

# **ALWASAIL INDUSTRIAL COMPANY**

**(A SAUDI JOINT STOCK COMPANY)  
BURAYDAH – KINGDOM OF SAUDI ARABIA**

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

**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**

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**Professional Consultants**

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

**TO THE SHAREHOLDERS OF Alwasail Industrial Company  
(A Saudi Joint Stock Company)**

**Introduction:**

We have reviewed the accompanying interim condensed statement of financial position of Alwasail Industrial Company (A Saudi Joint Stock Company) ("the Company") as at March 31, 2026, and the related interim condensed statements of profit or loss and the other comprehensive income, and changes in shareholders equity, and cash flows for the three-month period then ended, and a material accounting policies and other explanatory notes.

The management is responsible for preparing and presenting these interim condensed financial statements in accordance with International Accounting Standard 34 (interim Financial Reporting) endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim-condensed financial statements based on our review.

**Scope of Review:**

We conducted our review in accordance with the International Standard on Review Engagements No. 2410 (Review of interim Financial Information performed by the independent auditor of the entity) endorsed in the Kingdom of Saudi Arabia. A review of the interim financial statements consists of making inquiries, primarily, to those 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 the International Standards of Auditing endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would be become aware of all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

**Conclusion:**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 (Interim Financial Report), as endorsed in the Kingdom of Saudi Arabia.

**Professional Consultants Company**



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

**Riyadh, on:**  
Dhu al-Qi'dah 25 , 1447 H.  
May 12 , 2026 G.




**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT MARCH 31, 2026**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

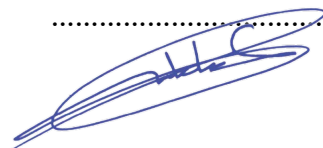
	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and Equipment, net	4	162,610,638	160,149,974
Project under constructions	5	3,491,596	3,773,810
Intangible assets, net	6	3,776,441	3,938,467
Right-of-use assets, net	7/1	3,744,158	4,036,860
<b>Total non-current assets</b>		<b>173,622,833</b>	<b>171,899,111</b>
<b>Current assets</b>			
Inventory, net	8	199,126,443	187,995,595
Trade receivables, net	9	129,231,972	131,227,566
Prepayments and other debit balances, net	10	34,638,445	33,580,846
Due from related party, net	11	198,555	198,555
Cash and cash equivalents	12	9,107,693	7,198,792
<b>Total current assets</b>		<b>372,303,108</b>	<b>360,201,354</b>
<b>Total assets</b>		<b>545,925,941</b>	<b>532,100,465</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share capital	13	250,000,000	250,000,000
Statutory reserve		43,486,530	43,486,530
Retained earnings		94,489,366	89,502,521
Employees defined benefit obligations remeasurement reserve		83,206	83,206
<b>Total Shareholders' equity</b>		<b>388,059,102</b>	<b>383,072,257</b>
<b>Non-current liabilities</b>			
Long term loans – noncurrent portion	14/1	11,360,000	14,810,000
Employees defined benefits obligations		15,429,310	15,681,430
Lease liabilities – non-current portions	7/2	1,858,318	2,059,575
<b>Total non-current liabilities</b>		<b>28,647,628</b>	<b>32,551,005</b>
<b>Current liabilities</b>			
Long term loans – current portion	14/1	5,100,000	3,300,000
Short term loans	14/2	-	4,989,627
Due to Related Party	11/2	865,570	-
Trade Payable		99,844,736	79,941,196
Accrued expenses and other credit balances	15	14,039,512	20,493,985
Lease liabilities – current portion	7/2	1,511,103	1,394,105
Zakat provision	16	7,858,290	6,358,290
<b>Total current liabilities</b>		<b>129,219,211</b>	<b>116,477,203</b>
<b>Total liabilities</b>		<b>157,866,839</b>	<b>149,028,208</b>
<b>Total equity and liabilities</b>		<b>545,925,941</b>	<b>532,100,465</b>

The accompanying notes are an integral part of these interim condensed financial statements

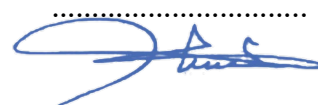
Chief financial  
officer

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Chief executive officer

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Chairman of the Board of  
Directors

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**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**  
**(All Amounts are in Saudi Riyals unless otherwise stated)**

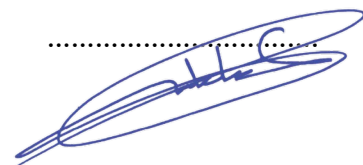
	Note	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Revenues	17	93,317,189	107,099,185
Cost of revenues	18	(73,201,147)	(76,200,640)
<b>Gross profit</b>		<b>20,116,042</b>	<b>30,898,545</b>
<b>Operating Expenses:</b>			
Selling and distribution expenses	19	(7,237,029)	(10,020,774)
General and administrative expenses	20	(4,345,663)	(5,151,986)
Impairment in value of trade receivables	9	(734,466)	(376,170)
<b>Operation profit</b>		<b>7,798,884</b>	<b>15,349,615</b>
Other income		171,729	-
Finance Expenses	21	(1,483,768)	(572,622)
<b>Profit before zakat for the period</b>		<b>6,486,845</b>	<b>14,776,993</b>
Zakat	16	(1,500,000)	(1,500,000)
<b>Net profit for the period</b>		<b>4,986,845</b>	<b>13,276,993</b>
<b>Other comprehensive income</b>			
Item that will not be subsequently reclassified at a later time to profit or loss			
Actuarial profit/Loss from remeasurement of employee benefit obligations		-	-
<b>Total comprehensive income for the period</b>		<b>4,986,845</b>	<b>13,276,993</b>
<b>Earnings per share (SAR)</b>			
<b>Basic and diluted Income per share from net profit for the period</b>	22	0.02	0.05

The accompanying notes are an integral part of these interim condensed financial statements

