

**TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE AND NINE-MONTH
PERIOD ENDED SEPTEMBER 30, 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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

To the shareholders of
Takween Advanced Industries
(A Saudi Joint Stock Company)
Al-Khobar, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Takween Advanced Industries (the "Company"), a Saudi Joint Stock Company and its subsidiaries (collectively referred to as the "Group") as at September 30, 2025, and the related condensed interim consolidated statements of profit or loss and other comprehensive income for three and nine-month period ended 30 September 2024, , and related interim condensed consolidated statement of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim 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 condensed interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

For Al-Kharashi & Co.




Abdullah S. Al-Msned
License No. (456)

Riyadh:
November 09, 2025 G
Jumada al-Ula 18, 1447 H



TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

		September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		453,250	445,955
Intangible assets		245	1,190
Goodwill		323,582	323,582
Investments in an associate		82,351	91,516
Total non-current assets		859,428	862,243
Current assets			
Inventories	3	87,899	77,583
Trade receivables	4	180,266	176,389
Due from related parties		52,716	49,125
Prepaid expenses and other assets		33,231	27,225
Investment held at amortized cost		4,300	3,104
Cash and cash equivalents	5	30,533	6,296
Assets held for sale		14,868	42,060
Total current assets		403,813	381,782
TOTAL ASSETS		1,263,241	1,244,025
EQUITY AND LIABILITIES			
Equity			
Share capital	6	764,646	764,646
Other reserves		(73,621)	(74,659)
Accumulated losses		(349,742)	(298,350)
Total equity		341,283	391,637
LIABILITIES			
Non-current liabilities			
Term loans	7	160,735	103,176
Lease liabilities		69,001	23,362
Employee benefits		25,778	28,157
Deferred tax		470	445
Total non-current liabilities		255,984	155,140
Current liabilities			
Term loans	7	83,219	43,541
Short term loans	7	379,660	412,182
Lease liabilities		24,274	12,480
Trade payables		44,298	72,466
Due to related parties		3,394	731
Accrued payables and other liabilities		131,129	152,727
Zakat payable		-	1,737
Liabilities directly associated with the assets held for sale		-	1,384
Total current liabilities		665,974	697,248
Total liabilities		921,958	852,388
TOTAL EQUITY AND LIABILITIES		1,263,241	1,244,025


Mohamed Abdelrasoul
Chief Financial Officer


Majed Nofal
Chief Executive Officer



Abdulmohsen Al-Othman
Chairman


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

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

	Note	From July 1 till September 30		From January 1 till September 30	
		2025	2024	2025	2024
		(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000
Revenue	11	166,545	183,899	449,927	528,867
Cost of revenue		(149,071)	(167,766)	(402,495)	(464,472)
Gross profit		17,474	16,133	47,432	64,395
Administrative expenses		(7,824)	(9,528)	(28,285)	(23,459)
Selling, marketing and distribution expenses		(5,694)	(9,919)	(22,088)	(26,939)
Operating income / (loss)		3,956	(3,314)	(2,941)	13,997
Finance charges		(18,645)	(13,002)	(48,268)	(39,754)
Other income		329	1,026	7,713	4,596
Share in result of equity-accounted investment		(3,020)	(2,348)	(9,165)	(4,587)
Loss before zakat and income tax		(17,380)	(17,638)	(52,661)	(25,748)
Zakat and income tax		1,556	(23)	1,269	(79)
Net loss for the period		(15,824)	(17,661)	(51,392)	(25,827)
Other comprehensive (loss):					
Item that may be reclassified to statement of profit or loss					
Exchange differences on translation of foreign operation		731	(2,804)	1,038	(11,177)
Share of other comprehensive income from associate		-	158	-	158
Other comprehensive income/(loss) for the period		731	(2,646)	1,038	(11,019)
Total comprehensive (loss) for the period		(15,093)	(20,307)	(50,354)	(36,846)
Loss per share (SR)					
Basic and diluted loss per share	12	(0.21)	(0.26)	(0.67)	(0.38)


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Chief Financial Officer


Majed Nofal
Chief Executive Officer


Abdulmohsen Al-Othman
Chairman

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TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

