

United Wire Factories Company
(Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

**Interim Condensed Financial Information for the three-month period
ended 31 March 2025 (Unaudited)
and an independent auditor's limited review report**

United Wire Factories Company
(Saudi Joint Stock Company)

**Interim condensed financial information for the three-month period ended 31 March 2025 (unaudited)
and an independent auditor's limited review report**

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Independent Auditor's Review Report on the Interim Financial Information

To the Shareholders of
United Wire Factories Company
(Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **United Wire Factories Company** (Saudi Joint Stock Company) (the "Company") as at 31 March 2025, 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. Management is responsible for the preparation and fair presentation of these interim financial information in accordance with the International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information 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" that is 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 the 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 financial information for the three-month period ended 31 March 2025 is not prepared, in all material respects, in accordance with the International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Other Matter

The Company's interim financial information for the three-month period ended 31 March 2024, has been reviewed by another auditor who has expressed an unmodified conclusion on those interim financial information on 7 Thul-Qi'dah 1445H (corresponding to 15 May 2024).

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

15 Thul-Qi'dah 1446H (corresponding to 13 May 2025).



United Wire Factories Company
(Saudi Joint Stock Company)

Interim condensed statement of financial position (Unaudited)
As at 31 March 2025
(Saudi Riyals)

	Notes	31 March 2025 (unaudited)	31 December 2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment	6	132,787,636	133,113,757
Right of use assets	7	2,458,220	2,492,608
Investment in an associate		5,759,318	4,962,593
Due from related parties - non-current portion	9	11,250,000	11,250,000
Total non-current assets		152,255,174	151,818,958
Current assets			
Inventory	8	166,813,317	141,460,190
Due from related parties - current portion	9	5,799,037	642,776
Accounts receivable	10	103,382,916	88,834,080
Prepaid expenses and other assets	11	25,537,333	13,145,329
Cash and cash equivalent		20,870,231	44,424,344
Total current assets		322,402,834	288,506,719
Total assets		474,658,008	440,325,677
Equity and liabilities			
Equity			
Share capital	1	280,800,000	280,800,000
Reserves	12	-	-
Retained earnings		82,887,891	83,511,075
Re-measurement reserve for defined employees' benefits plan obligations		3,238,205	3,238,205
Total equity		366,926,096	367,549,280
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	7	2,325,432	2,164,798
Employees' defined benefit plan obligations		8,391,149	8,211,791
Total non-current liabilities		10,716,581	10,376,589
Current liabilities			
Lease liabilities - current portion	7	324,848	455,230
Due to related party	9	-	956,566
Accounts payable		74,028,430	35,522,044
Accrued expenses and other liabilities	13	15,111,354	19,165,269
Zakat provision	14	7,550,699	6,300,699
Total current liabilities		97,015,331	62,399,808
Total liabilities		107,731,912	72,776,397
Total equity and liabilities		474,658,008	440,325,677



Abdulhamied Husni Ibrahim
Financial Director



Nabil Hasan Mohammed AL-Amir
Chief Executive Officer



Khaled Mohammed Abdullah Al-khuwaiter
Chairman of Board of Directors

The accompanying notes from (1) to (21) form an integral part of these interim condensed financial statements

United Wire Factories Company
(Saudi Joint Stock Company)

Interim condensed statement of profit or loss and other comprehensive income (Unaudited)
For the three-month period ended 31 March 2025
(Saudi Riyals)

	Note	31 March 2025 (unaudited)	31 March 2024 (unaudited)
<u>Profit or loss</u>			
Sales	16	164,818,895	187,212,312
Cost of sales	16	(154,297,506)	(171,292,763)
Gross profit		10,521,389	15,919,549
Selling and marketing expenses		(5,335,665)	(5,385,130)
General and administrative expenses		(4,823,612)	(4,105,298)
Expected credit losses	10	(611,618)	380,105
Net profit from main operations		(249,506)	6,809,226
Share in the results of an associate		796,725	1,014,892
Finance costs of lease liabilities	7	(31,422)	(42,237)
Other income		111,019	(15,231)
Net profit for the period before zakat		626,816	7,766,650
Zakat	14	(1,250,000)	(1,700,000)
Net (loss) profit for the period		(623,184)	6,066,650
<u>Other comprehensive income</u>		-	-
Total comprehensive (loss) income for the period		(623,184)	6,066,650
<u>Earning per share</u>	15		
Basic earning per share of net profit from main operations for the period		(0,01)	0,24
Basic earning per share of net profit for the period		(0,02)	0,22



