Bawan Company
(A Saudi Joint Stock Company)

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

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three-month and six-month period ended 30 June 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BAWAN COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Bawan Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed consolidated statements of changes in equity and interim condensed consolidated statement of cash flows for six-month period ended 30 June 2026 and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

for Ernst & Young Professional Services

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Waleed G. Tawfiq
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Riyadh: 20 Safar 1448 H
3 August 2026 G

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2026

(All amounts in Saudi riyals thousands unless otherwise stated)

	Note	***30 June 2026 (Unaudited)***	*31 December 2025 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**804,554**	800,653
Right-of-use assets		**80,512**	72,633
Goodwill		**4,397**	4,397
Intangible assets	6.1	**253,624**	321,535
Due from a related party	11	**32,547**	49,377
Other assets		**2,081**	14,178
Total non-current assets		**1,177,715**	1,262,773
Current assets			
Inventories		**943,269**	993,461
Spare parts		**33,308**	34,154
Trade receivables and other current assets	7	**1,080,936**	1,138,854
Current portion of due from a related party	11	**18,746**	18,750
Contract assets		**345,721**	279,431
Cash and cash equivalents		**162,123**	82,936
Total current assets		**2,584,103**	2,547,586
TOTAL ASSETS		**3,761,818**	3,810,359
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8.1	**600,000**	600,000
General reserve	8.2	**69,440**	69,440
Other reserves	8.3,15	**(92,364)**	(58,746)
Retained earnings		**585,213**	479,346
Equity attributable to owners of the Company		**1,162,289**	1,090,040
Non-controlling interests (NCI)		**37,898**	36,738
TOTAL EQUITY		**1,200,187**	1,126,778

(continued)

Bawan Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As of 30 June 2026
(All amounts in Saudi riyals thousands unless otherwise stated)

	Note	***30 June 2026 (Unaudited)***	*31 December 2025 (Audited)*
LIABILITIES			
Non-current liabilities			
Long-term borrowing	9	**471,738**	469,065
Payable to NCI	15.6	**136,048**	196,255
Lease liabilities		**64,888**	56,465
Employee defined benefit liabilities		**109,957**	105,651
Total non-current liabilities		**782,631**	827,436
Current liabilities			
Trade and other payables		**675,467**	754,510
Short-term borrowings	9	**739,712**	781,332
Payable to NCI – current portion	15.6	**68,388**	75,000
Current portion of long-term borrowings	9	**67,825**	54,708
Contract liabilities		**177,706**	140,060
Current portion of lease liabilities		**15,344**	14,253
Zakat and income tax accrual		**33,617**	35,341
Dividends payable		**941**	941
Total current liabilities		**1,779,000**	1,856,145
TOTAL LIABILITIES		**2,561,631**	2,683,581
TOTAL EQUITY AND LIABILITIES		**3,761,818**	3,810,359

Group Financial Reporting Manager	**Chief Executive Officer** (Acting)	**Chairman of the Board of Directors**

Bawan Company
(A Saudi Joint Stock Company)

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

For the three-month and six-month periods ended 30 June 2026
(All amounts in Saudi riyals thousands unless otherwise stated)

	Note	*Three-month period ended 30 June*		*Six-month period ended 30 June*	
		2026	*2025 (Note 17)*	***2026***	*2025 (Note 17)*
Revenue	12,11	**970,519**	966,143	**2,001,842**	1,876,321
Cost of revenue	11,17	**(800,857)**	(811,538)	**(1,675,839)**	(1,617,765)
Gross profit	17	**169,662**	154,605	**326,003**	258,556
Selling and distribution expenses	17	**(21,430)**	(22,276)	**(42,686)**	(41,550)
General and administrative expenses		**(61,364)**	(53,052)	**(119,443)**	(90,650)
(Charge) / reversal of expected credit loss (ECL) on financial assets	7	**(7,735)**	3,296	**(7,184)**	3,224
Gain on disposal of investment in financial assets at FVTPL		**107**	455	**107**	2,022
Fair value gain on investment in financial assets at FVTPL		**-**	5	**-**	5
Bargain purchase gain on business combination	15	**-**	-	**-**	126,452
Other income / (expense), net		**1,284**	(1,786)	**4,076**	(1,639)
Profit before finance costs and zakat and income tax		**80,524**	81,247	**160,873**	256,420
Finance costs		**(22,120)**	(32,279)	**(45,613)**	(54,019)
Profit before zakat and income tax		**58,404**	48,968	**115,260**	202,401
Zakat and income tax		**(9,758)**	(13,243)	**(23,593)**	(17,099)
Net profit for the period		**48,646**	35,725	**91,667**	185,302
Other comprehensive income / (loss)					
Item that may be reclassified to profit or loss:					
Foreign currency translation differences		**1,408**	(256)	**(229)**	(1,127)
Other comprehensive income / (loss) for the period		**1,408**	(256)	**(229)**	(1,127)
Total comprehensive income for the period		**50,054**	35,469	**91,438**	184,175
Profit / (loss) for the period attributable to:					
Ordinary shareholders of the Company		**53,944**	31,931	**105,867**	181,043
Non-controlling interests		**(5,298)**	3,794	**(14,200)**	4,259
		48,646	35,725	**91,667**	185,302
Total comprehensive income / (loss) for the period attributable to					
Ordinary shareholders of the Company		**55,070**	31,726	**105,683**	180,143
Non-controlling interests		**(5,016)**	3,743	**(14,245)**	4,032
		50,054	35,469	**91,438**	184,175
Earnings per share for profit attributable to the ordinary shareholders of the Company:					
Basic and diluted	5	**0.90**	0.53	**1.76**	3.02