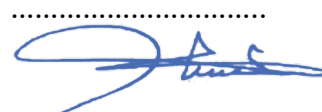
Chief financial officer

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Chief executive officer

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Chairman of the Board of  
Directors


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**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**  
 (All Amounts are in Saudi Riyals unless otherwise stated)

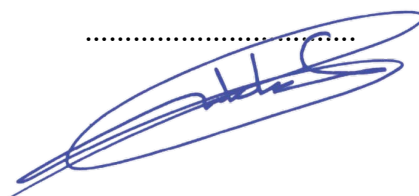
	Share capital	Statutory Reserve	Retained Earnings	Employees defined benefit obligations remeasurement reserve	Total
<b>Balance as at January 1, 2025 (Audited)</b>	<b>250,000,000</b>	<b>43,486,530</b>	<b>68,221,015</b>	<b>(511,539)</b>	<b>361,196,006</b>
Net profit of the period (Unaudited)	-	-	13,276,993	-	<b>13,276,993</b>
<b>Balance at March 31, 2025 (Unaudited)</b>	<b>250,000,000</b>	<b>43,486,530</b>	<b>81,498,008</b>	<b>(511,539)</b>	<b>374,472,999</b>
<b>Balance as at January 1, 2026 (Audited)</b>	250,000,000	43,486,530	89,502,521	83,206	<b>383,072,257</b>
Net profit of the period (Unaudited)	-	-	4,986,845	-	<b>4,986,845</b>
<b>Balance at March 31, 2026 (Unaudited)</b>	<b>250,000,000</b>	<b>43,486,530</b>	<b>94,489,366</b>	<b>83,206</b>	<b>388,059,102</b>

The accompanying notes are an integral part of these interim condensed financial statements

Chief financial officer

.....  


Chief executive officer

.....  


Chairman of the Board of Directors

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**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOW (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**  
**(All Amounts are in Saudi Riyals unless otherwise stated)**

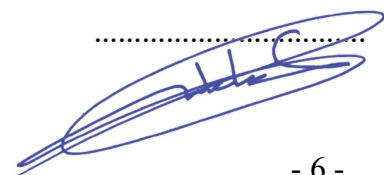
	Note	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit before zakat for the period		6,486,845	14,776,993
Depreciation of property, plant and equipment	4	2,730,350	2,725,567
Amortization of intangible assets	6	162,026	197,113
Depreciation of the right of use of assets	7/1	497,073	465,807
Impairment of trade receivable (ECL)	9	734,466	376,168
Finance Costs	22	1,483,768	572,622
<b>Operating profit before changes in working capital</b>		<b>12,094,528</b>	<b>19,114,270</b>
<b>Changes in working capital</b>			
Trade receivables, net		1,261,129	(22,249,229)
Prepayments and other debit balances, net		(1,057,600)	(4,315,139)
Due from related party		-	(1,232,949)
Due to related party		865,570	-
Inventory, net		(11,130,848)	(19,337,051)
Trade payable		19,903,542	13,380,306
Accrued expenses and other credit balances		(6,463,254)	(281,163)
Employees defined benefits obligations Paid		(252,120)	-
<b>Net cash flow generated from / (used in) operating activities</b>		<b>15,220,947</b>	<b>(14,920,955)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Additions to property, plant and equipment	4	(4,893,809)	(3,721,724)
Additions to project under constructions	5	(14,991)	(2,813,788)
Additions to intangible assets	6	-	(690,172)
<b>Net cash used in investing activities</b>		<b>(4,908,800)</b>	<b>(7,225,684)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payments of lease liabilities	7/2	(319,017)	(155,000)
Proceeds from long-term loans	14/1	-	4,264,886
Payments of Long-term Loans	14/1	(1,650,000)	(2,000,000)
Proceeds from short-term loans	14/2	-	15,228,410
Payments of short-term Loans	14/2	(4,989,627)	(843,042)
Finance Costs paid		(1,444,602)	(519,310)
<b>Net cash (used in) / generated from financing activities</b>		<b>(8,403,246)</b>	<b>15,975,944</b>
<b>Net change in cash and cash equivalents</b>		<b>1,908,901</b>	<b>(6,170,695)</b>
Cash and cash equivalents at the beginning of the period		7,198,792	8,525,491
<b>Cash and cash equivalents at the end of the period</b>	12	<b>9,107,693</b>	<b>2,354,796</b>
<b>Non-cash transactions:</b>			
Transfer from projects under construction to property, plant, and equipment	4	297,205	-

The accompanying notes are an integral part of these interim condensed financial statements

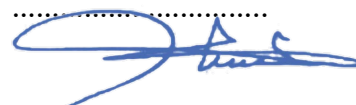
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officer



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**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**  
**(All Amounts are in Saudi Riyals unless otherwise stated)**

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## **1. THE COMPANY AND NATURE OF ITS BUSINESS**

Al-Wasail Industrial Company (the “Company”) registered as a Saudi joint stock company in the city of Buraidah, commercial registration No. 1131002483 dated 29/03/1400, and license No. 97, dated 24/2/1410, renewed with No. 1818/R, dated 3/4/1433, renewed No. 2343, dated 28/07/1436.

The company's activity is represented in the wholesale sale of plastic materials, rubber and synthetic fibers. and the manufacturing of plastic pipes, hoses, tubes, their components, and accessories. Corresponding to 28/03/1443 corresponding to 3/11/2021, the Capital Market Authority issued a decision on the issuer on the company’s request and offering (2,500,000) shares representing (10%) of its shares in the parallel market “Nomu”

Date On 15/06/1443 (corresponding to 18/01/2022), 10% (2,500,000 shares) of the company's shares were listed and started trading in the parallel Saudi Stock Exchange "Nomu" under the symbol (9525).

On December 31, 2025 (corresponding to 11/7/1447 H), Tadawul announced its approval of the company’s transfer from Parallel Market “Nomu” to the Main Market, with a capital of 250,000,000 Saudi riyals and a total of 250,000,000 shares.

