38,608	(108,900)
Net change in cash and cash equivalents	100,321	(309,662)
Cash and cash equivalents at the beginning of the period	82,936	30,543
Changes in restricted bank balances	-	394,370
Foreign currency translation differences	(1,716)	(96)
Cash and cash equivalents at the end of the period	181,541	115,155
Significant non-cash transactions		
Right of use assets and lease liabilities recognized	12,528	11,971
Finance cost capitalized	577	692
Transfer from property, plant and equipment to intangibles	-	2,299
Net impact of de-recognition of NCI against Put option reserve	14,336	104,545
Remeasurement of put option liability	1,932	126,523


Group Financial Reporting
Manager


Chief Executive Officer
(Acting)


Chairman of the Board of
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Bawan Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

1 GENERAL INFORMATION

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

The Company’s registered office is located at King Fahad Road, P.O. Box 25533, Riyadh, Kingdom of Saudi Arabia (“Saudi Arabia”). The principal activities of Bawan and its subsidiaries (collectively referred as “the Group”) remain the same as disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2025.

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

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

During the period, geopolitical tensions in the Middle East intensified, leading to regional instability. Given that the majority of the Group’s operations are conducted within the region, the Group has continued to monitor the prevailing geopolitical situation in the Middle East and its potential implications for its operations. Management has assessed whether any indicators of impairment exist across its operating sectors as at the reporting date. Based on this assessment, management has concluded that no indicators of impairment exist that would require recognition of an impairment charge in these condensed consolidated interim financial statements and accordingly, no impairment charge has been recognized. The Group continues to actively manage identified risks through diversified sourcing, pricing flexibility and close customer engagement. However, given the evolving nature of the situation, the potential long-term impact on the Group’s business will continue to be assessed on future reporting dates.

Bawan Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

1 GENERAL INFORMATION (Continued)

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

<i>Subsidiary</i>	<i>Principal activity</i>	<i>Location</i>	<i>Effective Percentage of ownership</i>	
			<i>31 March 2026</i>	<i>31 December 2025</i>
Bawan Engineering Industries Company (“Bawan Engineering”) <i>Subsidiaries of Bawan Engineering along with its ownership are as follows:</i>	Wholesale and retail of electrical products	KSA	100	100
-United Transformers Electric Company-Saudi (“Utec-Saudi”)	Manufacturing of electrical products	KSA	90	90
-United Technology of Electric Substations & Switchgears Company (“USSG”)	-Same as above-	KSA	90	90
Bawan Wood Industries Company (“Bawan Wood”) <i>Subsidiaries of Bawan Wood along with its ownership are as follows:</i>	Manufacturing of wood products	KSA	95	95
-Al-Raya Wood Works Establishment-UAE	-Same as above-	UAE	95	95
-Al-Raya Company for Wood Works-Kuwait	-Same as above-	Kuwait	95	95
-Inma Pallets Company Limited (“Inma Pallets”)	-Same as above-	KSA	95	95
-United Lines Logistics Services Company Limited (“ULLS”)	Logistic services	KSA	95	95
Bawan Metal Industries Company (“Bawan Metal”)	Manufacturing of metal products	KSA	100	100
Arnon Plastic Industries Company (“Arnon”)	Manufacturing of plastic packaging and insulation products	KSA	100	100
United Company for Wood and Metal Products (“United Wood and Metal”)	Manufacturing of wood / metal products	KSA	95	95

Bawan Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

1 GENERAL INFORMATION (continued)

<i>Subsidiary</i>	<i>Principal activity</i>	<i>Location</i>	<i>Effective Percentage of ownership</i>	
			<i>31 March 2026</i>	<i>31 December 2025</i>
Petronash Holding SPV Limited (“Petronash SPV”) (note 1.2) <i>Subsidiary of Petronash SPV is as follows:</i>	Intermediate holding company	UAE	80	80
- Petronash Holding Limited (“Petronash Holding”)	Intermediate holding company	UAE	80	80
<i>Subsidiaries of Petronash Holding are as follows:</i>				
- Petronash FZE	Manufacturing oil and gas equipment	UAE	80	80
- Petronash Engineering Services Private Limited	-Same as above-	India	80	80
- Petronash SPC	-Same as above-	Oman	80	80
- Petronash Arabia Co. Limited	-Same as above-	KSA	80	80
- Petronash Oil Field and Services Sole Proprietorship LLC	-Same as above-	UAE	80	80
- Petronash Qatar SPV Limited	-Same as above-	Cayman Islands	80	80
- Petronash Oil and Gas Services & Trading LLC. (note 1.3)	-Same as above-	Qatar	80	80
- DTS SPV Limited	-Same as above-	Cayman Islands	80	80
- Dynamic Solutions Arabia for Consulting and Research Factory Company Limited	-Same as above-	KSA	80	80