Group Financial Reporting Manager	Chief Executive Officer (Acting)	Chairman of the Board of Directors

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

Bawan Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six-month period ended 30 June 2026
(All amounts in Saudi riyals thousands unless otherwise stated)

	Share capital	*General reserve*	*Other reserves*	*Retained earnings*	*Equity Attributable to shareholders of the Company*	*Non Controlling interests*	*Total*
At 1 January 2026 (Audited)	**600,000**	**69,440**	**(58,746)**	**479,346**	**1,090,040**	**36,738**	**1,126,778**
Net profit for the period	-	-	-	**105,867**	**105,867**	**(14,200)**	**91,667**
Other comprehensive loss for the period	-	-	**(184)**	-	**(184)**	**(45)**	**(229)**
Total comprehensive income / (loss) for the period	-	-	**(184)**	**105,867**	**105,683**	**(14,245)**	**91,438**
Net impact of classification of NCI against Put option reserve	-	-	**(29,539)**	-	**(29,539)**	**29,539**	-
Remeasurement of put option liability	-	-	**(3,895)**	-	**(3,895)**	-	**(3,895)**
Transactions with owners:							
Dividends	-	-	-	-	-	**(14,134)**	**(14,134)**
At 30 June 2026	**600,000**	**69,440**	**(92,364)**	**585,213**	**1,162,289**	**37,898**	**1,200,187**
January 1, 2025 (Audited)	600,000	69,440	(10,915)	270,261	928,786	32,684	961,470
Net profit for the period (note 17)	-	-	-	181,043	181,043	4,259	185,302
Other comprehensive loss for the period	-	-	(695)	(205)	(900)	(227)	(1,127)
Total comprehensive income / (loss) for the period	-	-	(695)	180,838	180,143	4,032	184,175
Non-controlling interest recognized on newly acquired subsidiary (note 15)	-	-	-	-	-	106,900	106,900
Liability against NCI put option recognized against other reserves	-	-	(128,372)	-	(128,372)	-	(128,372)
Classification of NCI put option reserve	-	-	106,024	-	106,024	(106,024)	-
30 June 2025 (Unaudited)	600,000	69,440	(33,958)	451,099	1,086,581	37,592	1,124,173

Group Financial Reporting Manager

Chief Executive Officer (Acting)

Chairman of the Board of Directors

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2026
(All amounts in Saudi riyals thousands unless otherwise stated)