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United Wire Factories Company
(Saudi Joint Stock Company)

Interim condensed statement of changes in equity (Unaudited)
For the three-month period ended 31 March 2025
(Saudi riyals)

	Note	Share capital	Reserves	Retained earnings	Re-measurement reserve for employees' defined benefit plan obligations	Total
For the three-month period ended 31 March 2024 (unaudited)						
Balance as at 1 January 2024 (audited)		280,800,000	79,951,194	8,386,954	2,821,164	371,959,312
Net profit for the period		-	-	6,066,650	-	6,066,650
Balance as at 31 March 2024 (unaudited)		280,800,000	79,951,194	14,453,604	2,821,164	378,025,962
For the three-month period ended 31 March 2025 (unaudited)						
Balance as at 1 January 2025 (audited)		280,800,000	-	83,511,075	3,238,205	367,549,280
Net loss for the period		-	-	(623,184)	-	(623,184)
Balance as at 31 March 2025 (unaudited)		280,800,000	-	82,887,891	3,238,205	366,926,096



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Chairman of Board of Directors

The accompanying notes from (1) to (21) form an integral part of these interim condensed financial statements

United Wire Factories Company
(Saudi Joint Stock Company)

Interim condensed statement of cash flows (Unaudited)
For the three-month period ended 31 March 2025
(Saudi Riyals)


	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Cash flows from operating activities		
Net profit for the period before zakat	626,816	7,766,650
Adjustments to reconcile net profit for the period before zakat to net cash flow		
Depreciation of property, plant and equipment	2,839,008	2,512,119
Depreciation of right of use assets	257,186	229,171
Gains on disposals of property, plant and equipment	(110,988)	-
Share in the results of an associate	(796,725)	(1,014,892)
Expected credit loss	611,618	(380,105)
Employees' defined benefit plan obligations	396,246	375,886
Finance costs of lease liabilities	31,422	42,237
	3,854,583	9,531,066
Changes in operating assets and liabilities		
Inventory	(25,353,127)	1,953,595
Net change in related parties	(6,112,827)	(951,559)
Accounts receivable	(15,160,454)	(8,968,175)
Prepaid expenses and other assets	(12,392,004)	16,730,524
Accounts payable	38,506,386	5,152,042
Accrued expenses and other liabilities	(4,053,915)	34,600
Employees' defined benefit plan obligations paid	(216,888)	(49,657)
Zakat paid	-	-
Net cash (used in) from operating activities	(20,928,246)	23,432,436
Cash flows from investing activities		
Additions to property, plant, and equipment	(2,512,899)	(10,659,601)
Proceeds from disposals of property, plant and equipment	111,000	-
Net cash used in investing activities	(2,401,899)	(10,659,601)
Cash flows from financing activities		
Lease liabilities paid	(223,968)	(257,367)
Net cash used in financing activities	(223,968)	(257,367)
Net change in cash and cash equivalent	(23,554,113)	12,515,468
Cash and cash equivalent, beginning of the period	44,424,344	37,854,005
Cash and cash equivalent, end of the period	20,870,231	50,369,473
Non-cash transactions		
Additions to the right of use assets and lease liabilities	(222,798)	-



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Financial Director



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Chairman of Board of Directors

The accompanying notes from (1) to (21) form an integral part of these interim condensed financial statements.

Notes to the interim condensed financial information (unaudited)
For the three-month period ended 31 March 2025
(Saudi Riyals)

1 - Organization and Activities

- A- United Wire Factories Company (the “Company”) was 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, land transportation of goods. Retail sale of gifts, and the manufacture of clothes hangers and clips, manufacture of items made of wire, including (barbed wire, fence, expanded mesh, etc.) manufacture of insulated wires and cables made of steel.