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

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

Bawan Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

2 BASIS OF PREPARATION

Statement of compliance

The interim condensed consolidated financial statements for the three months period ended 31 March 2026 have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three months periods ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The transactions presented in the interim condensed consolidated statements of profit and loss and other comprehensive income are not entirely comparable with those reported in the interim condensed consolidated statements of profit and loss and other comprehensive income as of 31 March 2025, due to the acquisition of a subsidiary during the three months period ended 31 March 2025 effective from 13 February 2025 (Note 15).

Basis of measurement

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

These interim condensed consolidated financial statements are presented in Saudi Riyals which is functional and presentation currency of the group except for Petronash SPV whose functional currency is US Dollar.

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

3 MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Company’s annual consolidated financial statements as of and for the year ended 31 December 2025, and the notes attached thereto, except for the adoption of certain new and revised standards that became effective in the current period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

3.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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 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 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 financial statements.

Bawan Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual consolidated financial statements as of and for the year ended 31 December 2025.

5 EARNINGS PER SHARE

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

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

	<i>Three months period ended</i>	
	<i>31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit attributable to the ordinary shareholders of the Company used in calculating basic and diluted earnings per share:	<u>51,923</u>	<u>149,112</u>
Weighted average number of ordinary shares outstanding during the period	<u>60,000</u>	<u>60,000</u>
Basic and diluted earnings per share		
Total basic and diluted earnings per share attributable to the ordinary shareholders of the Company	<u>0.87</u>	<u>2.49</u>

6 PROPERTY, PLANT AND EQUIPMENT

During the three months period ended 31 March 2026, the Group purchased items of property, plant and equipment amounting to SR 22.94 million (period ended 31 March 2025: SR 16.78 million) including additions in capital work in progress amounting to SR 17.3 million (period ended 31 March 2025: SR 14.48 million)

Bawan Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months period ended 31 March 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

6.1 INTANGIBLE ASSETS

	<i>Software</i>	<i>Acquired Customer relationships</i>	<i>Acquired Contract order backlog</i>	<i>Acquired Trade name</i>	<i>Prototypes</i>	<i>Intangibles under development</i>	<i>Total</i>
Cost							
1 January 2026	14,948	221,727	180,000	39,940	7,295	4,717	468,627
Additions	137	-	-	-	-	1,775	1,912
Foreign currency translation differences	(66)	(247)	(212)	(40)	-	-	(565)
31 March 2026	15,019	221,480	179,788	39,900	7,295	6,492	469,974
Accumulated amortization							
1 January 2026	11,658	30,102	94,999	9,143	1,190	-	147,092
Amortization	263	5,253	35,105	844	369	-	41,834
Foreign currency translation differences	(128)	(22)	(112)	(3)	-	-	(265)
31 March 2026	11,793	35,333	129,992	9,984	1,559	-	188,661
Net book value							
31 March 2026	3,226	186,147	49,796	29,916	5,736	6,492	281,313

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7 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

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

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
As at beginning of the period / year	94,518	78,523
Recognised on acquisition of a subsidiary	-	4,863
Expected credit loss (reversal) / charge for the period / year	(551)	11,529
Written off during the period / year	-	(380)
Foreign exchange translation differences	(9)	(17)
As at end of the period / year	93,958	94,518

8 EQUITY

8.1 Share Capital

The Company had 60 million authorized, issued and fully paid ordinary shares with a nominal value of SR 10 per share amounting to total share capital of SR 600 million as at 31 March 2026 and 31 December 2025.

8.2 Statutory Reserve

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

8.3 Equity reserves

Other reserves includes the following:

		31 March 2026 (Unaudited)	31 December 2025 (Audited)
	<i>Note</i>		
Reserve for acquisition of additional shares in subsidiaries	8.3.1	(10,915)	(10,915)
Foreign currency translation reserve		(3,396)	(2,086)
NCI put option reserve	15	(62,013)	(45,745)
		(76,324)	(58,746)

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

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9 BORROWINGS

9.1 Short-term borrowings

The Group has obtained bank facilities (“the Facilities”) in the form of short-term loans, Islamic Murabaha, forward exchange contracts, and letters of credit and guarantee. The Facilities carry interest at prevailing market rates and are secured by promissory notes and corporate guarantees of the Group.