	Six-month period ended 30 June	
	2026	*2025 (Note 17)*
Operating activities		
Profit before zakat and income tax:	**115,260**	202,401
Adjustments for:		
Depreciation and amortization	**120,950**	81,542
Employee defined benefit liabilities	**8,138**	9,037
Finance costs	**45,613**	54,019
Charge / (reversal) of ECL on financial assets	**7,184**	(3,224)
Fair value gain on investment in financial assets at FVTPL	**-**	(5)
Gain on disposal of investment in financial assets at FVTPL	**(107)**	(2,022)
Loss on derecognition of right-of-use-assets	**-**	1
Bargain purchase gain on business combinations	**-**	(126,452)
(Gain) / loss on disposal of property, plant and equipment	**(2,603)**	67
Provision for warranties	**311**	967
Operating cash flows before movement in working capital	**294,746**	216,331
Changes in working capital:		
Inventories	**50,192**	(26,109)
Spare parts	**846**	(953)
Trade receivables and other current assets	**62,831**	(177,058)
Contract assets	**(66,290)**	210,960
Trade and other payables	**(79,354)**	7,997
Contract liabilities	**37,646**	(1,229)
Cash generated from operations	**300,617**	229,939
Employee defined benefit liabilities paid	**(3,822)**	(4,488)
Zakat and income tax paid	**(25,309)**	(54,411)
Finance costs paid	**(42,365)**	(54,816)
Net cash flows generated from operating activities	**229,121**	116,224
Investing activities		
Purchases of property, plant and equipment	**(45,722)**	(32,522)
Purchase of intangible assets	**(3,472)**	(276)
Proceeds from disposal of property, plant and equipment	**4,362**	350
Purchase of financial assets at FVTPL	**(581)**	(11,991)
Proceeds from sale of investment in financial assets at FVTPL	**688**	14,896
Payment of purchase consideration payable against acquisition of a subsidiary	**(75,000)**	-
Payment for acquisition of subsidiary, net of cash acquired	**-**	(158,360)
Net cash flows used in investing activities	**(119,725)**	(187,903)

(continued)

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

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

For the six-month period ended 30 June 2026
(All amounts in Saudi riyals thousands unless otherwise stated)

	Six-month period ended 30 June	
	2026	*2025*
Financing activities		
Proceeds from short term borrowings	**685,830**	784,402
Repayment of short term borrowings	**(727,138)**	(859,695)
Repayment of long term borrowings	**(17,895)**	(62,877)
Proceeds from long term borrowings	**31,382**	-
Due from a related party	**18,750**	(93,750)
Repayment of lease liabilities	**(6,965)**	(3,644)
Dividends paid to the NCI	**(14,134)**	-
Net cash flows used in financing activities	**(30,170)**	(235,564)
Net change in cash and cash equivalents	**79,226**	(307,243)
Cash and cash equivalents at the beginning of the period	**82,936**	30,543
Changes in restricted bank balances	-	394,370
Foreign currency translation differences	**(39)**	(2,928)
Cash and cash equivalents at the end of the period	**162,123**	114,742
Significant non-cash transactions		
Right of use assets and lease liabilities recognized	**16,546**	11,971
Finance cost capitalized	**1,154**	2,423
Transfer from property, plant and equipment to intangibles	-	2,332
Net impact of reclassification of NCI against put option reserve	**29,539**	106,024
Remeasurement of put option liability	**3,895**	128,372
Written off / adjustments in trade receivables	-	380

Group Financial Reporting Manager	**Chief Executive Officer** (Acting)	**Chairman of the Board of Directors**

1 GENERAL INFORMATION

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

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

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

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

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

(All amounts in Saudi riyals thousands unless otherwise stated)

1 GENERAL INFORMATION (Continued)

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

Subsidiary	*Principal activity*	*Location*	***Effective Percentage of ownership*** ***30 June 2026***	*31 December 2025*
Bawan Engineering Industries Company ("Bawan Engineering")	Wholesale and retail of electrical products	KSA	**100**	100
Subsidiaries of Bawan Engineering along with its ownership are as follows:				
-United Transformers Electric Company-Saudi ("Utec-Saudi")	Manufacturing of electrical products	KSA	**90**	90
-United Technology of Electric Substations & Switchgears Company ("USSG")	-Same as above-	KSA	**90**	90
Bawan Wood Industries Company ("Bawan Wood")	Manufacturing of wood products	KSA	**95**	95
Subsidiaries of Bawan Wood along with its ownership are as follows:				
-Al-Raya Wood Works Establishment-UAE	-Same as above-	UAE	**95**	95
-Al-Raya Company for Wood Works-Kuwait	-Same as above-	Kuwait	**95**	95
-Inma Pallets Company Limited ("Inma Pallets")	-Same as above-	KSA	**95**	95
-United Lines Logistics Services Company Limited ("ULLS")	Logistic services	KSA	**95**	95
Bawan Metal Industries Company ("Bawan Metal")	Manufacturing of metal products	KSA	**100**	100
Arnon Plastic Industries Company ("Arnon")	Manufacturing of plastic packaging and insulation products	KSA	**100**	100
United Company for Wood and Metal Products ("United Wood and Metal")	Manufacturing of wood / metal products	KSA	**95**	95

(All amounts in Saudi riyals thousands unless otherwise stated)