	Share capital	Other reserves	Accumulated losses	Total
	SR '000	SR '000	SR '000	SR '000
Balance as at January 1, 2024 (audited)	464,646	(63,317)	(197,576)	203,753
Increase in share capital through rights issue (note 6)	300,000	-	-	300,000
Capital increase expenses (note 6)	-	-	(24,939)	(24,939)
Net loss for the period	-	-	(25,827)	(25,827)
Other comprehensive loss for the period	-	(11,019)	-	(11,019)
Total comprehensive loss for the period	-	(11,019)	(25,827)	(36,846)
Balance as at September 30, Y.Y4 (un-audited)	764,646	(74,336)	(248,342)	441,968
Balance as at January 1, 2025 (audited)	764,646	(74,659)	(298,350)	391,637
Net loss for the period	-	-	(51,392)	(51,392)
Other comprehensive income for the period	-	1,038	-	1,038
Total comprehensive loss for the period	-	1,038	(51,392)	(50,354)
Balance as at September 30, 2025 (un-audited)	764,646	(73,621)	(349,742)	341,283


Mohamed Abdelrasoul
Chief Financial Officer


Majeed Nofal
Chief Executive Officer


Abdulmohsen Al-Othman
Chairman

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TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

	From January 1 till September 30	
	September 30, 2025	September 30, 2024
	(Un-audited)	(Un-audited)
	SR '000	SR '000
OPERATING ACTIVITIES		
Loss before zakat and income tax	(52,661)	(25,748)
<i>Adjustments for:</i>		
Depreciation and amortization	33,354	30,960
Write-off property, plant and equipment	-	75
Loss / (gain) on disposal of property, plant, and equipment	3,501	(1,312)
Change in expected credit loss for trade receivables	(4,701)	(1,974)
Change in obsolete and slow moving for inventories	-	(19,998)
Finance charges	48,268	39,754
Provision for employee benefits	3,281	3,379
Interest income on investment held at amortized cost	(361)	(426)
Share of results of equity-accounted investees	9,165	4,587
	39,846	29,297
Net changes in working capital:		
Inventories	(10,351)	31,470
Trade receivables	738	12,738
Due from related parties	(3,591)	(245)
Prepaid expenses and other assets	(5,079)	10,957
Trade payables	(29,905)	(56,605)
Due to related parties	2,663	471
Accrued payable and other liabilities	(35,457)	(11,494)
	(41,136)	16,589
Employee benefits paid	(5,660)	(4,349)
Net cash (used in) / generated operating activities	(46,796)	12,240
INVESTING ACTIVITIES		
Acquisition of property, plant, and equipment	(33,884)	(20,472)
Proceeds from disposal of property, plant, and equipment	99,824	1,312
(Investment) / proceeds from investment held at amortized costs, net	(468)	2,447
Net cash used in investing activities	65,472	(16,713)
FINANCING ACTIVITIES		
Issued shares net of underwriting commission	-	275,061
Proceeds of loans	1,058,848	1,224,261
Repayment of loans	(993,185)	(1,433,216)
Repayment of principal of lease liability	(11,747)	(6,637)
Finance charges paid	(49,216)	(44,644)
Net cash generated from financing activities	4,700	14,825
Net change in cash and cash equivalents	23,376	10,352
Cash and cash equivalents at the beginning of the period	6,296	5,892
Foreign currency translation reserve	861	(9,592)
Cash and cash equivalents at the end of the period	30,533	6,652


Mohamed Abdelrasoul
Chief Financial Officer


Majed Nofal
Chief Executive Officer


Abdulmohsen Al-Othman
Chairman

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

TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Takween Advanced Industries (“the Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 2051044381 issued in Al Khobar on Muharram 9, 1432H (December 15, 2010).

The Company’s registered office is located at Al Khobar, Kingdom of Saudi Arabia.

The principal activities of the Company and its subsidiaries (“the Group”), each of which operates under individual commercial registration, are:

- Owning of factories with various plastic products manufacturing together with maintaining, operating and managing;
- Production of disposable polystyrene cups, lids and other plastic related products;
- Production of non-woven fabrics;
- Production of PET (Polyethylene Terephthalate) pre-forms;
- Manufacturing of, and wholesale trading in plastic containers and films;
- Manufacturing of, and wholesale and retail trading in plastic containers and polyethylene cups, rolls, bags.
- Managing and operating of industrial centers;
- Owning of land for the purpose of establishing and developing factories;
- Establishing industrial institutes and providing and coordinating for training courses related to developing of plastic products;
- Import and export, wholesale and retail trade in various kind of plastic products; and
- Establishing, managing, operating and maintaining different industrial project.

