

UNITED WIRE FACTORIES COMPANY
A SAUDI JOINT STOCK COMPANY

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

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Independent Auditor's Report on Review of Interim Condensed Financial Statements

To the Shareholders of United Wire Factories Company

A Saudi Joint Stock Company

Introduction

We have reviewed the accompanying Interim Condensed statement of financial position of United Wire Factories Company (A Saudi Joint Stock Company) (the "Company") as at March 31, 2026, and the related Interim Condensed statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the three-month period then ended, and other explanatory notes ("Interim Condensed Financial Statements"). Management is responsible for the preparation and presentation of these Interim Condensed financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" as 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 (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 information 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 Interim Condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The Interim Condensed financial statements of the Company for the three-month period ended March 31, 2025, were reviewed by another auditor who expressed an unmodified conclusion on those Interim Condensed financial statements on 15 Dhu al-Qi'dah 1446H (corresponding to May 13, 2025).

For Alzoman & Alfahad, Al Hajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No (562)



Riyadh - Kingdom Saudi Arabia

Date: 27 Thul-Qi'dah 1447H

Corresponding to: 14 May 2026

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Notes	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	135,397,806	137,807,380
Intangible assets	7	1,516,015	1,557,753
Right-of-use assets	8	3,893,244	4,108,168
Investments in Associate	9	11,001,907	10,079,557
Trade receivables	11	4,452,203	2,925,517
Total non-current assets		156,261,175	156,478,375
Current assets			
Inventories	10	148,138,210	135,852,312
Due from a related party	17	10,783,839	10,596,691
Trade receivables	11	118,989,023	141,370,254
Prepaid expenses and other assets	12	25,275,326	20,442,880
Cash and cash equivalents	13	41,966,986	48,153,751
Total current assets		345,153,384	356,415,888
Total assets		501,414,559	512,894,263
Equity and liabilities			
Equity			
Share Capital	1	280,800,000	280,800,000
Retained earnings		73,581,704	74,653,729
Remeasurement reserve of defined benefit employee obligations		224,808	224,808
Total shareholders' equity		354,606,512	355,678,537
Liabilities			
Non-current liabilities			
Lease liabilities	8	2,981,234	3,170,030
Defined benefit employee obligations		11,975,685	11,978,937
Total non-current liabilities		14,956,919	15,148,967
Current liabilities			
Lease liabilities	8	444,278	826,190
Trade payables	14	108,209,095	117,682,144
Accrued expenses and other liabilities	15	16,308,645	17,889,315
Zakat provision	16	6,889,110	5,669,110
Total current liabilities		131,851,128	142,066,759
Total liabilities		146,808,047	157,215,726
Total equity and liabilities		501,414,559	512,894,263



Abdulhamied Husni Ibrahim
Financial Director



Nabil Hasan Mohammed Al-Amir
Chief Executive Officer



Khaled Mohamed Alkhwaitar
Chairman of the board

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Note	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
Revenue from contracts with customers	19	174,890,255	164,818,895
Cost of revenue	19	(162,008,219)	(154,297,506)
Gross profit		12,882,036	10,521,389
Selling and marketing expenses		(5,856,783)	(5,335,665)
General and administrative expenses		(3,932,467)	(4,823,612)
Provision of expected credit loss	11	(3,745,239)	(611,618)
Impairment of advances to suppliers	12	(408,832)	-
Total operating loss		(1,061,285)	(249,506)
The Company's share in results of operations of the associate	9	922,350	796,725
Costs of lease liabilities	8	(52,399)	(31,422)
Other income		47,664	111,019
Returns from long-term receivables measured at fair value	11, 17	291,645	-
profit before Zakat		147,975	626,816
Zakat expenses	16	(1,220,000)	(1,250,000)
Net loss for the period		(1,072,025)	(623,184)
Total comprehensive loss for the period		(1,072,025)	(623,184)
Basic and diluted loss per share from net loss for the period			
Attributable to the ordinary shareholders of the Company	18	(0.04)	(0.02)