1 GENERAL INFORMATION (Continued)

			Effective Percentage of ownership	
Subsidiary	*Principal activity*	*Location*	***30 June 2026***	*31 December 2025*
Petronash Holding SPV Limited ("Petronash SPV") (note 1.2)	Intermediate holding company	UAE	**80**	80
Subsidiary of Petronash SPV is as follows:				
- Petronash Holding Limited ("Petronash Holding")	Intermediate holding company	UAE	**80**	80
Subsidiaries of Petronash Holding are as follows:				
- Petronash FZE	Manufacturing oil and gas equipment	UAE	**80**	80
- Petronash Engineering Services Private Limited	-Same as above-	India	**80**	80
- Petronash SPC	-Same as above-	Oman	**80**	80
- Petronash Arabia Co. Limited	-Same as above-	KSA	**80**	80
- Petronash Oil Field and Services Sole Proprietorship LLC	-Same as above-	UAE	**80**	80
- Petronash Qatar SPV Limited	-Same as above-	Cayman Islands	**80**	80
- Petronash Oil and Gas Services & Trading LLC. (note 1.3)	-Same as above-	Qatar	**80**	80
- DTS SPV Limited	-Same as above-	Cayman Islands	**80**	80
- Dynamic Solutions Arabia for Consulting and Research Factory Company Limited	-Same as above-	KSA	**80**	80

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

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

2 BASIS OF PREPARATION

Statement of compliance
The interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2026 have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three-month and six-month periods ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The transactions presented in the interim condensed consolidated statements of profit and loss and other comprehensive income are not entirely comparable with those reported in the interim condensed consolidated statements of profit and loss and other comprehensive income as of 30 June 2025, due to the acquisition of a subsidiary during the six-month period ended 30 June 2025 effective from 13 February 2025 (Note 15).

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

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

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

3 MATERIAL ACCOUNTING POLICIES

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

3.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Initial Assessment of the Expected Impact of the application of IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 - Presentation and Disclosure in Financial Statements will replace *IAS 1 - Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim condensed consolidated financial statements, however, earlier application is permitted.

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its interim condensed consolidated financial statements.

Initial Assessment of the Expected Impact of the application of IFRS 18 – Presentation and Disclosure in Financial Statements (Continued)

a) Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and / or providing financing to the customers.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are 'Operating profit' and 'Profit or loss before financing and income taxes', However, operating profit subtotal differs from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss to result from the following:

- Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented in the 'Finance costs' subtotal on a net basis. IFRS 18 provides specific guidance on the income and expenses classified in the investing and financing categories.
- Net foreign exchange gains / losses are currently included in Other expenses and presented in 'Other income / expenses-net'. Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that it has foreign exchange differences to be classified in the operating and financing categories. For example, foreign exchange differences on trade payables and trade receivables will be classified in the operating category.

b) Management- defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the consolidated financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes. The Group is also assessing line items currently labelled as 'others' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit before zakat and income tax for the period / year as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from dividends paid will continue to be classified as financing activities.

(All amounts in Saudi riyals thousands unless otherwise stated)

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

5 EARNINGS PER SHARE

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

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

	Three-month period ended 30 June		***Six-month period ended 30 June***	
	2026 (Unaudited)	*2025 (Unaudited)*	***2026 (Unaudited)***	*2025 (Unaudited)*
Profit attributable to the ordinary shareholders of the Company used in calculating basic and diluted earnings per share:	**53,944**	31,931	**105,867**	181,043
Weighted average number of ordinary shares outstanding during the period	**60,000**	60,000	**60,000**	60,000
Basic and diluted earnings Saudi Riyal per share				
Total basic and diluted earnings per share attributable to the ordinary shareholders of the Company	**0.90**	0.53	1.76	3.02

6 PROPERTY, PLANT AND EQUIPMENT

During six-month periods ended 30 June 2026, the Group purchased items of property, plant and equipment amounting to SR 45.72 million (period ended 30 June 2025: SR 32.52 million) including additions in capital work in progress amounting to SR 34.29 million (period ended 30 June 2025: SR 24.79 million)

(All amounts in Saudi riyals thousands unless otherwise stated)