The condensed interim consolidated financial statements include the financial statements of the Company and its subsidiaries as listed below:

	Effective ownership		
	Country incorporation	September 30, 2025	December 31, 2024
Saudi Plastic Packaging Systems (“Saudi Packaging”)	Saudi Arabia	100%	100%
Al-Sharq Company for Plastic Industries Limited (“Al-Sharq”)	Saudi Arabia	100%	100%
New Marina for Plastic Industries Company (S.A.E.) (“New Marina”)	Egypt	100%	100%
Ultra-Pak Manufacturing Company (“Ultra Pak”)	Saudi Arabia	100%	100%

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

These condensed interim consolidated financial statements for the three and nine-month period ended September 30, 2025, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and hence should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2024.

These condensed interim consolidated financial statements have been prepared on the historical cost convention except for where International Financial Reporting Standards (“IFRS”) requires other measurement basis.

The principal accounting policies applied in the preparation of condensed interim consolidated financial statements are consistent with those of the previous financial year and the respective corresponding interim reporting period.

The preparation of condensed interim consolidated financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the condensed interim consolidated financial statements. These critical accounting judgements and key sources of estimations were the same as those described in the last annual financial statements.

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

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Goodwill

Management has performed annual impairment testing of Goodwill amounting to SR 323.58 million as at December 31, 2024. The assessment, which was reviewed by an independent party for the reasonableness of the methodology used by management, included assumptions related to the future sales volume, prices, operating assets, growth rates, terminal value and other related assets. The outcome of these assumptions is highly dependent on the success of the future operations of the Group and market conditions as estimated by management and achieving its plans in future. Management considers these assumptions to be realistic and achievable in view of its operational plan and is confident of its ability to meet these future plans. Management believes that the carrying value of cash generating units' assets including goodwill will not exceed their recoverable amount. Accordingly, no impairment was recorded for goodwill as of December 31, 2024, and September 30, 2025.

2.3 Basis of consolidation

The condensed interim consolidated financial statements incorporate the financial statements of Takween Advanced Industries and of its subsidiaries (the "Group") as detailed in note 1. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.
- The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
- When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:
- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

Condensed interim consolidated statement of profit or loss and each component of other comprehensive income are attributed to the shareholders of the Group. Total comprehensive income of subsidiaries is attributed to the shareholders of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

2.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in the condensed interim consolidated statement of profit or loss and other comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified condensed interim consolidated statement of profit or loss and other comprehensive income or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded either at fair value on initial recognition for subsequent accounting under IFRS 9, or at the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Use of Judgments and Estimates

In preparing these Condensed Interim consolidated 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. The 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 Statement.

2.5 New Standards, Amendments to Standards and Interpretations

A number of new standards, amendments to standards are effective from January 1, 2025, but they do not have a material effect on the Group's condensed interim consolidated financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for September 30, 2025 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. INVENTORIES

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Finished goods	24,745	28,653
Raw and packaging materials and work in progress	35,957	22,139
Spare parts	28,942	28,500
	89,644	79,292
Allowance for obsolesce and slow-moving inventories	(1,745)	(1,709)
	87,899	77,583

3.1. Movement in the Allowance for obsolesce and slow-moving inventories:

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Balance as at January 1	1,709	29,187
(Reversal) / allowance for the period / year	-	(18,677)
Write off inventories	-	(8,511)
Foreign currency translation	35	(290)
	1,745	1,709

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

4. TRADE RECEIVABLES

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Trade receivables – third parties	256,682	257,127
Allowance for expected credit loss	(76,416)	(80,738)
	<u>180,266</u>	<u>176,389</u>

4.1. The movement in the allowance for expected credit loss is as follow

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Balance as at January 1	80,738	68,718
(Reversed)/Charge for the period / year	(2,547)	13,416
Write off	(1,860)	-
Foreign currency translation	85	(1,396)
	<u>76,416</u>	<u>80,738</u>

5. Cash and cash equivalents

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Cash in hand	198	205
Cash at bank	27,305	6,091
Term deposit	3,030	-
	<u>30,533</u>	<u>6,296</u>

6. Share capital

As at September 30, 2025, the Group's share capital was SR 764,646,060 (December 31, 2024: SR 764,646,060), divided into 76,464,606 fully paid ordinary shares (December 31, 2024: 76,464,606), each with a nominal value of SR 10.