Abdulhamied Husni Ibrahim
Financial Director



Nabil Hasan Mohammed Al-Amir
Chief Executive Officer



Khaled Mohamed Alkhwaitar
Chairman of the board

UNITED WIRE FACTORIES COMPANY


A SAUDI JOINT STOCK COMPANY

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Share capital	Retained earnings	Remeasurement reserve of defined benefit employee obligations	Total shareholders' equity
Balance as at January 1, 2025 (Audited)	280,800,000	83,511,075	3,238,205	367,549,280
Total comprehensive loss for the period	-	(623,184)	-	(623,184)
Balance as at March 31, 2025 (Unaudited)	<u>280,800,000</u>	<u>82,887,891</u>	<u>3,238,205</u>	<u>366,926,096</u>
Balance as at January 1, 2026 (Audited)	280,800,000	74,653,729	224,808	355,678,537
Total comprehensive loss for the period	-	(1,072,025)	-	(1,072,025)
Balance as at March 31, 2026 (Unaudited)	<u>280,800,000</u>	<u>73,581,704</u>	<u>224,808</u>	<u>354,606,512</u>

Abdulhamied Husni Ibrahim
Financial DirectorNabil Hasan Mohammed Al-Amir
Chief Executive OfficerKhaled Mohamed Alkhwaitar
Chairman of the board




UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Notes	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
Operating activities			
Profit before Zakat		147,975	626,816
Adjustments to reconcile profit before zakat to net cash flows:			
Depreciation of property, plant and equipment	6	2,755,264	2,839,008
Amortization of intangible assets	7	41,738	-
Depreciation of right-of-use assets	8	214,924	257,186
Gains from disposal of property, plant and equipment		(6,060)	(110,988)
The Company's share in results of operations of the associate	9	(922,350)	(796,725)
Provision for slow-moving and obsolete inventory		19,523	-
Provision of expected credit loss	11	3,745,239	611,618
Impairment of provision for advance payments to suppliers	12	408,832	-
Charged for defined benefit employee obligations		161,379	396,246
Returns from long-term receivables measured at fair value		(291,645)	-
Costs of lease liabilities	8	52,399	31,422
		<u>6,327,218</u>	<u>3,854,583</u>
Changes in working capital:			
Inventories		(12,305,421)	(25,353,127)
Net change in related parties		-	(6,112,827)
Trade receivables		17,213,803	(15,160,454)
Prepaid expenses and other assets		(5,241,278)	(12,392,004)
Trade payables		(9,473,049)	38,506,386
Accrued expenses and other liabilities		(1,580,670)	(4,053,915)
Cash flows used in working capital		<u>(5,059,397)</u>	<u>(20,711,358)</u>
Paid against defined benefit liabilities		(164,631)	(216,888)
Net cash flows used in operating activities		<u>(5,224,028)</u>	<u>(20,928,246)</u>
Investing activities			
Purchase of property, plant and equipment	6	(429,630)	(2,512,899)
Proceeds from sale of property, plant, and equipment		90,000	111,000
Net cash flows used in investing activities		<u>(339,630)</u>	<u>(2,401,899)</u>
Financing activities			
Lease liabilities paid	8	(623,107)	(223,968)
Net cash flows used in financing activities		<u>(623,107)</u>	<u>(223,968)</u>
Net change in cash and cash equivalents			
		<u>(6,186,765)</u>	<u>(23,554,113)</u>
Cash and cash equivalents at the beginning of the period	13	48,153,751	44,424,344
Cash and cash equivalents at the end of the period	13	<u>41,966,986</u>	<u>20,870,231</u>
Non-cash transactions			
Additions to right-of-use assets and lease liabilities	8	-	(222,798)
			
Abdulhamied Husni Ibrahim Financial Director			
	Nabil Hasan Mohammed Al-Amir Chief Executive Officer		
			
		Khaled Mohamed Alkhwaitar Chairman of the board	

The accompanying notes from 1 to 23 form an integral part of these condensed interim financial statements.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

1- CORPORATE INFORMATION

United Wire Factories Company (the "Company") is registered as a Saudi joint stock company under Commercial Registration No. 1010079195 issued in Riyadh on 20 Rabi' al-Awwal 1411H (corresponding to 9 October 1990).