- B- The attached interim condensed financial information include the assets, liabilities and results of the main commercial register and the following branches registered under a separate commercial registration:

CR Number	Place of issue	Date of Issue	Trade Name
1131014760	Buraydah	15/10/1420H	United Wire Factories Company - Buraydah Branch
5855025824	Khamis Mushait	27/12/1425H	United Wire Factories Company - Khamis Mushait Branch
1010043209	Riyadh	13/4/1402H	United Wire Factories Company - Riyadh Second Branch
1010179732	Riyadh	8/6/1423H	United Wire Factories Company - Riyadh Third Branch
1010385519	Riyadh	11/10/1434H	Mass Steel
4030130240	Jeddah	10/2/1421H	United Wire Factories Company - Jeddah Branch
3550141102	Tabuk	3/4/1443H	Mass Steel
1010167642	Riyadh	16/4/1422H	United Wire Factories Company - Riyadh First Branch
2062617294	Saihat	14/5/1440H	Mass Steel
1011024353	Al-Kharj	29/5/1438H	Mass Steel
3555102116	Duba	29/7/1443H	Mass Steel

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

- D- The Company's registered address is as follow:

United Wire Factories Company
Al-Kharj Road - Second Industrial City
P.O. Box 35520
Postal Code 11383
Riyadh – Saudi Arabia.

Notes to the interim condensed financial information (unaudited) (continued)
For the three-month period ended 31 March 2025
(Saudi Riyals)

2 - Basis of preparation of the interim condensed financial information

Applicable accounting standards

These interim condensed financial information has been prepared in accordance with the International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2024, which include all the information required for the entire set of financial statements prepared in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants, and selected explanatory notes are included to explain important 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 information has been prepared in accordance with the historical cost principle, going concern assumption, and the accrual basis of accounting. Another basis is used if the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants require it, as indicated in the applied accounting policies (Note 3).

Presentation and functional currency

The interim condensed financial information is presented in Saudi Riyal ("SR"), which represents the Company's functional currency, and is rounded to the nearest Saudi Riyal.

Use of assumptions and estimates

The preparation of the interim condensed financial information in accordance with the International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed by the Saudi Organization for Chartered and Professional Accountants requires management to use estimates and assumptions that affect the recorded amounts of revenue, costs, assets, liabilities and disclosures of contingent liabilities at the date of the financial period. However, uncertainty about these provisions, assumptions and estimates may lead to results that may require material adjustments to the carrying value of assets and liabilities that are affected in the future.

The estimates and assumptions related to them are continuously reviewed, and adjustments to the estimates are recognized with future effect.

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

3 - Accounting policies

The accounting policies applicable to this interim condensed financial information is the same as those of the financial statements for the year ended 31 December 2024.

4 - Interim financial results for the period

The Company's management has prepared all the adjustments that are material in order to present the interim condensed financial information fairly as at 31 March 2025 and the results of its interim operations for the period then ended. The interim financial results for that period may not represent an accurate indication of the financial results for the year ended 31 December 2025.

5 - New standards, amendments to standards and interpretations and issued standards

There are new standards and number of amendments to standards which are effective from 1 January 2025 and have been explained in the Company's annual financial statements, but they do not have a material effect on the Company's condensed interim financial information.

United Wire Factories Company
(Saudi Joint Stock Company)

Notes to the interim condensed financial information (unaudited) (continued)

For the three-month period ended 31 March 2025

(Saudi Riyals)

6 - Property, plant and equipment, net

A- This item consists of the following:

As at 31 March 2025 (unaudited)	Lands	Buildings and constructions	Machinery and equipment	Tools & Equipment	Office equipment and furniture	Vehicles	Capital work in progress (B)	Total
Cost								
Balance, beginning of the period	46,442,583	60,194,354	186,736,768	34,608,906	9,440,488	11,326,563	9,949,234	358,698,896
Additions	-	682,470	594,871	918,819	91,975	-	224,764	2,512,899
Disposals	-	-	-	-	-	(573,300)	-	(573,300)
Balance, ending of the period	46,442,583	60,876,824	187,331,639	35,527,725	9,532,463	10,753,263	10,173,998	360,638,495
Accumulated depreciation								
Balance, beginning of period	-	20,729,742	162,013,513	25,694,240	7,352,800	9,794,844	-	225,585,139
Charged for the period	-	465,611	1,568,012	548,863	120,860	135,662	-	2,839,008
Disposals	-	-	-	-	-	(573,288)	-	(573,288)
Balance, ending of the period	-	21,195,353	163,581,525	26,243,103	7,473,660	9,357,218	-	227,850,859
Net book value	46,442,583	39,681,471	23,750,114	9,284,622	2,058,803	1,396,045	10,173,998	132,787,636
As at 31 December 2024 (audited)								
Cost								
Balance, beginning of the year	46,442,583	50,376,845	193,454,085	2,013,332	8,245,832	16,873,627	2,284,416	319,690,720
Re-class	-	42,855	(22,817,238)	29,372,536	(17,678)	(6,580,475)	-	-
Additions	-	3,119,500	3,025,531	3,223,038	1,212,334	1,114,811	27,427,523	39,122,737
Disposals	-	(33,161)	-	-	-	(81,400)	-	(114,561)
Transfer	-	6,688,315	13,074,390	-	-	-	(19,762,705)	-
Balance, ending of the year	46,442,583	60,194,354	186,736,768	34,608,906	9,440,488	11,326,563	9,949,234	358,698,896
Accumulated depreciation								
Balance, beginning of year	-	19,192,298	172,347,845	1,293,169	6,978,188	14,834,571	-	214,646,071
Re-class	-	32,838	(16,998,410)	22,352,647	(10,528)	(5,376,547)	-	-
Charged for the year	-	1,506,493	6,664,078	2,048,424	385,140	418,217	-	11,022,352
Disposals	-	(1,887)	-	-	-	(81,397)	-	(83,284)
Balance, ending of the year	-	20,729,742	162,013,513	25,694,240	7,352,800	9,794,844	-	225,585,139
Net book value	46,442,583	39,464,612	24,723,255	8,914,666	2,087,688	1,531,719	9,949,234	133,113,757