The company's fiscal year consists of twelve months, from the beginning of January through the end of December of each calendar year.

**The accompanying financial statements include the following accounts of the company and its branches inside and outside the Kingdom:**

<b>Date</b>	<b>Commercaill Name</b>	<b>Location</b>	<b>Registration Number</b>
1424/03/13	Alwasail Industrial Company	Riyadh	1010186559
1400/03/29	Alwasail Industrial Company	Buraydah	1131002483
1411/07/15	Factory of Alwasail Industrial Company	Buraydah	1131009107
1419/03/12	The Saudi Factory for Rubber Products, a branch of Alwasail	Buraydah	1131014314
22/05/1442	Factory of Alwasail Industrial Company	Buraydah	1131310613
14/11/1443	Alwasail Industrial Company Branch	Buraydah	1131321747
17/03/1440	Alwasail Industrial Company - Oman	Sultanate of Oman - Muscat	11331768
1440/07/26	Alwasail Industrial Company- Abu Dhabi	UAE	CN-2760638

### **Company Address:**

The company's address is: 3806 Qassim, Riyadh - Madinah highway, Yarmouk District Unit No. 16 Buraydah 52315-6331

## **2. BASIS OF PREPARATION**

### **2-1 STATEMENT OF COMPLIANCE**

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standard “IFRS” that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for chartered and professional Accountants (“SOCPA”).

## **2- BASIS OF PREPARATION (CONTINUED);**

### **2-2 BASIS OF MEASUREMENT**

The interim condensed financial statements have been prepared on the historical cost basis except for employee defined benefit obligation which is measured at present value of future obligations using Projected Unit Credit Method) and using the accrual accounting principle and the going concern concept.

### **2-3 FUNCTIONAL AND PRESENTATION CURRENCY**

The interim condensed financial statements are presented in Saudi Riyal, which is the company functional and presentation currency.

### **2-4 GOING CONCERN PRINCIPLE**

The Company's ability to continue as a going concern is assessed based on the going concern principle, to ensure that it has the necessary resources to continue its operations for the foreseeable future. Accordingly, interim condensed financial statements continue to be prepared in accordance with the going concern principle.

### **2-5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the company's interim condensed financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts reported for assets, liabilities, revenues, expenses, accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

The significant judgments and estimates used by management in applying the Company's accounting policies, calculation methods, and significant sources of estimation uncertainty were similar to those disclosed in the interim condensed financial statements for the year ended December 31, 2025.

### **2-6 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these interim condensed financial statements are the same as those applied to the financial statements for the year ended December 31, 2025.

### **2-7 GEOPOLITICAL DEVELOPMENTS**

The company continues to monitor regional geopolitical developments and their potential impact on the Kingdom of Saudi Arabia, given that the majority of the company's operations are conducted within the Kingdom of Saudi Arabia. While conditions remain fluid, the company maintains a robust operational framework to manage associated with them. These developments did not have any material impact on the company's interim condensed financial statements for the period ended March 31, 2026; however, given the evolving nature of the situation, the company will continue to assess the potential long-term impacts on its business in future reporting periods.

## **3. New Standards, Amendment to Standards and Interpretations**

The Company has not applied any new standards, interpretations, or amendments to standards that were issued and became effective as of January 1, 2025, and which are disclosed in the Company's annual financial statements, as they have no impact.

**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**  
**(All Amounts are in Saudi Riyals unless otherwise stated)**

**4. PROPERTY, PLANT & EQUIPMENTS, NET**

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Cost:</b>		
Balance at the beginning of the period / year	405,928,751	384,915,118
Additions during the Period/ year	4,893,809	14,243,348
Transferred from projects under construction (Note 5)	297,205	6,737,661
Transfers from Spare parts Inventory	-	1,306,500
Disposals during the period / year	-	(1,273,876)
<b>Balance at the end of the period / year</b>	<b>411,119,765</b>	<b>405,928,751</b>
<b>Accumulated Depreciation:</b>		
Balance at the beginning of the Period / year	245,778,777	235,455,472
Additions during the period / year	2,730,350	10,944,310
Disposals during the period / year	-	(621,005)
<b>Balance at the end of the period / year</b>	<b>248,509,127</b>	<b>245,778,777</b>
<b>Balance at the end of the period / year</b>	<b>162,610,638</b>	<b>160,149,974</b>

Depreciation expenses were classified between cost of revenues, administrative and general expenses, and selling and distribution expenses as follow:

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Cost Of Sales	2,124,087	1,979,970
Sales and marketing Exp.	450,185	534,454
Adminstration Exp.	156,078	211,143
	<b>2,730,350</b>	<b>2,725,567</b>

Certain items of property, plant and equipment—excluding land—are pledged as collateral for loans from the Saudi Industrial Development Fund, with a net book value of SAR 28 million as at 31 March 2026 (31 December 2025: SAR 28 million) (Note 14-2).

**5. PROJECTS UNDER CONSRUCTION**

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Buildings and Construction (Al-Yarmouk Plant)	3,287,232	3,287,232
Buildings and Construction (Administration Building)	204,364	486,578
	<b>3,491,596</b>	<b>3,773,810</b>

**The movement of projects under Consruction is as follows:**

Balance at the beginning of the period / year	3,773,810	9,815,934
Additions during the period / year	14,991	3,888,462
Transfers to Property and equipment *	(297,205)	(6,737,661)
Transfers to Spare parts Inventory	-	(3,192,925)
<b>Balance at the end of the period / year</b>	<b>3,491,596</b>	<b>3,773,810</b>

\* An amount of SAR 297,205 was transferred from capital work-in-progress to buildings and constructions (administration building in Al Yarmouk district) during the three-month period ended 31 March 2026.

**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**  
**(All Amounts are in Saudi Riyals unless otherwise stated)**

**6. INTANGIBLE ASSETS, NET**

Intangible assets are represented in Microsoft Dynamics software for accounting and warehouse management and other supporting programs, hardware and servers.