9.2 Term loans payable to banks

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

9.3 Saudi Industrial Development Fund (SIDF) loans

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

9.4 Bank loan for the purchase of subsidiary

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

During the year ended 31 December 2025, the Group obtained an additional loan of SR 48.8 million to partially fund the first earn-out payment related to the acquisition of a subsidiary. The loan is repayable in 14 equal semi-annual payments with last payment due in September 2033. The loan carries interest at prevailing market rates and is secured by promissory note and corporate guarantees of the Group.

9.5 Certain borrowings require the maintenance of debt covenants. As of December 31, 2025, one of the subsidiaries of the Group, was in breach of some of its debt covenants for certain short-term borrowings. During the three months period ended 31 March 2026, the subsidiary obtained the waiver letter from the bank.

10 CONTINGENCIES AND COMMITMENTS

The Group had capital commitments of SR 30.65 million as at 31 March 2026 (31 December 2025: SR 43.96 million).

The Group had the following contingencies as at 31 March 2026 and 31 December 2025:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Letters of credit	90,668	133,680
Letters of guarantees	697,735	637,784

11 RELATED PARTIES' INFORMATION

Related parties mainly represent shareholders, affiliates, subsidiary companies, key personnel and entities controlled or significantly influenced by such parties. During the three months period ended 31 March 2026, the Group mainly had transactions with the following related parties:

Name	Relationship
Al Fozan Group of Companies	Shareholder / Affiliate
Al Muhaidib Group of Companies	Shareholder / Affiliate
WTC Investment Pty. Limited (Australia)	Affiliate
Petronash Global Limited	Affiliate

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11 RELATED PARTIES' INFORMATION (Continued)

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

	<i>Nature of relationship</i>	<i>Three months period ended 31 March</i>	
		<i>2026 (Unaudited)</i>	<i>2025 (Unaudited)</i>
Revenue	Affiliate	48,601	56,739
Purchases	Affiliate	9,821	392
Royalties	Affiliate	267	334
Management fee and commission paid	Affiliate	-	560
Board and committee members compensation	Affiliate	703	703
Loan to a related party	Affiliate	-	93,548

As of 31 March 2026, amounts due from and due to related parties are as follows;

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Due from a related party	69,047	68,127
Trade receivables	70,955	85,911
Non-Trade receivables	32,838	38,790
Trade payables	2,741	1,452
Board and committee members compensation payables	670	2,811

During the period, short-term and long-term employment benefits to the Company's key management personnel amounted to SR 1.14 million (31 March 2025: SR 2.36 million). Key management personnel include directors and key executives at the Company level.

12 REVENUE

	<i>Three months period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
Timing of revenue recognition:		
At a point in time	727,243	799,681
Over time	304,080	110,497
	1,031,323	910,178

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

Refer to note 13 for revenue from each reportable segment under IFRS 8 "Operating Segments"

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13 SEGMENT REPORTING

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

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

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

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13 SEGMENT REPORTING (continued)

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

	<i>Oil and Gas equipment</i>	<i>Metal and Wood</i>	<i>Electrical</i>	<i>Plastic</i>	<i>Other</i>	<i>Total</i>
Three months period ended 31 March 2026 (Unaudited)						
Total revenue	423,761	358,200	133,746	115,616	-	1,031,323
Depreciation and amortization	1,797	5,377	3,831	8,416	46,964	66,385
Finance costs	9,306	537	2,920	4,406	6,324	23,493
Zakat and income tax	10,515	910	1,811	300	299	13,835
Profit / (loss) for the period	83,216	6,791	715	10,001	(57,702)	43,021
EBITDA	104,834	13,615	9,277	23,123	(4,115)	146,734
Total assets	1,362,495	830,463	665,514	709,208	395,590	3,963,270
Total liabilities	850,946	426,786	391,380	450,336	682,313	2,801,761
Three months period ended 31 March 2026 (Unaudited)						
Segment revenues	423,761	358,200	133,746	115,616	-	1,031,323
Inter segment revenues	-	-	-	-	-	-
External revenues	423,761	358,200	133,746	115,616	-	1,031,323
As of 31 March 2026 (Unaudited)						
Segment assets	1,362,495	830,463	672,544	709,208	556,412	4,131,122
Consolidation adjustments	-	-	(7,030)	-	(160,822)	(167,852)
Total assets	1,362,495	830,463	665,514	709,208	395,590	3,963,270
Segment liabilities	850,946	438,285	391,381	451,548	682,313	2,814,473
Consolidation adjustments	-	(11,499)	(1)	(1,212)	-	(12,712)
Total liabilities	850,946	426,786	391,380	450,336	682,313	2,801,761
Three months period ended 31 March 2025 – (Unaudited)						
Revenue	113,621	481,579	209,965	105,013	-	910,178
Depreciation and amortization	2,503	5,396	3,087	7,844	18,097	36,927
Finance costs	8,423	769	3,231	4,361	4,956	21,740
Zakat and income tax	1,330	1,140	1,086	300	-	3,856
Profit / (loss) for the period	6,401	14,675	20,973	7,152	100,376	149,577
*EBITDA	18,657	21,980	28,377	19,657	(3,023)	85,648
Segment revenues	113,621	481,579	209,965	105,013	-	910,178
Inter segment revenues	-	-	-	-	-	-
External revenues	113,621	481,579	209,965	105,013	-	910,178