The main activity of the Company and its branches within the Kingdom of Saudi Arabia is the wholesale of strips, extrusions and blocks of metal and iron, retail trade of construction, building and civil engineering machinery and equipment, petroleum and heavy equipment and their maintenance, manufacture of sheets, plates, strip coils, bars, rods, angles, wires and sections of all forms. Additionally, the company operates in the land transport of goods, the retail sale of gifts, and the manufacturing of clothes hangers, clips, and wire products -including barbed wire, fencing, and expanded metal mesh - as well as the manufacturing of insulated steel wires and cables.

On 31 December 2024, the Company announced the signing of a non-binding Memorandum of Understanding (MoU) with Leading Industrial Investment Company ("Leading Company") to acquire forty percent (40%) of its capital. This acquisition is to be executed through the issuance of new shares (consideration shares) to the selling shareholders in the Company. As at December 31, 2025, the Company announced the signing of a share purchase agreement for the purpose of acquiring forty percent (40%) of the share capital of Al Raedah Company.

The completion of the acquisition remains subject to several conditions, including obtaining the Capital Market Authority's (CMA) approval for the capital increase, the publication of the shareholders' circular, and the listing of the resulting new shares. Furthermore, the transaction requires the approval of the Company's Extraordinary General Assembly (EGM) in compliance with the Companies Law and the Rules on the Offer of Securities and Continuing Obligations, along with any other necessary regulatory clearances. In this context, on 1 March 2026, the Company announced that it had received a No-Objection certificate from the General Authority for Competition (GAC) for the completion of the acquisition transaction.

a) The Company's share capital is set at SAR 280,800,000 divided into 28,080,000 shares of equal value, for a nominal value of SAR 10 each, and all are cash ordinary shares.

b) The Company's head office is located at the following address:

United Wire Factories Company

P.O. Box 355208

Postal Code 11383

Riyadh - Saudi Arabia

2- BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

Basis of Preparation

These Interim Condensed financial statements have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). They should be read in conjunction with the Company's last annual financial statements for the year ended December 31, 2025, which include all information required for the Company prepared in accordance with International Financial Reporting Standards (IFRS). However, changes in accounting policies (if any) and selected explanatory notes are included to explain significant events and transactions to understand the changes in the financial position and financial performance of the Company since the last annual financial statements.

Basis of Measurement

The Interim Condensed financial statements have been prepared in accordance with the historical cost principle, the going concern concept, and the accrual basis of accounting, with the exception of the defined benefit plan, which is measured using the expected unit credit method. Another basis is used if required by the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by SOCPA, as indicated in the applied accounting policies (Note 3).

Presentation and Disclosure Currency

The Interim Condensed financial statements are presented in SAR, which represents the functional currency, and are rounded to the nearest SAR.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

2- BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)**Use of Assumptions and Estimates**

The preparation of Interim Condensed financial statements in accordance with IFRS endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA requires management to use judgments, estimates, and assumptions that affect the reported amounts of revenues, costs, assets, liabilities, and disclosures of contingent liabilities at the date of the financial period. However, uncertainty about these assumptions and estimates could result in outcomes that may require material adjustments to the carrying amount of the assets and liabilities affected in the future.

Estimates and underlying assumptions are reviewed on an ongoing basis, and adjustments to estimates are recognized prospectively.

The significant estimates made by management in applying the Company's accounting policies and the significant sources of uncertainty in assumptions and estimates were similar to those shown in the Company's last annual financial statements.

3- Accounting Policies

The accounting policies applied to these Interim Condensed financial statements are the same as those applied to the financial statements for the year ended December 31, 2025, as no new standards have been issued.

4- NEW STANDARDS, AMENDMENTS TO STANDARDS, AND INTERPRETATIONS ISSUED

New standards and a set of amendments to standards effective as of January 1, 2026, have been issued and explained in the Company's annual financial information, but they do not have a material impact on the Company's Interim Condensed financial statements.