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Cost:</b>		
Balance at the beginning of the period / year	7,122,177	3,921,556
Transferred from projects under construction (Note 5)	-	3,192,925
Additions during the period / year	-	7,696
<b>Balance at the end of the period / year</b>	<b>7,122,177</b>	<b>7,122,177</b>
<b>Amortization:</b>		
Balance at the beginning of the period / year	3,183,710	2,775,175
Amortization during the period	162,026	408,535
<b>Balance at the end of the period / year</b>	<b>3,345,736</b>	<b>3,183,710</b>
	<b>3,776,441</b>	<b>3,938,467</b>

**7. LEASE CONTRACTS**

**7.1 Right of use Assets, net**

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Cost:</b>		
Balance at the beginning of the period	15,656,304	14,733,811
Additions during the period / year	194,931	1,344,474
Adjustment	9,440	76,804
Disposals during the period / year	-	(498,785)
<b>Balance at the end of the period / year</b>	<b>15,860,675</b>	<b>15,656,304</b>
<b>Accumulated Depreciation:</b>		
Balance at the beginning of the period / year	11,619,444	9,741,701
Charged during the period / year	497,073	1,877,743
<b>Balance at the end of the period / year</b>	<b>12,116,517</b>	<b>11,619,444</b>
<b>Net book value at the end of the period / year</b>	<b>3,744,158</b>	<b>4,036,860</b>

**7.2 Lease Liabilities**

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	3,453,680	4,584,190
Additions during the period / year	194,931	1,344,474
Adjustment	661	74,071
Lease liabilities paid during the period / year	(319,017)	(2,081,265)
Finance expenses	39,166	204,098
Disposals during the period / year	-	(671,888)
<b>Balance at the end of the period / year</b>	<b>3,369,421</b>	<b>3,453,680</b>

Right-of-use assets consist of exhibition and warehouse leases, and the amortization rates are calculated for each contract separately based on the lease term. Lease liabilities as of end of period are presented in the interim condensed statement of financial position as follows:

	<b>31 March 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Lease liabilities - Current portion	1,511,103	1,394,105
Lease liabilities - Non current portion	1,858,318	2,059,575
	<b>3,369,421</b>	<b>3,453,680</b>

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**8. INVENTORY, NET**

	<u>31 March 2026</u>	<u>31 December 2025</u>
	(Unaudited)	(Audited)
Finished goods	154,922,321	150,684,495
Work in progress	7,600,824	7,129,372
Raw materials	39,493,286	33,562,688
Spare parts & Packaging materials	8,612,826	8,121,854
	<u>210,629,257</u>	<u>199,498,409</u>
Less: impairment in value of inventory	(11,502,814)	(11,502,814)
	<u>199,126,443</u>	<u>187,995,595</u>

**Movement in the impairment in value of inventory is as follows:**

Balance at the beginning of the period / year	11,502,814	10,502,814
Charged during the period / year	-	1,000,000
<b>Balance at the end of the period / year</b>	<u>11,502,814</u>	<u>11,502,814</u>

**9. TRADE RECEIVABLES, NET**

	<u>31 March 2026</u>	<u>31 December 2025</u>
	(Unaudited)	(Audited)
Trade Receivables	162,191,559	163,287,583
Less: Impairment in value of trade receivables	(32,959,587)	(32,060,017)
	<u>129,231,972</u>	<u>131,227,566</u>

**Movement of the impairment in value of trade receivable were as follows:**

Balance at the beginning of the period / year	32,060,017	30,675,714
Charged during the period / year	734,466	2,688,331
Adjustment during the period / year	165,104	-
Used during the period / year	-	(1,304,028)
<b>Balance at the end of the period / year</b>	<u>32,959,587</u>	<u>32,060,017</u>

**The aging of Trade receivables were as follows:**

1-90 days	73,987,147	81,889,018
91-180 days	22,849,150	25,816,076
181-270 days	20,157,675	10,149,266
271-360 days	22,683,289	24,411,895
More than 360 days	22,514,298	21,021,328
<b>Balance at the end of the period</b>	<u>162,191,559</u>	<u>163,287,583</u>

The Company is recording the impairment in value of trade receivables based on the aging of overdue receivables, and this provision increases when the receivables become more overdue and where historical experience indicates that the possibility of an increase in the irrecoverable amounts with the increase in the Aging of receivables.

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**10. PREPAYMENTS AND OTHER DEBIT BALANCES, NET**

	<b>31 MAR 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Accrued Revenue	16,860,740	18,080,909
Advances to Suppliers	6,197,850	6,437,630
Employees' loans	5,147,117	4,793,886
Custodies	4,057,566	3,800,846
Prepaid Expenses	1,193,405	263,880
VAT	978,152	-
Documentary Credits	523,764	523,764
Checks Receivable	466,785	466,785
Letters of Guarantee	211,689	211,689
Other	148,843	148,923
	<b>35,785,911</b>	<b>34,728,312</b>
Less: Impairment in value of other debit balances	(680,681)	(680,681)
Less: Impairment in value of cheques under collection	(466,785)	(466,785)
	<b>34,638,445</b>	<b>33,580,846</b>

**10-1 The movement of impairment in the value of other debit balances is as follows:**

	<b>31 MAR 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	680,681	444,348
Charged during the period / year	-	236,333
<b>Balance at the end of the period / year</b>	<b>680,681</b>	<b>680,681</b>

**10-2 The movement of impairment in the value of cheques under collection is as follows:**

	<b>31 MAR 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	466,785	464,137
Charged during the period / year	-	2,648
<b>Balance at the end of the period / year</b>	<b>466,785</b>	<b>466,785</b>

**11. RELATED PARTIES**

The Company, in the ordinary course of its business, enters into transactions with related parties, which include companies owned by or represented by members of the Board of Directors, or in which they hold significant ownership interests (affiliate companies). These transactions include reciprocal services and were conducted on commercial terms and approved by the Company's Board of Directors. The balances presented are non-interest bearing and do not include specific repayment terms.