* While calculating EBITDA for three months period ended 31 March 2025, bargain purchase gain of SR 126.45 million has been added back to the profit for the year as it is non-cash item.

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13 SEGMENT REPORTING (continued)

	Oil and Gas equipment	Metal and Wood	Electrical	Plastic	Other	Total
As of 31 December 2025 – Audited						
Total assets	1,673,606	785,452	640,771	679,876	30,654	3,810,359
Total liabilities	833,973	385,310	367,353	431,255	665,690	2,683,581
Segment assets	1,673,606	785,452	647,801	679,876	207,723	3,994,458
Consolidation adjustments	-	-	(7,030)	-	(177,069)	(184,099)
Total assets	1,673,606	785,452	640,771	679,876	30,654	3,810,359
Segment liabilities	908,973	400,064	367,353	432,216	665,690	2,774,296
Consolidation adjustments	(75,000)	(14,754)	-	(961)	-	(90,715)
Total liabilities	833,973	385,310	367,353	431,255	665,690	2,683,581

Geographic information

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

	Oil and Gas equipment	Metal and Wood	Electrical	Plastic	Other	Total
Three months period ended						
31 March 2026 – (Unaudited)						
Revenue						
Kingdom of Saudi Arabia	343,278	358,200	133,746	115,616	-	950,840
United Arab Emirates	73,254	-	-	-	-	73,254
Other Countries	7,229	-	-	-	-	7,229
	423,761	358,200	133,746	115,616	-	1,031,323
Three months period ended						
31 March 2025 – (Unaudited)						
Revenue						
Kingdom of Saudi Arabia	80,483	479,383	209,965	105,013	-	874,844
United Arab Emirates	13,990	1,825	-	-	-	15,815
Other Countries	19,148	371	-	-	-	19,519
	113,621	481,579	209,965	105,013	-	910,178
As of 31 March 2026						
(Unaudited)						
Non-current assets						
Kingdom of Saudi Arabia	96,562	195,073	125,186	418,574	19,224	854,619
United Arab Emirates	18,301	-	-	-	349,520	367,821
Other Countries	10,346	-	-	-	-	10,346
	125,209	195,073	125,186	418,574	368,744	1,232,786

Segment revenues reported above represent revenue generated from both external customers and related parties. There were no significant inter-segment revenues during the three months period 31 March 2026 and 2025. One customer contributed more than 10% of the Group's revenue during three months period 31 March 2026 and 2025.

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14 FAIR VALUE MEASUREMENT

The Group measures financial assets at fair value through profit or loss (FVTPL) at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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15 BUSINESS COMBINATION

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

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

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

Further, during the year ended December 31, 2025, the Company and Petronash Global Limited (PGL) executed a variation deed to the original SPA and SHA, which revoked the previously permitted dividend to PGL related to pre-acquisition period. This amendment resulted in an increase in the overall net assets of Petronash as of the acquisition date. Consequently, the allocation of net assets at the acquisition date between Bawan and PGL was revised.

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15 BUSINESS COMBINATION (Continued)

15.2 The fair value of assets and liabilities acquired are as follows

	<i>12 February 2025</i>
Assets	
Property, plant and equipment	104,339
Right-of-use assets	45,430
Intangible assets	
Software	1,942
Acquired Customer relationships	210,658
Acquired contract order backlog	180,564
Acquired trade name	33,856
Trade and other receivables	339,398
Inventories	211,869
Contract assets	356,431
Cash and cash equivalents	142,112
Total assets	1,626,599
Liabilities	
Lease liabilities	42,995
Employee defined benefit liabilities	21,682
Short-term borrowings	532,448
Contract liabilities	81,327
Trade and other payables	179,333
Zakat payable	25,871
Total liabilities	883,656
Net assets of subsidiary acquired	742,943
Non-controlling interest	(106,900)
Bawan Company share of net assets acquired	636,043

15.3 Breakup of purchase consideration is stated as follows:

	<i>12 February 2025</i>
Upfront consideration payable	300,472
Contingent consideration*	209,119
	509,591