5- INTERIM FINANCIAL RESULTS FOR THE PERIOD

The Company's management has prepared all adjustments deemed significant to present the Interim Condensed financial statements fairly as at March 31, 2026, and its interim results of operations for the period then ended. The interim financial results for that period may not be a precise indicator of the financial results for the year ending December 31, 2026.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

6- PROPERTY, PLANT AND EQUIPMENT

March 31, 2026	Lands	Buildings and constructions	Machinery and equipment	Tools and equipment	Office equipment and furniture	Vehicles	Capital work under construction	Total
Cost								
As at January 1, 2026 (Audited)	46,442,583	61,732,530	209,554,766	35,103,800	9,795,181	9,610,114	-	372,238,974
Additions	-	104,435	227,410	97,785	-	-	-	429,630
Disposals	-	-	(108,750)	-	-	-	-	(108,750)
As at March 31, 2026 (Unaudited)	46,442,583	61,836,965	209,673,426	35,201,585	9,795,181	9,610,114	-	372,559,854
Accumulated Depreciation								
As at January 1, 2026 (Audited)	-	22,625,278	168,550,864	26,990,726	7,851,889	8,412,837	-	234,431,594
Charged for the period	-	484,354	1,470,337	529,661	126,162	144,750	-	2,755,264
Disposals	-	-	(24,810)	-	-	-	-	(24,810)
As at March 31, 2026 (Unaudited)	-	23,109,632	169,996,391	27,520,387	7,978,051	8,557,587	-	237,162,048
Net book value as at March 31, 2026	46,442,583	38,727,333	39,677,035	7,681,198	1,817,130	1,052,527	-	135,397,806
December 31, 2025 (Audited)								
Cost								
As at January 1, 2025	46,442,583	60,194,354	193,352,467	34,608,906	9,440,488	11,326,563	9,949,234	365,314,595
Additions	-	1,595,991	4,013,689	1,431,195	354,693	247,129	3,908,894	11,551,591
Disposals	-	(57,815)	-	(936,301)	-	(1,963,578)	-	(2,957,694)
Transfers from capital work under construction	-	-	12,188,610	-	-	-	(13,858,128)	(1,669,518)
As at 31 December 2025	46,442,583	61,732,530	209,554,766	35,103,800	9,795,181	9,610,114	-	372,238,974
Accumulated Depreciation								
As at January 1, 2025	-	20,729,742	162,013,513	25,694,240	7,352,800	9,794,844	-	225,585,139
Charged for the year	-	1,902,531	6,537,351	2,232,774	499,089	581,542	-	11,753,287
Disposals	-	(6,995)	-	(936,288)	-	(1,963,549)	-	(2,906,832)
As at 31 December 2025	-	22,625,278	168,550,864	26,990,726	7,851,889	8,412,837	-	234,431,594
Net book value as at December 31, 2025	46,442,583	39,107,252	41,003,902	8,113,074	1,943,292	1,197,277	-	137,807,380

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

7- INTANGIBLE ASSETS

	Software	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost		
Balance at the beginning of the period / year	1,669,518	-
Transfers from capital work under construction (Note 6)	-	1,669,518
Balance at the end of the period / year	1,669,518	1,669,518
Accumulated amortization		
Balance at the beginning of the period / year	111,765	-
Charged for the period / year	41,738	111,765
Balance at the end of the period / year	153,503	111,765
Net Book Value	1,516,015	1,557,753

8- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company has various lease contracts related to industrial lands on which factories and labor housing are built, categorized under Lands, and warehouses categorized under Buildings. Rental contracts are typically made for fixed periods of 6 to 19 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The Company applies the 'short-term lease' recognition exemptions for the leases which have lease term lower than or equal to one-year.

a) Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Buildings	Lands	Total
As at 1 January 2025	-	2,492,608	2,492,608
Lease liabilities adjustments	206,846	572,566	779,412
Additions	55,104	1,660,496	1,715,600
Depreciation of right-of-use assets	(105,719)	(773,733)	(879,452)
As at December 31, 2025 (Audited)	156,231	3,951,937	4,108,168
Depreciation of right-of-use assets	(32,744)	(182,180)	(214,924)
As at March 31, 2026 (Unaudited)	123,487	3,769,757	3,893,244

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

8- RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

b) The following is the movement in lease liabilities:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
At 1 January	3,996,220	2,309,006
Additions	-	1,715,600
Lease liabilities adjustments	-	754,421
Finance costs	52,399	213,351
Lease liabilities payment	(623,107)	(996,158)
	<u>3,425,512</u>	<u>3,996,220</u>
Current	444,278	826,190
Non-current	<u>2,981,234</u>	<u>3,170,030</u>
	<u>3,425,512</u>	<u>3,996,220</u>

c) The following are the amounts recognized in profit or loss:

	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
Finance costs	52,399	31,422
Depreciation expense of right-of-use assets*	214,924	257,186
Expenses related to short-term leases**	124,190	257,211
	<u>391,513</u>	<u>545,819</u>

* Depreciation expense related to right-of-use assets for the period was allocated as follows:

	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
Cost of revenue	182,180	257,186
Selling and marketing expenses	32,744	-
	<u>214,924</u>	<u>257,186</u>

** Expenses related to short-term leases for the period were allocated as follows:

	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
Cost of revenue	34,191	26,300
Selling and marketing expenses	89,999	230,911
	<u>124,190</u>	<u>257,211</u>

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

9- INVESTMENTS IN AN ASSOCIATE

The Company has invested in A1 Fence Arabia for Industry (a Limited Liability Company), in which the Company holds a 30% share of the capital, while a foreign partner owns the remaining 70%.

a) The following is the movement in the investment in the associate:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	10,079,557	6,931,481
The Company's share in results of operations	922,350	3,148,076
Balance at the end of the period / year	11,001,907	10,079,557

10- INVENTORIES

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Finished goods	103,834,647	95,306,496
Raw materials	26,714,117	25,600,386
Work in progress	13,387,331	10,730,311
Spare parts not held for sale	4,429,116	4,422,597
	148,365,211	136,059,790
Less:		
Allowance for slow moving and obsolete inventories	(227,001)	(207,478)
	148,138,210	135,852,312

11- TRADE RECEIVABLES

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Trade receivables - third parties	125,443,310	144,094,601
Trade receivables - related parties (Note 17)	8,442,234	6,900,249
	133,885,544	150,994,850
Less: Provision of expected credit loss	(10,444,318)	(6,699,079)
	123,441,226	144,295,771
Trade receivables - current portion	118,989,023	141,370,254
Trade receivables - non-current portion	4,452,203	2,925,517
	123,441,226	144,295,771

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

11- TRADE RECEIVABLES (CONTINUED)

Trade receivables with related parties include a service contract with extended payment terms over 4 years; accordingly, it contains a significant financing component in accordance with the requirements of IFRS 15 "Revenue from Contracts with Customers." Revenue from these contracts is recognized at the present value of the consideration due at the inception of the contract, with the difference between the nominal value and the present value being recognized as finance income over the payment period using the effective interest rate method in accordance with IFRS 9 "Financial Instruments." As at March 31, 2026, trade receivables with related parties include an amount of SAR 6,357,326 relating to these arrangements. The associated finance income will be recognized over the remaining term of the contractual payment terms; finance income for the current period amounted to SAR 104,497. The Company also measures the expected credit loss (ECL) allowance for these balances using the general approach, which resulted in an insignificant allowance.