On February 13, 2024 (Sha'ban 3, 1445H), the shareholders approved the board's recommendation to increase share capital through a rights issue, raising SR 300 million. The rights issue offered 1 new share for every 1.55 shares held, increasing the total share count to 76,464,606 shares. Transaction costs of SR 24.94 million related to the issuance were recorded.

All regulatory requirements for this capital increase completed during 2024.

Summary of share capital

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Authorized share capital (in shares of SR 10 each)	764,646	764,646
Issued, subscribed and fully paid-up share capital	764,646	764,646
Reconciliation of number of shares outstanding (in "000")		
Opening balance	76,465	46,465
Shares issued during the period/year	-	30,000
Closing balance	<u>76,465</u>	<u>76,465</u>

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

7. BORROWINGS

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Term loans (a)	243,954	146,717
Short-term loans (b)	379,660	412,182

a) Term loans

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Commercial loan	243,954	146,717
Less: current portion	(83,219)	(43,541)
Non-current portion of term loans	160,735	103,176

Commercial loan

In 2023, the Group entered into a Tawarroq Financing Agreement with a local bank for SR 40 million, repayable in quarterly installments from March 2023 to December 2026.

In 2024, the Group entered into a Tawarroq Financing Agreement with a local bank for SR 80 million, repayable in monthly installments from October 2024 to September 2027. Further, the Group also entered into a financing agreement with a local financial institution for SR 80 million, repayable in quarterly installments from April 2025 to January 2028.

In 2025, the Group entered into a Murabaha Financing Agreement with a local bank for SR 15 million, repayable in quarterly installments from June 2025 to September 2026. Further, the Group also entered into a sharia compliant financing agreement with a local bank for SR 120 million, repayable in quarterly installments from February 2026 to April 2030.

The Group was in breach of certain loan covenants, monitored annually in December. Remedial actions were taken, including obtaining a waiver from the bank for the year ended December 31, 2024.

b) Short term loans

The Group has established credit facility agreements with local banks, which include overdrafts, short-term loans, letters of credit, and guarantees. These facilities bear financing charges at prevailing market rates and are secured by demand notes, promissory notes, and corporate guarantees from Al-Othman Holding Company.

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Commercial banks	320,789	412,182
Loan from shareholder (b-1)	58,871	-
Short term loans	379,660	412,182

b-1) Loan from shareholder

During the period, the Group entered into a short term financing agreement with its majority shareholder, Al Othman Group of Companies for SR 100 million. The loan bears financial charges at prevailing market rates.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

7. BORROWINGS (continued)

c) Loan movement

	September 30, 2025	December 31, 2024
	(Un-audited)	(Audited)
	SR '000	SR '000
Opening balance	558,899	719,085
Proceeds from loans	1,058,848	1,662,463
Repayment of loans	(993,185)	(1,819,337)
Finance charges on loan	35,540	46,579
Repayment of finance charges on loan	(36,488)	(49,891)
Closing balance	623,614	558,899

8. RELATED PARTY TRANSACTIONS

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Company	Relationship
Al Othman Group of Companies	Affiliates
Advanced Fabrics Factory Company	Associate

During the period, the Group entered into the following transactions with related parties that are not members of the Group:

<u>Nature of transaction</u>	September 30, 2025	September 30, 2024
	(Un-audited)	(Un-audited)
	SR '000	SR '000
Loan from shareholder	95,473	-
Sales during the period	62,950	61,910
Service revenue	3,347	4,034
Finance cost on loan from shareholder	4,210	-
Rentals	523	521
Insurance services	827	569
Accommodation, food and other miscellaneous expenses	149	91
Purchase of materials	696	550
Information technology services	-	20

9. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	September 30, 2025	September 30, 2024
	(Un-audited)	(Un-audited)
	SR '000	SR '000
Remuneration	8,338	7,393
House rent allowance	1,771	1,605
Employee benefits	167	530
Bonus	538	519
Medical allowance	122	101
Others	789	964
	11,725	11,112
BOD and related committees' remuneration	195	192

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10. SEGMENTAL INFORMATION

The Group's principal activities are related to the following main business segments, which are its reportable segments.