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

15.4 Bargain purchase gain on business combination has been calculated as follows:

	February 12, 2025
Company's share of fair value of net assets acquired	636,043
Total consideration	(509,591)
Bargain purchase gain	126,452

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15 BUSINESS COMBINATION (continued)

15.5 Cashflows on acquisition

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

Cash outflows on acquisition of a subsidiary in 2025 are stated as follows:

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

15.6 Payable to NCI as of 31 March 2026 include liability against contingent consideration payable and liability against NCI put option amounting to SR 141.23 million (31 December 2025: SR 139.1 million) and SR 134.1 million (31 December 2025: SR 132.15 million), respectively.

15.7 Acquisition related costs

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

16 SUBSEQUENT EVENTS

There were no significant subsequent events, adjusting or non-adjusting, since 31 March 2026 that would have a material impact on the financial position and financial performance of the Group as reflected in these condensed consolidated interim financial statements.

17 COMPARATIVES FIGURES

17.1 As mentioned in the note 15 to these condensed consolidated interim financial statements, the Group acquired 80% of the shares of Petronash, thereby obtaining control. The acquisition was accounted for as a business combination in accordance with IFRS 3 — Business Combinations. Further details of the consideration transferred and the principal activities of the acquired business are set out in Note 1 and Note 15 to these condensed consolidated interim financial statements.

In the Group's interim condensed consolidated financial statements for the three months period ended 31 March 2025, the initial accounting for the purchase price allocation related to this acquisition was disclosed as in process. The purchase price allocation was finalized as of 31 December 2025 annual financial statements, within the twelve-month measurement period permitted by IFRS 3 and was reflected in the Group's audited consolidated financial statements for the year ended 31 December 2025.

In accordance with IFRS 3, adjustments to provisional amounts made during the measurement period are recognized as if the accounting for the business combination had been completed at the acquisition date. Accordingly, the comparative information for the three months ended 31 March 2025 presented in these interim condensed consolidated financial statements has been adjusted to reflect the finalization of the purchase price allocation. These adjustments are measurement period adjustments under IFRS 3 and do not constitute a correction of a prior period error within the scope of IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors.

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17 COMPARATIVES FIGURES (Continued)

17.2 During the period, management has reassessed the classification of transportation costs based on the requirements of IFRS 15 ‘Revenue from contracts with customers’ for some entities and identified that the Group has a performance obligation i.e., sale of goods, in addition to a promise to transfer/deliver the goods to its customers. Consequentially, prior period transportation costs for the three months period ended 31 March 2025 amounting to SR 11.67 million, have been reclassified from selling and distribution expenses to cost of revenue to conform with the current period presentation. Such reclassification changes do not affect previously reported profit, equity, cash flows or items in the statement of financial position.

The impact of these adjustments in the interim condensed consolidated financial statements the three months period ended 31 March 2025 are summarized below:

	<i>As previously reported</i>	<i>Measurement period Adjustment (note 17.1)</i>	<i>Reclassification</i>	<i>As reported currently</i>
Three months period ended				
31 March 2025				
Cost of revenue	780,388	14,167	11,672	806,227
Gross profit	129,790	(14,167)	(11,672)	103,951
Selling and distribution expenses	30,946	-	(11,672)	19,274
General and administrative expenses	34,425	3,173	-	37,598
Bargain purchase gain on business combinations	-	126,452	-	126,452
Finance cost	21,774	(34)	-	21,740
Profit for the period	40,431	109,146	-	149,577
Total comprehensive income	39,560	109,146	-	148,706
Profit for the period attributable to:				
Ordinary shareholders of the Company	36,505	112,607	-	149,112
Non-controlling interests	3,926	(3,461)	-	465
	40,431	109,146	-	149,577
Total comprehensive income for the period attributable to:				
Ordinary shareholders of the Company	35,810	112,607	-	148,417
Non-controlling interests	3,750	(3,461)	-	289
	39,560	109,146	-	148,706
Earnings per share for profit attributable to the ordinary shareholders of the Company:				
Basic and diluted	0.61	1.88	-	2.49
Equity				
Equity attributable to shareholders of the Company				
Company	964,596	90,629	-	1,055,225
Non-controlling interests	35,661	(333)	-	35,328
Total equity	1,000,257	90,296	-	1,090,553

These changes have no impact on cash flows from operating, investing and financing activities for the three months period ended 31 March 2025.

18 APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated interim financial statements for the three months period ended 31 March 2026 were approved by the Company’s Board of Directors on 6 May 2026.