The following is the movement in the provision for expected credit losses:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	6,699,079	5,662,234
Charged during the period/ year	3,745,239	1,036,845
Balance at the end of the period / year	10,444,318	6,699,079

12- PREPAID EXPENSES AND OTHER ASSETS

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Advances to suppliers	13,375,412	10,058,256
Margin on letters of guarantee	5,064,459	4,314,459
Refundable deposits and fees	2,675,294	2,963,129
Prepaid expenses	4,023,342	3,540,737
Employee advances and liabilities	1,717,248	1,730,667
Value added tax	412,102	-
Letters of credit	157,262	180,295
Others	1,777,797	1,174,095
Less: Impairment of provision for advance payments to suppliers	(3,927,590)	(3,518,758)
	25,275,326	20,442,880

The following is the movement in the allowance for impairment of advances to suppliers:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the year	3,518,758	3,085,679
Charged for the period/ year	408,832	646,588
No longer required	-	(213,509)
Balance at the end of the period / year	3,927,590	3,518,758

13- CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Cash on hand	22,217	177
Cash at banks	41,944,769	48,153,574
	41,966,986	48,153,751

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14- TRADE PAYABLES

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Trade payables- third parties	96,433,533	102,536,861
Trade payables- related parties (Note 17)	11,775,562	15,145,283
	108,209,095	117,682,144

15- ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Advances from suppliers	9,250,103	8,037,659
Accrued employees' benefit	2,077,228	1,997,616
Accrued bonuses and incentives	1,802,250	1,425,000
Accrued commissions	1,742,732	3,172,086
Value added tax	-	1,434,885
Others	1,436,332	1,822,069
	16,308,645	17,889,315

16- ZAKAT PROVISION

a) The following is the movement in the provision for Zakat:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	5,669,110	6,300,699
Zakat provision for the period / year	1,220,000	5,417,848
Payment during the period / year	-	(6,049,437)
Balance at the end of the period / year	6,889,110	5,669,110

b) Zakat Status

The Company has finalized its Zakat status up to the year 2024. The Company submitted its Zakat return and financial statements to the Zakat, Tax and Customs Authority (ZATCA) for the year 2025, paid the due amounts as per the return, and obtained the required Zakat certificate.

17- RELATED PARTIES

Related parties represent the shareholders, directors, and senior management personnel of the Company, associates (the Company and member entities within the same group), and entities controlled, jointly controlled, or significantly influenced by such parties. Terms of these transactions are approved by the Company's management. Following is the list of related party transactions of the Company:

a) The following are the significant transactions with related parties:

Related party	Nature of relationship	Transaction type	March 31, 2026	March 31, 2025
			(Unaudited)	(Unaudited)
A One Fence Arabia for Industry Company	Associate	Purchases	8,650,362	5,334,655
		Sales	2,061,112	5,974,687
Romoz Alfakhera for Trading Company	Affiliate*	Sales	591,550	769,370

* Affiliated entities are related parties in which the shareholders hold an equity interest in their share capital.

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17- RELATED PARTIES (CONTINUED)

Balances due from related parties consist of the following:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
A One Fence Arabia for Industry Company*	10,783,839	10,596,691

During the year 2023, A1 Fence Arabia for Industry entered into an interest-free loan agreement with the Company for an amount of SAR 11,250,000 to finance its operating activities and working capital requirements. The loan is repayable 30 months from the date of each drawdown. The loan was drawn down in four installments, with the first drawdown on February 21, 2024, and the last drawdown on April 29, 2024. Accordingly, the entire loan balance has been classified under current assets during the current period.

Since the loan was granted interest-free, it was measured at fair value upon initial recognition in accordance with the requirements of IFRS 9 "Financial Instruments". The difference between the nominal value and the fair value was recognized as a contribution to the equity of the associate and was included within the investment in an associate (Note 9).