6.1 INTANGIBLE ASSETS

	Software	*Acquired Customer relationships*	*Acquired Contract order backlog*	*Acquired Trade name*	*Prototypes*	*Intangibles under development*	*Total*
Cost							
1 January 2026	**14,948**	**221,727**	**180,000**	**39,940**	**7,295**	**4,717**	**468,627**
Additions	**137**	**-**	**-**	**-**	**795**	**2,540**	**3,472**
Foreign currency translation differences	**(70)**	**(41)**	**(35)**	**(7)**	**-**	**-**	**(153)**
30 June 2026	**15,015**	**221,686**	**179,965**	**39,933**	**8,090**	**7,257**	**471,946**
Accumulated amortization							
1 January 2026	**11,658**	**30,102**	**94,999**	**9,143**	**1,190**	**-**	**147,092**
Amortization	**479**	**10,506**	**57,895**	**1,688**	**799**	**-**	**71,367**
Foreign currency translation differences	**(59)**	**(12)**	**(64)**	**(2)**	**-**	**-**	**(137)**
30 June 2026	**12,078**	**40,596**	**152,830**	**10,829**	**1,989**	**-**	**218,322**
Net book value							
30 June 2026	**2,937**	**181,090**	**27,135**	**29,104**	**6,101**	**7,257**	**253,624**
31 December 2025	3,290	191,625	85,001	30,797	6,105	4,717	321,535

(All amounts in Saudi riyals thousands unless otherwise stated)

7 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

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

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
As at beginning of the period / year	**94,518**	78,523
Recognised on acquisition of a subsidiary	-	4,863
Expected credit loss charge for the period / year	**6,714**	11,529
Written off during the period / year	-	(380)
Foreign exchange translation differences	**(5)**	(17)
As at end of the period / year	**101,227**	94,518

8 EQUITY

8.1 Share capital

The Company had 60 million authorized, issued and fully paid ordinary shares with a nominal value of SR 10 per share amounting to total share capital of SR 600 million as at 30 June 2026 and 31 December 2025.

8.2 General reserve

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

8.3 Other reserves

Other reserves includes the following:

	Note	***30 June 2026 (Unaudited)***	*31 December 2025 (Audited)*
Reserve for acquisition of additional shares in subsidiaries	8.3.1	**(10,915)**	(10,915)
Foreign currency translation reserve		**(2,270)**	(2,086)
NCI put option reserve	15	**(79,179)**	(45,745)
		(92,364)	(58,746)

8.3.1 On 1 Sha'ban 1445H corresponding to 2 February 2024, the Group announced that effective from 1 January 2024, one of its subsidiaries, Bawan Engineering, signed an agreement to acquire additional 4.5% shareholding in Utec-Saudi and USSG against total consideration of SR 20 million. During the year ended 31 December 2024 Bawan Engineering acquired control of this additional shareholding. The purchase was accounted for as an equity transaction with owners, with no impact on the interim condensed consolidated statement of profit or loss for three month and six month period ended 30 June 2024. The difference of SR 10.92 million between the carrying value of non-controlling interests (determined based on financial statements of subsidiaries as of 31 December 2023) and purchase consideration was recorded under equity as 'Reserve for acquisition of additional shares in subsidiaries under other reserves.

(All amounts in Saudi riyals thousands unless otherwise stated)

9 BORROWINGS

9.1 Short-term borrowings

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

9.2 Term loans payable to banks

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

9.3 Saudi Industrial Development Fund (SIDF) loans

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

9.4 Bank loan for the purchase of a subsidiary

During the year ended 31 December 2024, the Group obtained a bank facility to fund the acquisition of subsidiary and utilized SR 393.75 million out of that facility for the initial consideration payment. During the year ended 31 December 2025 and the six-month period ended 30 June 2026, the Group utilized further amounts of SR 48.8 million and SR 30 million under this facility to partially fund the first and second earn-out payments, respectively, related to the same acquisition. The amounts drawn are repayable in equal semi-annual instalments (16, 14 and 14 instalments respectively), with the final payments due in April 2032, September 2033 and June 2034 respectively, against each utilization. The facility carries interest at prevailing market rates and is secured by promissory notes and corporate guarantees of the Group.

9.5 Certain borrowings require the maintenance of debt covenants. As of December 31, 2025, one of the subsidiaries of the Group, was in breach of some of its debt covenants for certain short-term borrowings. During the six-month period ended 30 June 2026, the subsidiary obtained the waiver letter from the bank.

10 CONTINGENCIES AND COMMITMENTS

The Group had capital commitments of SR 24.17 million as at 30 June 2026 (31 December 2025: SR 43.96 million).