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**11- RELATED PARTIES (CONTINUED);**

**11-1 Due from the related parties:**

	<u>Relationship</u>	<u>Nature of Transactions</u>	<u>31 MAR 2026</u>	<u>31 December 2025</u>
			<u>(Unaudited)</u>	<u>(Audited)</u>
Alwasail Construction company (LLC)	Affiliate company	Expenses paid on behalf	198,555	198,555
			<b>198,555</b>	<b>198,555</b>

**11-2 Due to the related parties:**

	<u>Relationship</u>	<u>Nature of Transactions</u>	<u>31 MAR 2026</u>	<u>31 December 2025</u>
			<u>(Unaudited)</u>	<u>(Audited)</u>
Thaqib Plastic Company (LLC)	Affiliate company	Commercial transactions	865,570	-
			<b>865,570</b>	<b>-</b>

**Transactions with Board and Executives Members:**

Transactions with related parties consist primarily of rent, salaries, allowances, and bonuses paid to members of the Board of Directors and senior executives, who are the individuals who exercise authority and responsibility in planning, directing, and overseeing the Company's activities, either directly or indirectly:

<u>Transactions with</u>	<u>Nature of Transactions</u>	<u>31 MAR 2026</u>	<u>31 MAR 2025</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
Board members & committies	Salaries Remuneration for Board members and committees (Note 23)	943,332	347,500
Board members	Rent (Warehouse and Tuwaiq Branch)	39,280	39,280

**12. CASH AND CASH EQUIVALENTS**

	<u>31 MAR 2026</u>	<u>31 MAR 2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Cash at Banks	9,107,693	7,198,792
	<b>9,107,693</b>	<b>7,198,792</b>

**13. SHARE CAPITAL**

The Company's capital was set as at 31 December 2023 in the amount of 250,000,000 Saudi riyals (two hundred and fifty million Saudi riyals), divided into 250 million shares of equal value, each share being 1 Saudi riyals.

On 15/06/1443 (01/18/2022), 10% (2,500,000 shares) of the company's shares were listed and started trading in the Saudi secondary market "Nomu" under the code (9525), according to the Capital Market Authority's approval decision. On the application for listing the company on 03/28/1443. Corresponding to 11/3/2021.

According to on the Board of Directors minutes of meeting held on September 20, 2023 (corresponding to Rabi' al-Awwal 5, 1445), it was approved to split the nominal value of the share from 10 Saudi riyals per share to 1 Saudi Riyal per share, while keeping the company's capital unchanged, so that the number of company shares became 250,000,000 shares instead of 25,000,000 shares.

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**13- SHARE CAPITAL (CONTINUED);**

Shareholder's name	Number of Shares	Share Value	Value	Percentage
Honorable/ Saleh Abdullah Abdul Aziz Al-Mushakih	39,057,500	1	39,057,500	15,623%
Honorable/ Abdul Aziz Abdullah Abdul Aziz Al- Mushakih	29,305,000	1	29,305,000	11,722%
Honorable/ ABD Rahman Abdullah Abdul Aziz Al- Mushakih	24,332,500	1	24,332,500	9,733%
Honorable/ Abdul Aziz Saleh Suliman Al Omary	18,680,000	1	18,680,000	7,472%
Honorable/ Nasser Abdullah Abdul Aziz Al- Mushakih	16,657,500	1	16,657,500	6,663%
Honorable/ Abdul Qadir Abdullah Abdul Aziz Al- Mushakih	16,300,000	1	16,300,000	6,520%
Other Shareholders	105,667,500	1	105,667,500	42,267%
	<b>250,000,000</b>		<b>250,000,000</b>	<b>100%</b>

**14. LOANS**

**14-1 LONG-TERM LOANS:**

The movement in long-term loans during the period is as follows:

	31 MAR 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	18,110,000	17,502,473
Proceeds during the period / year	-	4,264,886
Payments during the period / year	(1,650,000)	(3,657,359)
<b>Balance at the end of the period / year</b>	<b>16,460,000</b>	<b>18,110,000</b>
<b>Long-term loans are presented in the interim condensed statement of financial statement as follows:</b>		
Long term Loans – noncurrent portion	11,360,000	14,810,000
Long term Loans – current portion	5,100,000	3,300,000
	<b>16,460,000</b>	<b>18,110,000</b>

**Loan from Saudi Industrial Development Fund (SIDF):**

In 2022, the Company obtained a long-term financing facility from the Saudi Industrial Development Fund in the amount of SAR 34.9 million to finance the Al-Waseel Industrial Company's factory branch in the First Industrial City in Al-Qassim, secured by a mortgage on the property, machinery, and equipment of the factory branch (Note 4) In addition to promissory notes, the loan is to be repaid in 13 escalating semi-annual installments starting in early 2024. Successive installments totaling 25,767,358 Saudi riyals were received between 2022 and 2024, and it was agreed to terminate further drawdowns on the loan and settle for the amounts already collected. The outstanding portion, amounting to SAR 19,767,359, was rescheduled into 10 installments beginning on August 9, 2025, and ending on December 31, 2029. The company paid the installment due in the amount of SAR 1,650,000 during the first quarter of 2026.

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**14- LOANS (CONTINUED);****14-2 SHORT-TERM LOANS:**

	<b>31 MAR 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	4,989,627	991,250
Proceeds during the period / year	-	19,379,881
Payments during the period / year	(4,989,627)	(15,381,504)
<b>Balance at the end of the period / year</b>	<b>-</b>	<b>4,989,627</b>

The company entered into a credit facility agreement with Al-Bilad Bank to obtain financing for the purpose of opening domestic and international documentary credits, financing invoices related to the factory's operations, and financing the purchase of vehicles, in the amount of 16.5 million Saudi riyals at an interest rate of 5.15%. The amount drawn down during 2024 was 1,586,000 Saudi riyals, and the amount repaid during 2024 was 594,750 Saudi riyals. Additionally, 793,000 Saudi riyals were repaid during 2025. In January 2026, the company made the final payment of 198,250 Saudi riyals and closed the credit facility agreement with the bank.