B- Capital work in progress for a total cost of SR 10,173,998 as at 31 March 2025 (31 December 2024: SR 9,949,234) represent the cost of new machinery and ERP project of the company and is expected to be completed during 2025. The expected cost of completing these works is expected to be Saudi riyals 10.1 million.

Notes to the interim condensed financial information (unaudited) (continued)

For the three-month period ended 31 March 2025

(Saudi Riyals)

7 - Right of use assets and lease liabilities

A- The following is the movement made on the right of use the assets:

	Lands	
	31 March 2025	31 December 2024
	(unaudited)	(audited)
Cost		
Balance, at the beginning of the period / year	6,106,421	6,106,421
Additions	222,798	-
Balance, ending of the period / year	6,329,219	6,106,421
Accumulated depreciation		
Balance, beginning of the period / year	3,613,813	2,609,195
Charged for the period / year	257,186	1,004,618
Balance, at the end of the period / year	3,870,999	3,613,813
Net book value	2,458,220	2,492,608

B- The following is the movement on lease liabilities:

	31 March 2025	31 December 2024
	(unaudited)	(audited)
Balance, at the beginning of the period / year	2,620,028	3,512,023
Additions	222,798	-
Finance cost of lease liabilities	31,422	132,333
Paid	(223,968)	(1,024,328)
Balance, at the end of the period / year	2,650,280	2,620,028

C- Lease liabilities are classified in the interim condensed statement of financial position as follows:

	31 March 2025	31 December 2024
	(unaudited)	(audited)
Lease liabilities - non-current portion	2,325,432	2,164,798
Lease liabilities - current portion	324,848	455,230

D- The right to use assets consists of lands on which plants and staff housing have been built.

E- The Company has followed the policy of charging the finance cost on the interim condensed statement of profit or loss over the lease period using the effective interest rate and the right of use assets has been depreciated over the shorter between the useful life of the asset or the lease period, on a straight-line basis.

8 - Inventory

This item consists of the following:

	31 March 2025	31 December 2024
	(unaudited)	(audited)
Raw materials	27,111,214	19,117,940
Work in progress	13,941,319	12,427,757
Finished goods	114,063,122	98,934,599
Spare parts	11,697,662	10,979,894
	166,813,317	141,460,190

Notes to the interim condensed financial information (unaudited) (continued)
For the three-month period ended 31 March 2025
(Saudi Riyals)

9 - Related Parties

There are transactions that took place during the period with related parties within the normal course of the Company's business and with the approval of the management. The management believes that the terms of these transactions are not materially different from any transaction carried out by the management with any third party. This item consists of the following:

A- Following are the balances due from the related parties:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Arabian A1 Fens Industries Company	16,571,485	11,250,000
Elegant Romoz for Trading Company	477,552	642,776
	17,049,037	11,892,776

* In 2023, Arabian A1 Fens Industries Company (an associated company) entered into a loan agreement with the Company to obtain a loan of SR 11,250,000 to finance its operational activities and working capital requirements. The repayment of the loan is agreed to be after 30 months from the date of each loan installment is drawn. The loan was drawn in four installments with the first drawdown on 25 February 2024. As a result, the full loan balance has been classified under non-current assets. The loan balance stood at SR 11,250,000 as of 31 December 2024 and 31 March 2025.