The following is the loan balance movement:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	10,596,691	9,281,112
Returns from long-term receivables measured at fair value	187,148	1,315,579
Balance at the end of the period / year	10,783,839	10,596,691

Due from related parties - classified under trade receivables (Note 11)

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
A One Fence Arabia for Industry Company	7,624,482	6,212,780
Romoz Alfakhera for Trading Company	817,752	687,469
	8,442,234	6,900,249

b) Due to related parties - classified under trade payables (Note 14)

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
A One Fence Arabia for Industry Company	11,775,562	15,145,283

c) Key Management Personnel Compensation

Key management personnel compensation consists of those amounts paid to persons who have the authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). Key management personnel compensation includes:

	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
Short-term benefits	912,688	993,608
Post employment benefits	2,297,747	2,010,520
	3,210,434	3,004,128

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18- BASIC AND DILUTED LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. The loss per share for the period are as follows:

	March 31, 2026	March 31, 2025
	(Unaudited)	(Unaudited)
Net loss for the period	(1,072,025)	(623,184)
Weighted average number of shares	28,080,000	28,080,000
Basic loss per share from net loss for the period	(0.04)	(0.02)
Number of shares outstanding at the end of the period	28,080,000	28,080,000

19- SEGMENT INFORMATION

The Company presents its segment information by dividing its activities into two main strategic segments. Each of these segments offers diverse services and is managed independently due to the different economic characteristics between them, such as sales growth trends, rate of return, and capital investment levels. Furthermore, each segment adopts different marketing strategies. The following is a breakdown of the operating segments:

Industrial Segment: Includes products that serve the construction sector for building, construction, and housing projects.

Commercial Segment: Includes products that serve the civil consumer sector.

The Company uses segment gross profit to measure performance, as management believes this information is the most appropriate for evaluating the results of the respective segments relative to other entities operating within the same industries.

a) The following is some financial data for the business segments:

March 31, 2026 (Unaudited)	Industrial Segment	Commercial Segment	Total
Revenue	116,912,976	57,977,279	174,890,255
Cost of revenue	(106,535,508)	(55,472,711)	(162,008,219)
Gross profit	10,377,468	2,504,568	12,882,036
March 31, 2025 (Unaudited)			
Revenue	94,315,202	70,503,693	164,818,895
Cost of revenue	(86,836,653)	(67,460,853)	(154,297,506)
Gross profit	7,478,549	3,042,840	10,521,389
March 31, 2026 (Unaudited)			
Property, plant and equipment	91,245,996	44,151,810	135,397,806
December 31, 2025 (Audited)			
Property, plant and equipment	92,869,833	44,937,547	137,807,380

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19- SEGMENT INFORMATION (CONTINUED)

b) The following is the Company's sales breakdown by geographical region:

March 31, 2026 (Unaudited)	Industrial Segment	Commercial Segment	Total
Domestic sales	114,853,783	57,977,279	172,831,062
Export sales	2,059,193	-	2,059,193
Total	116,912,976	57,977,279	174,890,255

March 31, 2025 (Unaudited)	Industrial Segment	Commercial Segment	Total
Domestic sales	91,173,655	70,503,693	161,677,348
Export sales	3,141,547	-	3,141,547
Total	94,315,202	70,503,693	164,818,895

20- CONTINGENCIES AND COMMITMENTS

Contingent liabilities and financial commitments as at the date of the Interim Condensed statement of financial position were as follows:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Letters of credit (LCs)	18,308,028	17,729,833
Letters of guarantee	101,239,182	86,289,182
Capital commitments relating to the construction and execution of capital works	-	119,449
	119,547,210	104,138,464

21- FINANCIAL INSTRUMENTS, RISK MANAGEMENT, AND FAIR VALUE

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2025. There have been no material changes in the classification, measurement, or fair value of financial instruments during the financial period ended March 31, 2026. Furthermore, there have been no material changes to the Company's exposure to credit, liquidity, or market risks, or to the methods used to manage such risks, compared to what was disclosed in the last annual financial statements.

Fair Value

Fair value represents the price that would be received to sell assets or paid to transfer liabilities between knowledgeable and willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. The Company's management believes that the fair value of financial assets and liabilities does not differ materially from their carrying amounts.

22- SUBSEQUENT EVENTS

Management believes there are no significant subsequent events after the date of the Interim Condensed financial statements and before the issuance of these statements that require adjustment or disclosure.

23- APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Interim Condensed financial statements were approved by the Board of Directors on 24 Thul-Qi'dah 1447H (corresponding to 11 May 2026).