The company obtained a credit facility agreement with First Saudi Bank to secure financing for the purpose of opening domestic and international documentary credits and financing the issuance of letters of guarantee, with a total value of 47 million Saudi riyals at an annual interest rate of 7.31%, and the facility agreement is secured by a promissory note. Amounts of SAR 14,588,504 and SAR 4,791,377 were drawn down, and SAR 14,588,504 was repaid during 2025. The remaining amount of SAR 4,791,377 was also repaid by the end of March 2026; consequently, there are no longer any active loans outstanding with the bank.

**15. ACCRUED EXPENSES AND OTHER CREDIT BALANCES**

	<b>31 MAR 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Advances from customers	9,416,978	10,386,583
Employees Accruals	4,035,548	5,976,985
Accrued expenses	446,337	2,115,534
Value-added tax	-	1,881,332
Other accrued expenses	140,649	133,551
	<b>14,039,512</b>	<b>20,493,985</b>

**16. ZAKAT PROVISION**

	<b>31 MAR 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	6,358,290	6,282,985
charges during the period / year	1,500,000	6,358,290
Payments during the period / year	-	(5,918,345)
Adjustments from prior periods / year	-	(364,640)
<b>Balance at the end of the period / year</b>	<b>7,858,290</b>	<b>6,358,290</b>

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**16- ZAKAT PROVISION(CONTINUED);**

During the second quarter of fiscal year 2026, the company filed its 2025 zakat return with the General Authority for Zakat, Income, and Customs in the amount of 6,358,290 Saudi riyals, which was paid in full; as a result, the company received a final zakat certificate.

By the end of May 2025, the General Authority for Zakat, Income, and Customs had completed its audit of the years 2019–2023. and submitted final returns for all those years. The audit results revealed zakat discrepancies in the 2019 zakat return amounting to SAR 244,858 and a tax deduction of SAR 47,992, which the company paid in full. Meanwhile, the audit of the results for the other years (2020–2023) showed no significant discrepancies. Consequently, the company has settled all outstanding matters with the General Authority for Zakat, Income, and Customs through the end of 2023.

By the end of last year, in December 2025, the General Authority for Zakat, Tax, and Customs had requested that the company submit the 2024 audit file to the Audit Department. During the first quarter of 2026, all additional requirements were submitted to the General Authority for Zakat, Tax, and Customs. As of now, the file is still under review and has not yet been finalized, and the audit results have not yet been submitted.

**17. REVENUE**

	<b>31 MAR 2026</b>	<b>31 MAR 2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Pipes sales	70,183,979	83,950,853
Fittings sales	13,708,474	12,744,122
Rubber sales	3,548,884	3,812,755
Import sales	2,646,736	2,557,679
Electricity pipes sales	1,164,118	1,185,498
Other	2,064,998	2,848,278
	<b>93,317,189</b>	<b>107,099,185</b>

The revenues listed above are revenues recognized at a specific point in time.

**18. COST OF SALES**

	<b>31 MAR 2026</b>	<b>31 MAR 2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Material cost	60,476,328	59,886,231
Labor cost	6,409,063	8,449,742
Manufacturing expenses	6,315,756	7,864,667
	<b>73,201,147</b>	<b>76,200,640</b>

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**19. SELLING AND DISTRIBUTION EXPENSES**

	<u>31 MAR 2026</u>	<u>31 MAR 2025</u>
	(Unaudited)	(Unaudited)
Wages and salaries	3,045,268	3,682,919
Shipping, transportation and handling	1,510,020	3,945,081
Electricity and water	974,541	431,314
Depreciation of property, plant and equipment	450,185	534,454
Amortization of right-of-use assets	435,400	417,271
Advertising and promotion	313,555	771,552
Postage and telephone	156,396	21,486
Maintenance and spare parts	124,024	100,029
Other	227,640	116,668
	<u>7,237,029</u>	<u>10,020,774</u>

**20. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>31 MAR 2026</u>	<u>31 MAR 2025</u>
	(Unaudited)	(Unaudited)
Wages and salaries	1,664,197	3,031,034
Remuneration for Board members and committees	943,332	347,500
Professional fees	432,730	373,837
IT services	319,531	32,733
Depreciation of property, plant and equipment	317,294	408,256
Postage and telephone	198,153	407,064
Stationery and printing	133,160	215,075
Maintenance and insurance expenses	91,046	93,849
Other	246,220	242,638
	<u>4,345,663</u>	<u>5,151,986</u>

**21. FINANCE EXPENSES**

	<u>31 MAR 2026</u>	<u>31 MAR 2025</u>
	(Unaudited)	(Unaudited)
Bank charges	1,252,663	246,131
Finance cost	231,105	326,491
	<u>1,483,768</u>	<u>572,622</u>

**22. BASIC EARNINGS PER SHARE**

Basic earnings per share are calculated based on net income attributable to common shareholders and the weighted average number of outstanding common shares. Earnings per share for the period ended march 31, 2026, were calculated based on the weighted-average number of outstanding shares during the year.

	<u>31 MAR 2026</u>	<u>31 MAR 2025</u>
	(Unaudited)	(Audited)
Net Profit for the period	4,986,845	13,276,993
Weighted average number of shares outstanding during the period (number)	250,000,000	250,000,000
Basic earnings per share from net profit for the period	<u>0.02</u>	<u>0.05</u>

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**23. DIVIDENDS**

In the meeting held on March 11, 2026, the the Company's Board of Directors recommended to the Extraordinary General Assembly resolved to approve distribution of cash dividend to the Company's shareholders for the year ended 31 december 2025, in the amount of 18,750,000 Saudi riyals distributed over 250,000,000 shares, with a per-share distribution of 0.075 Saudi riyals per share, representing a distribution ratio of 7.50% of the par value.