The due from related parties are classified as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Due from related parties – non-current portion	11,250,000	11,250,000
Due from related parties – current portion	5,799,037	642,776

B- Following is the balance due to the related party:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Arabian A1 Fens Industries Company	-	956,566

C- Following are the most significant transactions made with related parties:

Related party	Nature of the relationship	Nature of transaction	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Arabian A1 Fens Industries Company	Associate company	Purchases	5,334,655	21,793,623
		Sales	5,974,687	109,200
Elegant Romoz for Trading Company	Affiliate	Sales	769,370	1,369,820

* An affiliated party is a related party in which the shareholders own shares, or is a party in which the Company has a representation.

Compensation of Key Management Personnel

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

	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Salaries and benefits	1,788,036	1,403,074

Notes to the interim condensed financial information (unaudited) (continued)
For the three-month period ended 31 March 2025
(Saudi Riyals)

10 - Account receivables

A- This item consists of the following:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Accounts receivable	109,656,768	94,496,314
Provision for expected credit losses - B	(6,273,852)	(5,662,234)
	103,382,916	88,834,080

B- The movement on the provision for expected credit losses is as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance, beginning of the period / year	5,662,234	4,743,469
Charge	611,618	918,765
Balance, ending of the period / year	6,273,852	5,662,234

11 - Prepaid expenses and other assets

	31 March 2025 (unaudited)	31 December 2024 (audited)
Advance payments to suppliers	13,809,700	7,039,985
Margins against letters of guarantee	4,325,308	1,825,308
Deposits	3,062,433	3,066,766
Prepaid expenses	2,286,304	1,256,847
Employee receivables	1,967,883	1,655,655
Value added tax (VAT)	1,949,071	-
Margins against letters of credit	38,265	145,362
Other	1,184,048	1,241,085
Provision for other assets	(3,085,679)	(3,085,679)
	25,537,333	13,145,329

12 - Reserves

The shareholders decided in their meeting held on 20 Shawwal 1445H (corresponding to 29 April 2024), to transfer the statutory reserve amounting to SR 79,951,194 to the retained earnings in order to align with the provisions of the new Companies' Law issued by Royal Decree M/132 dated 1 Dhu al-Hijjah 1443H (corresponding to 30 June 2022) (hereinafter referred to as the "Regulation") that came into effect on 26 Jumada al-Akhirah 1444H (corresponding to 19 January 2023).

13 - Accrued expenses and other liabilities

This item consists of the following:

	March 2025 31 (unaudited)	31 December 2024 (audited)
Advance payments from customers	9,192,640	10,051,705
Accrued employee benefits	2,050,524	2,559,908
Accrued rewards and incentives	1,781,250	1,425,000
Accrued commissions	1,389,430	2,654,246
Value added tax (VAT)	-	1,514,203
Others	697,510	960,207
	15,111,354	19,165,269

Notes to the interim condensed financial information (unaudited) (continued)
For the three-month period ended 31 March 2025
(Saudi Riyals)

14 - Zakat provision

A- Following is the movement of zakat provision:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance, beginning of the period / year	6,300,699	7,277,960
Charge	1,250,000	6,272,927
Paid	-	(7,250,188)
Balance, ending of the period / year	7,550,699	6,300,699

B- Zakat status

The Company has finalized its zakat status until 2022. The Company submitted the zakat return and financial statements to the Zakat, Tax and Customs Authority for the year 2024, paid what was due according to the return, and obtained the required zakat certificate. The zakat assessments for the year **2023** is in progress.

15 - Basic and diluted earnings (loss) per share

Earnings (loss) per share from main operations and from net profit for the period are calculated by dividing the profit for the period from the main operations and the net profit (loss) for the period by the weighted average of 28,080,000 shares outstanding at the end of the period. Earnings (loss) per share for the period are as follows:

	31 March 2025 (unaudited)	31 March 2025 (unaudited)
Net (loss) profit from main operations	(249,506)	6,809,226
Weighted average number of shares	28,080,000	28,080,000
Basic earnings (loss) per share of net profit from main operations	(0.01)	0.24
Net (loss) profit for the period	(623,184)	6,066,650
Weighted average number of shares	28,080,000	28,080,000
Basic earnings (loss) per share of net profit (loss) for the period	(0.02)	0.22
Number of shares outstanding, end of the period	28,080,000	28,080,000

The reduced earnings per share are similar to basic earnings per share in that the company does not have any convertible shares.