The Group had the following contingencies as at 30 June 2026 and 31 December 2025:

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
Letters of credit	**115,000**	133,680
Letters of guarantees	**697,784**	637,784

(All amounts in Saudi riyals thousands unless otherwise stated)

11 RELATED PARTIES' INFORMATION

Related parties mainly represent shareholders, affiliates, subsidiary companies, key personnel and entities controlled or significantly influenced by such parties. During the three-month and six-month periods ended 30 June 2026, the Group mainly had transactions with the following related parties:

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

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

		Three-month period ended 30 June		***Six-month period ended 30 June***	
	Nature of relationship	***2026 (Unaudited)***	*2025 (Unaudited)*	***2026 (Unaudited)***	*2025 (Unaudited)*
Revenue	Affiliate	**53,521**	47,906	**102,122**	104,645
Purchases	Affiliate	**3,015**	494	**12,836**	886
Royalties	Affiliate	**278**	324	**545**	658
Management fee and commission paid	Affiliate	**26**	48	**26**	608
Board and committee members compensation	Affiliate	**803**	703	**1,506**	1,406
Loan to a related party	Affiliate	**-**	-	-	93,796

As of 30 June 2026, amounts due from and due to related parties are as follows;

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
Due from a related party	**51,293**	68,127
Trade receivables	**79,143**	85,911
Non-trade receivables	**20,272**	38,790
Trade payables	**3,810**	1,452
Board and committee members compensation payables	**1,373**	2,811

During the six-month periods ended 30 June 2026 and 2025, short-term and long-term employment benefits to the Company's key management personnel amounted to SR 1.94 million (30 June 2025: SR 3.02 million). Key management personnel include key executives at the Company level.

(All amounts in Saudi riyals thousands unless otherwise stated)

12 REVENUE

	Three-month period ended 30 June		*Six-month period ended 30 June*	
	2026	*2025*	***2026***	*2025*
Timing of revenue recognition:				
At a point in time	**789,276**	893,890	**1,516,519**	1,693,571
Over time	**181,243**	72,253	**485,323**	182,750
	970,519	966,143	**2,001,842**	1,876,321

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

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

13 SEGMENT REPORTING

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

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

- Metal and Wood — The segment is engaged in the production of wooden pallets, plywood panels and boards, medium and high density coated in decoration paper, platforms, wooden bowls and boxes, premade hangars and steel buildings and forming and bending rebars, general contracting (repair, demolition, rebuilding and construction) of residential, commercial and public buildings, educational recreational and health facilities, maintenance, operation and installation of equipment, devices and electrical and electronic systems, aluminum works, iron and wood doors and their installation, electrical extension works, carpentry, painting, drawing on iron and wood, roads, bridges and street works and all acts of carpentry and decorations.

- Plastic — The principal activities of the segment are the production of plates and polystyrene foam, packaging and insulation slices from polyethylene foam, soft colored polyvinyl chloride sheets, rigid colored and non-colored Polyvinyl Chloride sheets, soft and hard Polyvinyl Chloride sheets padded by polystyrene and parts for vacuum fans, transparent containers of PET polyethylene, polyethylene bottles, PET preforms and their covers.

- Electrical — The principal activities of the segment are wholesale and retail of electric transformers, voltage stabilizers, battery chargers, welding caustics, electric substations, electric station equipment and voltage transformers, trading and distribution, import and export, testing and inspection services, goods and commodities clearance and double-weight services in addition to acquiring shares in other companies.

- Oil and gas equipment (note 15) — The principal activities of this segment include providing engineered solutions to the oil and gas industry, primarily through the manufacturing of modular wellsite packages, chemical injection skids, and wellhead control panels. The segment operates through manufacturing facilities located in the Kingdom of Saudi Arabia, United Arab Emirates, India, and Qatar.

- Other — The other segment is a residual segment and primarily comprises the Bawan Company and associated corporate-level activities, including those of intermediate holding entities within the Group.

(All amounts in Saudi riyals thousands unless otherwise stated)

13 SEGMENT REPORTING (Continued)

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

	Oil and Gas equipment	*Metal and Wood*	*Electrical*	*Plastic*	*Other*	*Total*
Six-month period ended 30 June 2026 (Unaudited)						
Revenue	**712,853**	**762,626**	**282,393**	**243,970**	**-**	**2,001,842**
Depreciation and amortization	**11,670**	**10,703**	**7,660**	**16,834**	**74,083**	**120,950**
Finance costs	**15,735**	**1,085**	**4,855**	**8,751**	**15,187**	**45,613**
Zakat and income tax	**15,734**	**3,320**	**3,289**	**600**	**650**	**23,593**
Profit / (loss) for the period	**125,670**	**45,627**	**(931)**	**22,627**	**(101,326)**	**91,667**
EBITDA	**168,809**	**60,735**	**14,873**	**48,812**	**(11,406)**	**281,823**
Six-month period ended 30 June 2026 (Unaudited)						
Segment revenues	**712,853**	**762,626**	**282,393**	**243,970**	**-**	**2,001,842**
Inter segment revenues	**-**	**-**	**-**	**-**	**-**	**-**
External revenues	**712,853**	**762,626**	**282,393**	**243,970**	**-**	**2,001,842**