- **Food packaging:** This segment includes manufacturing and sales of preforms, bottles, caps, cups and lids.
- **Industrial packaging:** This segment includes manufacturing and sales of drums, crates, containers, bags, films, pallets and tubes.

The segments are managed separately because they require different technology and marketing strategies. Segment profit/loss before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relatives to other entities that operate in the same industries.

No operating segments have been aggregated to form the above reportable operating segments.

Selected financial information as at September 30, 2025 and September 30, 2024, and for the period then ended, categorized by these business segments, is as follows

	Food packaging	Industrial packaging	Total
	SR '000	SR '000	SR '000
For the nine-month period ended September 30, 2025 (Un-audited)			
External revenue	367,999	81,928	449,927
Inter-segment revenue	474	3,440	3,914
Segment revenue	368,473	85,368	453,841
Cost of revenue	(326,336)	(76,165)	(402,501)
Administrative expenses	(9,874)	(5,369)	(15,243)
Selling, marketing and distribution expenses	(19,193)	(2,895)	(22,088)
Finance charges	(36,687)	(7,480)	(44,167)
Other Income, net	6,599	(2,613)	3,986
Segment results	(17,018)	(9,154)	(26,172)
As at September 30, 2025 (Un-audited)			
Segment assets	607,422	152,158	759,580
Segment liabilities	349,138	100,230	449,368
	Food packaging	Industrial packaging	Total
	SR '000	SR '000	SR '000
For the nine-month period ended September 30, 2024 (Un-audited)			
External revenue	442,435	86,432	528,867
Inter-segment revenue	267	2,175	2,442
Segment revenue	442,702	88,607	531,309
Cost of revenue	(387,004)	(78,055)	(465,059)
Administrative expenses	(5,468)	(4,178)	(9,646)
Selling, marketing and distribution expenses	(20,532)	(6,406)	(26,938)
Finance charges	(27,696)	(7,177)	(34,873)
Other Income, net	3,186	250	3,436
Segment results	5,188	(6,959)	(1,771)
As at December 31, 2024 (Un-audited)			
Segment assets	604,820	144,388	749,208
Segment liabilities	330,088	83,306	413,394

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10. SEGMENTAL REPORTING (continued)

- (a) **Reconciliation of information on reportable segments to the amounts reported in the consolidated financial statements.**
 Certain corporate expenses and related assets and liabilities (primarily the Group's headquarters) are not allocated to individual segments. Further, certain consolidation adjustments relating to elimination of inter-company balances are also adjusted. The reconciliation of these amounts are as follows;

	From January 1 till September 30	
	2025	2024
	(Un-audited)	(Un-audited)
	SR '000	SR '000
Revenues		
Segment revenue	453,841	531,309
Elimination of inter-segment revenue	(3,914)	(2,442)
Consolidated revenue	449,927	528,867
Loss before zakat and income tax		
Segment results	(26,172)	(1,771)
Unallocated amounts	(26,489)	(23,977)
Consolidated loss before zakat and income tax	(52,661)	(25,748)
	September 30, 2025	December 31, 2024
	(Un-audited)	(Audited)
	SR '000	SR '000
Total assets		
Segment assets	759,580	749,208
Unallocated assets	966,444	917,365
Consolidated adjustments	(462,783)	(422,548)
Consolidated total assets	1,263,241	1,244,025
Total liabilities		
Segment liabilities	449,368	413,394
Unallocated liabilities	624,161	524,728
Consolidated adjustments	(151,571)	(85,734)
Consolidated total liabilities	921,958	852,388

(b) **Geographic information**

The geographic information analyses 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.