16 - Segment information

The Company presents its segment information by dividing its activities into two main strategic sectors. Each of these two sectors provides diverse services and is managed independently due to their different economic characteristics, such as sales growth trends, rates of return, and levels of capital investment. Each sector also adopts different marketing strategies. Below is a breakdown of the operating sectors

Industrial sector sales: includes products that serve the construction sector for construction, building and housing projects.

Commercial sector sales: includes products that serve the consumer civil sector.

The Company uses gross profit of sector to measure performance because management believes that this information is the most appropriate to evaluate the results of the relevant sectors in relation to other entities that operate in the same industries.

The following are some of the financial information of those business segments:

Notes to the interim condensed financial information (unaudited) (continued)
For the three-month period ended 31 March 2025
(Saudi Riyals)

16 - Segment information (continued)

31 March 2025 (unaudited)	Industrial Sector	Commercial Sector	Total
Sales	94,315,202	70,503,693	164,818,895
Cost of sales	(86,836,653)	(67,460,853)	(154,297,506)
Gross profit	7,478,549	3,042,840	10,521,389
31 March 2024 (unaudited)			
Sales	93,579,680	93,632,632	187,212,312
Cost of sales	(81,501,390)	(89,791,373)	(171,292,763)
Gross profit	12,078,290	3,841,259	15,919,549
31 March 2025 (unaudited)			
Property, plant and equipment	89,436,898	43,350,737	132,787,635
31 December 2024 (audited)			
Property, plant and equipment	89,706,751	43,407,006	133,113,757

The timing of revenue recognition are on a point in time.

17 - Contingent liabilities and commitments

The contingent liabilities and commitments as at the date of the interim condensed statement of financial position are as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Letters of credit	3,471,152	12,339,872
Letters of guarantee	86,506,155	34,680,847
Capital commitments relating to capital work in progress	10,173,998	9,949,234

18 - Financial instruments, risk management and fair value

Financial instruments

The financial instruments included in the interim condensed statement of financial position mainly include the following:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Financial assets		
Due from related parties	17,049,037	11,892,776
Accounts receivable – net	103,382,916	88,834,080
Prepaid expenses and other assets	25,537,333	13,145,329
Cash and cash equivalent	20,870,231	44,424,344
	166,839,517	158,296,529
Financial liabilities		
Lease liabilities	2,650,280	2,620,028
Due to related party	-	956,566
Accounts payable	74,028,430	35,522,044
	76,678,710	39,098,638

The Company does not have any financial assets nor financial liabilities at fair value

UNITED WIRE FACTORIES COMPANY

(Saudi Joint Stock Company)

Notes to the interim condensed financial information (unaudited) (continued)**For the three-month period ended 31 March 2025**

(Saudi Riyals)

18- Financial instruments, risk management and fair value (continued)**Risk management**

The Company's management has overall responsibility for developing and overseeing the Company's risk management frameworks. The Company's risk management policies are developed to identify and analyze the risks faced by the Company, establish appropriate risk limits and controls, and monitor and adhere to those risks. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and Company activities. Through its training and management procedures and standards, the Company aims to create a constructive and regular control environment in which employees are aware of their responsibilities and obligations.

Credit risk

Credit risk is the risk of financial loss faced by the Company in the event that the customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises primarily from cash, deposits with banks, amounts due from customers and amounts due from the related party. The maximum credit risk exposure represents the carrying amount of these assets.

The cash balance is represented in current accounts, and where cash is deposited with financial institutions with a high credit rating, management believes that the Company is not exposed to material risk. Customer-related credit risk is managed by a business unit subject to the Company's policies, procedures and controls on the management of credit risk related to customers. Credit limits are established for all customers using internal and external rating standards and controls. Credit quality is evaluated related to customers according to a credit rating system. Outstanding receivables are monitored regularly. The Company has formed a provision for expected credit losses in full amounts due from the related party.