	Oil and Gas equipment	*Metal and Wood*	*Electrical*	*Plastic*	*Other*	*Total*
As of 30 June 2026 (Unaudited)						
Segment assets	**1,268,209**	**789,217**	**665,495**	**709,779**	**468,759**	**3,901,459**
Consolidation adjustments	**(3,726)**	**-**	**(7,030)**	**-**	**(128,885)**	**(139,641)**
Total assets	**1,264,483**	**789,217**	**658,465**	**709,779**	**339,874**	**3,761,818**
Segment liabilities	**736,921**	**358,204**	**385,977**	**439,493**	**658,222**	**2,578,817**
Consolidation adjustments	**-**	**(11,785)**	**(3,839)**	**(1,562)**	**-**	**(17,186)**
Total liabilities	**736,921**	**346,419**	**382,138**	**437,931**	**658,222**	**2,561,631**

	Oil and Gas equipment	*Metal and Wood*	*Electrical*	*Plastic*	*Other*	*Total*
Six-month period ended 30 June 2025 (Unaudited)						
Revenue	333,675	926,540	413,497	202,609	-	1,876,321
Depreciation and amortization	6,714	10,759	6,431	15,683	41,955	81,542
Finance costs	27,481	1,530	6,718	9,449	8,841	54,019
Zakat and income tax	8,045	3,429	3,625	500	1,500	17,099
Profit for the period	37,102	25,760	40,384	14,416	67,640	185,302
*EBITDA	79,342	41,478	57,158	40,048	(6,516)	211,510
Segment revenues	333,675	926,540	413,497	202,609	-	1,876,321
Inter segment revenues	-	-	-	-	-	-
External revenues	333,675	926,540	413,497	202,609	-	1,876,321

* While calculating EBITDA for six-month period ended 30 June 2025, bargain purchase gain of SR 126.45 million has been added back to the profit for the year as it is non-cash item.

(All amounts in Saudi riyals thousands unless otherwise stated)

13 SEGMENT REPORTING (Continued)

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

Geographic information

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

	Oil and Gas equipment	*Metal and Wood*	*Electrical*	*Plastic*	*Other*	*Total*
Six-month period ended 30 June 2026 (Unaudited)						
Revenue						
Kingdom of Saudi Arabia	**553,362**	**762,626**	**282,393**	**243,970**	**-**	**1,842,351**
United Arab Emirates	**138,172**	**-**	**-**	**-**	**-**	**138,172**
Other Countries	**21,319**	**-**	**-**	**-**	**-**	**21,319**
	712,853	**762,626**	**282,393**	**243,970**	**-**	**2,001,842**
Six-month period ended 30 June 2025 (Unaudited)						
Revenue						
Kingdom of Saudi Arabia	244,473	926,540	413,497	202,609	-	1,787,119
United Arab Emirates	45,847	-	-	-	-	45,847
Other Countries	43,355	-	-	-	-	43,355
	333,675	926,540	413,497	202,609	-	1,876,321
As of 30 June 2026 (Unaudited)						
Non-current assets						
Kingdom of Saudi Arabia	**92,433**	**192,926**	**128,268**	**421,848**	**18,483**	**853,958**
United Arab Emirates	**17,273**	**-**	**-**	**-**	**296,365**	**313,638**
Other Countries	**10,119**	**-**	**-**	**-**	**-**	**10,119**
	119,825	**192,926**	**128,268**	**421,848**	**314,848**	**1,177,715**

Segment revenues reported above represent revenue generated from both external customers and related parties. There were no significant inter-segment revenues during the six-month periods ended 30 June 2026 and 2025. One customer contributed more than 10% of the Group's revenue during the six-month periods ended 30 June 2026 and 2025.