**24. CONTINGENT LIABILITIES**

There are financial commitments against documentary credits and contingent liabilities against letters of guarantee as of the balance sheet date, as follows:

	<u>Commitments</u>	<u>Value</u>	<u>Insurance</u>
<b>letters of guarantee</b>			
31 March 2026	2,742,601	2,954,291	211,689
31 December 2025	2,742,601	2,954,291	211,689
<b>letters of credits</b>			
31 March 2026	8,415,844	8,939,608	523,764
31 December 2025	8,415,844	8,939,608	523,764

**25. SEGMENTAL INFORMATION**

Management continuously analyzes the results of its operations in order to make decisions regarding resource allocation and performance assessment. The company presents its basic interim condensed financial statements regarding sales.

**25-1 GEOGRAPHIC INFORMATION**

A geographic segment is a group of assets or operations that engage in revenue-generating activities within a specific economic environment subject to risks and returns that differ from those operating in other economic environments. Alwasail Industrial Company conducts its production activities and distributes its products throughout the various provinces and cities of the Kingdom, with its branches spread across a single geographic area within the Kingdom of Saudi Arabia through its factories in Al-Qassim and Buraydah.

Statement	For the period ended 31-MAR-26			For the period ended 31-MAR-2025		
	Sales	Cost of sales	Gross profit	Sales	Cost of sales	Gross profit
Central Region	43,373,364	(36,446,282)	6,927,082	41,180,400	(32,408,256)	8,772,144
Western Region	16,729,694	(12,439,502)	4,290,192	20,959,051	(13,431,104)	7,527,947
Eastern Region	13,448,601	(9,650,286)	3,798,315	27,859,475	(18,714,625)	9,144,850
South Region	9,481,052	(7,026,924)	2,454,128	7,802,103	(5,116,952)	2,685,151
North Region	7,759,666	(5,779,734)	1,979,932	6,672,426	(4,388,028)	2,284,398
Export sales	2,524,812	(1,858,419)	666,393	2,625,730	(2,141,675)	484,055
<b>Total</b>	<b>93,317,189</b>	<b>(73,201,147)</b>	<b>20,116,042</b>	<b>107,099,185</b>	<b>(76,200,640)</b>	<b>30,898,545</b>

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**26- SEGMENTAL INFORMATION (CONTINUED);**

**25-2 GEOGRAPHIC OPERATION**

The Company operates within a single operating segment, and management monitors the results of the Company's operations as a whole for the purpose of making decisions regarding resource allocation and performance evaluation. Accordingly, information on operating segments is not presented separately.

**26. FINANCIAL RISK MANAGEMENT**

The Company's activities are exposed to the following financial risks arising from its use of financial instruments. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the Company's financial performance.

**26-1 FINANCIAL INSTRUMENTS BY CATEGORY:**

	<u>31 MAR 2026</u>	<u>31 December 2025</u>
	(Unaudited)	(Audited)
<b>FINANCIAL ASSETS:</b>		
Cash and cash equivalents	9,107,693	7,198,792
Trade receivables	162,191,559	163,287,583
Other debit balances (excluding prepayments to suppliers and prepaid expenses)	27,416,504	28,026,802
Due from related party	198,555	198,555
	<u><b>198,914,311</b></u>	<u><b>198,711,732</b></u>
<b>FINANCIAL LIABILITIES:</b>		
Long-term loans	16,460,000	18,110,000
Short-term loans	-	4,989,627
Lease obligations	3,369,422	3,453,680
Trade payables	99,844,736	79,941,196
Due to related party	865,570	-
Accrued expenses and other payables (excluding prepayments from customers and taxes)	4,481,884	8,226,070
	<u><b>125,021,612</b></u>	<u><b>114,720,573</b></u>

Management believes that the carrying amounts of the financial instruments included in the interim condensed financial statement approximate their fair values.

**26-2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES:**

The company reviews and aligns its policies for managing each of these risks, which are summarized as follows:

**26-2-1 CREDIT RISK MANAGEMENT:**

Credit risk is the risk that a counterparty will be unable to meet its contractual obligations, resulting in a financial loss to the company. Potential concentrations of credit risk consist primarily of trade receivables and amounts due from related parties. Details on how credit risk related to trade receivables are managed are disclosed in Note 9. Amounts due from related parties are monitored, and provisions are made as necessary for any uncollectible amounts. Cash is deposited with banks having high credit ratings. Credit risks in trade receivables were as follows:

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**26 FINANCIAL RISK MANAGEMENT (CONTINUED);**

**26-2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTINUED);**

**26-2-1 CREDIT RISK MANAGEMENT (CONTINUED);**

	<u>Weighted average loss rate</u>	<u>Total book value</u>	<u>Provision for credit losses</u>
<b>As at 31 MAR 2026</b>			
1–90 days	1.85%	73,987,147	1,368,695
91–180 days	6.85%	22,849,150	1,565,379
181–270 days	21.19%	20,157,675	4,270,735
271–360 days	37.32%	22,683,289	8,465,887
More than 360 days	76.79%	22,514,298	17,288,891
		<b><u>162,191,559</u></b>	<b><u>32,959,587</u></b>

	<u>Weighted average loss rate</u>	<u>Total book value</u>	<u>Provision for credit losses</u>
<b>As at 31 December 2025</b>			
1–90 days	2.18%	81,889,018	1,784,953
91–180 days	7.98%	25,816,076	2,058,851
181–270 days	19.40%	10,149,266	1,968,696
271–360 days	42.02%	24,411,895	10,258,822
More than 360 days	76.06%	21,021,328	15,988,695
		<b><u>163,287,583</u></b>	<b><u>32,060,017</u></b>

**Cash and Cash Equivalents**

Credit risks arising from balances with banks and financial institutions are managed in accordance with the Company's policy. The Company maintains its cash balances primarily with local banks that have strong credit ratings ranging from A+ to BBB+ according to external credit rating agencies such as Moody's and Fitch, and the Company does not consider itself exposed to bank-related risks given its strong financial position.