	From January 1 till September 30	
	2025	2024
	(Un-audited)	(Un-audited)
	SR '000	SR '000
Revenue		
Kingdom of Saudi Arabia	372,585	439,996
Other countries	77,342	88,871
	449,927	528,867
	September 30, 2025	December 31, 2024
	(Un-audited)	(Audited)
	SR '000	SR '000
Non-current assets		
Kingdom of Saudi Arabia	447,284	438,192
Egypt	6,211	8,953
	453,495	447,145

(c) **Major customer**

Revenue from one customer of the Group's both Food and Industrial packaging segments represented approximately SR 72.37 million (2024: SR 71.211 million) of the Group's total revenues.

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11. REVENUE

(a) Revenue streams

The Group generates revenue primarily from the sale of food and industrial packaging products to its customers (refer note 10).

	From January 1 till September 30	
	2025	2024
	(Un-audited)	(Un-audited)
	SR ‘000	SR ‘000
Revenue from contracts with customers	449,927	528,867

(b) Critical judgements in recognizing revenue and allocating transaction price

The Group recognizes revenue when a customer obtains control of the goods at a point in time i.e. on delivery of goods. Revenue is measured based on the consideration specified in the contract with the customer. Transaction price is allocated based on the standalone selling prices of the goods, generally the Group has single performance obligation i.e. delivery of the goods. Apart from the above there is no other critical judgement required in recognizing revenue.

(c) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group’s reportable segments (note 10).

	Food packaging	Industrial packaging	Total
	SR ‘000	SR ‘000	SR ‘000
For the nine-months period ended September 30, 2025 (Un-audited)			
<i>Primary geographical markets</i>			
Kingdom of Saudi Arabia	307,767	64,818	372,585
Other countries	60,232	17,110	77,342
	367,999	81,928	449,927
<i>Timing of revenue recognition</i>			
Products transferred at a point in time	367,999	81,928	449,927
External revenue as reported in Segmental reporting (note 10)	367,999	81,928	449,927
For the nine-month period ended September 30, 2024 (Un-audited)			
<i>Primary geographical markets</i>			
Kingdom of Saudi Arabia	367,824	72,172	439,996
Other countries	74,617	14,254	88,871
	442,435	86,432	528,867
<i>Timing of revenue recognition</i>			
Products transferred at a point in time	442,435	86,432	528,867
External revenue as reported in Segmental reporting (note 10)	442,435	86,432	528,867

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11. REVENUE (continued)

(d) Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	Note	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Trade receivables – Gross	4	256,682	257,127
Contract liabilities (advance from customers)		88,624	133,863

The contract liabilities primarily relate to the advance consideration received from customers before the goods are delivered. The amount of SR 72.374 million included in advance from customers as at December 31, 2024 has been recognized as revenue in 2025 (2024: SR 71.211 million).

12. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the periods 2024 and 2025.

The weighted average number of shares has been retrospectively adjusted for the prior period to reflect the element of the rights issue as required by IAS 33, "Earnings per share":

The basic and diluted loss per share are as follows:

	From July 1 till September 30		From January 1 till September 30	
	2025 (Un-audited) SR '000	2024 (Un-audited) SR '000	2025 (Un-audited) SR '000	2024 (Un-audited) SR '000
Net loss for the period	(15,824)	(17,661)	(51,392)	(25,827)
Weighted average number of ordinary shares	76,465	68,575	76,465	68,575
Basic and diluted earnings per share	(0.21)	(0.26)	(0.67)	(0.38)

13. CONTINGENCIES AND COMMITMENTS

The Group had the following contingencies and commitments:

	September 30, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Letters of guarantee and others	1,581	2,052
Capital commitments against purchase of property, plant and equipment	1,822	55,439

14. SUBSEQUENT EVENTS

Subsequent to the reporting date, the Group's Board of Directors approved the establishment of a Sukuk Issuance Program with a total value of SAR 650 million. The purpose of the program is to support the Group's and its subsidiaries' working capital and operational activities, as well as to finance expansion projects and achieve strategic objectives.

There are no other significant subsequent events since the period-end that require adjustment of or disclosure in these Condensed Interim consolidated Financial Statements.

15. APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements were approved by the Board of Directors for issuance on November 06, 2025, corresponding to Jumada al-Ula 15, 1447 H.