14 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

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

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

15 BUSINESS COMBINATION

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

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

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

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

(All amounts in Saudi riyals thousands unless otherwise stated)

15 BUSINESS COMBINATION (Continued)

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

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

15.3 Breakup of purchase consideration is stated as follows:

	12 February 2025
Upfront consideration payable	**300,472**
Contingent consideration*	**209,119**
	509,591

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

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

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

(All amounts in Saudi riyals thousands unless otherwise stated)

15 BUSINESS COMBINATION (Continued)

15.5 Cashflows on acquisition

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

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

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

15.6 Payable to NCI as of 30 June 2026 include liability against contingent consideration payable and liability against NCI put option amounting to SR 68.39 million (31 December 2025: SR 139.1 million) and SR 136.01 million (31 December 2025: SR 132.15 million), respectively.

15.7 Acquisition related costs

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

16 SUBSEQUENT EVENTS

There were no significant subsequent events, adjusting or non-adjusting, since 30 June 2026 that would have a material impact on the financial position and financial performance of the Group as reflected in these interim condensed consolidated interim financial statements.

17 COMPARATIVE FIGURES

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

In the Group's interim condensed consolidated financial statements for the six months period ended 30 June 2025, the initial accounting for the purchase price allocation related to this acquisition was disclosed as in process. The purchase price allocation was finalised in December 2025, within the twelve-month measurement period permitted by IFRS 3 and is reflected in the Group's audited consolidated financial statements for the year ended 31 December 2025.

In accordance with IFRS 3.49, adjustments to provisional amounts made during the measurement period are recognised as if the accounting for the business combination had been completed at the acquisition date. Accordingly, the comparative information for the three month and six month period ended 30 June 2025 presented in these interim condensed consolidated financial statements has been adjusted to reflect the finalisation of the purchase price allocation where the bargain purchase gain on business combination is recognized and the respective amortization of the intangible assets was also recognized in the relevant reporting periods. These adjustments are measurement period adjustments under IFRS 3 and do not constitute a correction of a prior period error within the scope of IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors.

(All amounts in Saudi riyals thousands unless otherwise stated)

17 COMPARATIVES FIGURES (Continued)

The adjustments in the interim condensed consolidated statement of profit or loss and other comprehensive income are summarized below:

	As previously reported	*Measurement period Adjustment*	*As reported currently*
Six-month period ended 30 June 2025			
Cost of revenue	1,586,821	30,944	1,617,765
Gross profit	289,500	(30,944)	258,556
General and administrative expenses	81,135	9,515	90,650
Bargain purchase gain on business combinations	-	126,452	126,452
Finance cost	54,120	(101)	54,019
Profit for the period	99,208	86,094	185,302
Total comprehensive income	98,081	86,094	184,175
Profit for the period attributable to:			
Ordinary shareholders of the Company	86,878	94,165	181,043
Non-controlling interests	12,330	(8,071)	4,259
	99,208	86,094	185,302
Total comprehensive income for the period attributable to:			
Ordinary shareholders of the Company	85,978	94,165	180,143
Non-controlling interests	12,103	(8,071)	4,032
	98,081	86,094	184,175
Earnings per share for profit attributable to the ordinary shareholders of the Company:			
Basic and diluted	1.45	1.57	3.02

(All amounts in Saudi riyals thousands unless otherwise stated)

17 COMPARATIVES FIGURES (Continued)

	As previously reported	*Measurement period Adjustment*	*As reported currently*
Three-month period ended 30 June 2025			
Cost of revenue	794,761	16,777	811,538
Gross profit	171,382	(16,777)	154,605
General and administrative expenses	46,710	6,342	53,052
Finance cost	32,346	(67)	32,279
Profit for the period	58,777	(23,052)	35,725
Total comprehensive income	58,521	(23,052)	35,469
Profit for the period attributable to:			
Ordinary shareholders of the Company	50,373	(18,442)	31,931
Non-controlling interests	8,404	(4,610)	3,794
	58,777	(23,052)	35,725
Total comprehensive income for the period attributable to:			
Ordinary shareholders of the Company	50,168	(18,442)	31,726
Non-controlling interests	8,353	(4,610)	3,743
	58,521	(23,052)	35,469
Earnings per share for profit attributable to the ordinary shareholders of the Company:			
Basic and diluted	0.84	(0.31)	0.53

These changes have no impact on cash flows from operating, investing and financing activities for the six-month period ended 30 June 2025.

As of 30 June 2025			
Equity			
Equity attributable to shareholders of the Company	1,014,764	71,817	1,086,581
Non-controlling interests	43,849	(6,257)	37,592
Total equity	1,058,613	65,560	1,124,173

18 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2026 were approved by the Company’s Board of Directors on 28 July 2026.