**26-2-2 LIQUIDITY RISK MANAGEMENT:**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management plan to address the Company's short-, medium-, and long-term requirements and liquidity management needs. The Company manages liquidity risk by maintaining adequate reserves, bank facilities, and standby loan facilities through continuous monitoring of expected and actual cash flows and matching the maturity dates of financial assets and liabilities. Management believes that the carrying amount does not differ materially from contractual cash payments.

	<u>Less than 3 months</u>	<u>From 3 months to 1 year</u>	<u>1 – 2 years</u>	<u>More than 2 years</u>	<u>Total</u>
<b>As at 31 MAR 2026</b>					
Long-term loans	-	1,650,000	3,700,000	11,110,000	16,460,000
Short-term loans	-	-	-	-	-
Lease obligations	272,019	1,088,075	1,172,240	837,087	3,369,421
Trade payables	29,207,106	70,636,284	1,346	-	99,844,736
Accrued expenses and other payables	446,337	2,364,047	1,671,500	-	4,481,884
	<b><u>29,925,462</u></b>	<b><u>75,738,406</u></b>	<b><u>6,545,086</u></b>	<b><u>11,947,087</u></b>	<b><u>124,156,041</u></b>

**ALWASAIL INDUSTRIAL COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026**  
(All Amounts are in Saudi Riyals unless otherwise stated)

**26 FINANCIAL RISK MANAGEMENT (CONTINUED);**

**26-2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTINUED);**

**26-2-2 LIQUIDITY RISK MANAGEMENT (CONTINUED);**

	<u>Less than 3 months</u>	<u>From 3 months to 1 year</u>	<u>1 – 2 years</u>	<u>More than 2 years</u>	<u>Total</u>
<b>As at 31 December 2025</b>					
Long-term loans	1,650,000	1,650,000	9,950,000	4,860,000	18,110,000
Short-term loans	198,250	4,791,377	-	-	4,989,627
Lease obligations	278,821	1,115,284	1,201,554	858,021	3,453,680
Trade payables	58,822,531	21,118,665	-	-	79,941,196
Accrued expenses and other payables	4,061,080	2,352,994	1,811,996	-	8,226,070
	<b><u>65,010,682</u></b>	<b><u>31,028,320</u></b>	<b><u>12,963,550</u></b>	<b><u>5,718,021</u></b>	<b><u>114,720,573</u></b>

**26-2-3 MARKET RISK (INCLUDING INTEREST RATE AND FOREIGN EXCHANGE RATE RISKS):**

**MARKET RISK:**

During the period under review, the Company was exposed to market risks in the form of interest rate and foreign currency risks, as described below. There have been no changes in these circumstances since the previous year.

**INTEREST RATE RISKS:**

Sensitivity analysis was performed based on interest rate exposure for non-derivative instruments at the end of the financial reporting period. For assets and liabilities with fixed interest rates. The analysis is prepared on the assumption that the value of assets or liabilities outstanding at the end of the reporting period is due for the entire period. An increase or decrease of 100 basis points is used when reporting interest rate risk internally to senior management and represents management's estimate of a reasonably possible change in interest rates.

	<u>Increase/decrease in basis points for interest rates</u>	<u>Impact on profit for the period</u>
31 MAR 2026	+ 100	(230,966)
31 December 2025	- 100	230,966

**FOREGIN CURRENCY RISK MANAGEMENT**

The Company's significant transactions are in Saudi Riyals and US Dollars which are pegged against the Saudi Riyal at a fixed exchange rate. Management monitors fluctuations in foreign exchange rates and manages their effect on the financial statements accordingly. The Company did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to foreign currency fluctuations. Consequently, no foreign currency sensitivity analysis has been presented.

**26 FINANCIAL RISK MANAGEMENT (CONTINUED);**

**26-2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTINUED);**

**26-2-4 CAPITAL RISK MANAGEMENT**

The Company's objectives in capital management are to maintain its ability to continue as a going concern, thereby enabling it to continue providing returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to minimize the cost of capital. In order to maintain or adjust its capital structure, the Company may adjust the number of dividends paid to shareholders, issue new shares, or obtain or repay financing from or to financial institutions.

In line with other industrial companies, the Company manages capital risks by monitoring its debt levels and liquid assets while considering future investment requirements and shareholder expectations. Debt is calculated as total long-term financing and short-term loans. Total capital consists of shareholders' equity, as shown in the consolidated balance sheet under "Capital and Reserves," and net debt (net cash and cash equivalents).

The key information regarding the Company's capital risk management as of March 31, 2026 and December 31, 2025 is as follows:

	<b>31 MAR 2026</b>	<b>31 December 2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Total Debt	16,460,000	23,099,627
Less: Cash and Bank Balances	(9,107,693)	(7,198,792)
Net Debt	<b>7,352,307</b>	<b>15,900,835</b>
Total Equity	388,059,102	383,072,257
Total Capital Employed	<b>395,411,409</b>	<b>398,973,092</b>
Debt Ratio	<b>2%</b>	<b>4%</b>

**27. SUBSEQUENT EVENTS**

In the management's opinion, there have been no other significant subsequent events, apart from those disclosed in these condensed interim financial statements, since the period ended March 31, 2026, that would have a material impact on the company's financial position as presented in the accompanying condensed interim financial statements.

**28. APPROVAL OF THE FINANCIAL STATEMENTS**

The Approval of accompanying interim condensed financial statements was approved by the company's Board of Directors on 23 Dhu al-Qi'dah 1447H (Corresponding to 10 May 2026).