The credit risk to which the Company is exposed is as follows:

	31 March 2025	31 December 2024
	(unaudited)	(audited)
Due from related parties	17,049,037	11,892,776
Accounts receivable	109,656,768	94,496,314
Prepaid expenses and other assets	12,527,008	7,934,176
Cash at banks	20,821,963	44,424,301
	<u>160,054,777</u>	<u>158,747,567</u>

Customer credit risk is managed by each business unit in accordance with the Company's policy, procedures and controls related to the management of credit risk for customers.

An impairment analysis is performed on each financial reporting date using a custom matrix in measuring expected credit losses. The calculation reflects the weighted results of probability, the time value of money and the reasonable and supporting information available at the reporting date on past events, current conditions and projections of future economic conditions. The maximum exposure to credit risk as at the reporting date is the book value of each class of financial assets. Customers' outstanding receivables are monitored regularly. Some customers are also guaranteed, as far as possible, by a cash promissory note and a cash deposit or down payment, which is an integral part of commercial receivables and is taken into account when calculating the impairment.

The following is information about the exposure to credit risk on the Company's commercial receivables using the provision matrix:

31 March 2025 (unaudited)	1-90	91 – 180	181-365	More than	Total
	days	days	days	365 days	
Accounts receivable	88,416,615	9,368,547	5,773,060	6,098,546	109,656,768
Exposure to default % of					
expected credit losses	-	%2,59	%0,12	%98,76	
Expected credit losses	-	(243,247)	(7,185)	(6,023,420)	(6,273,852)
Net	<u>88,416,615</u>	<u>9,125,300</u>	<u>5,765,875</u>	<u>75,126</u>	<u>103,382,916</u>

Notes to the interim condensed financial information (unaudited) (continued)
For the three-month period ended 31 March 2025
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18 - Financial instruments, risk management and fair value (continued)

Risk management (continued)

Credit risk (continued)

The following is information about the exposure to credit risk on the Company's commercial receivables using the provision matrix: (continued)

	1-90	91 – 180	181-365	More than	
31 December 2024 (audited)	days	days	days	365 days	Total
Accounts receivable	82,579,219	3,182,653	3,750,433	4,984,009	94,496,314
Exposure to default % of expected credit losses	-	%2,84	%15,66	%100	
Expected credit losses	-	(90,367)	(587,858)	(4,984,009)	(5,662,234)
Net	82,579,219	3,092,286	3,162,575	-	88,834,080

The movement on the provision for expected credit losses is as follows:

	31 March 2025	31 December 2024
	(unaudited)	(audited)
Balance, beginning of the period/ year	5,662,234	4,743,469
Charge	611,618	918,765
Balance, ending of the period/ year	6,273,852	5,662,234

The financial position of the related party is stable. There were no past due or impaired receivables.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company seeks to manage its credit risk with respect to banks by only dealing with reputable banks that have a sound credit rating ranging from A2 and above, At the reporting date, no significant concentration of credit risk was identified by the management.

Market risk

Market risk is the risk of the potential impact of changes in market rates such as foreign exchange rates and commission rates, the objective of market risk management is to manage and control exposure to market risk within acceptable limits with the highest possible return.

- **Commission rate risk:**

Commission risk appears from potential changes and fluctuations in commission rates that affect future profit or fair values of financial instruments and the Company monitors commission rate fluctuations and believes that the impact of commission rate risk is ineffective.

- **Foreign exchange rate risk:**

The foreign exchange rate is caused by changes and fluctuations in the value of financial instruments as a result of a change in foreign exchange rates. The Company's FX Risk Management aims to protect future cash flows in Saudi riyals, USD and EUR. Foreign exchange exposures related to cash flows are considered at the Company level and consist of Principal from currency exchange risk resulting from payables and receivables. The Company's management monitors currency exchange rates and believes that the risk of fluctuations in currency exchange rates is not effective.

- **Capital risk**

The main objective of the Company's capital management is to support its business and increase the return on owners.

The Company's policy is to maintain a strong capital base to maintain the confidence of users of interim condensed financial information and maintain the future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. Management monitors the return on capital, which is determined by the Company as the result of operating activities divided by total equity. There were no changes in the Company's way of managing capital during the year. Management also monitors the level of dividends to owners. The Company was not subject to externally imposed capital requirements.

Notes to the interim condensed financial information (unaudited) (continued)
For the three-month period ended 31 March 2025
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18 - Financial instruments, risk management and fair value (continued)

Risk management (continued)

Market risk (continued)

- *Capital risk (continued)*

The following is an analysis of the Company's debt-to-equity ratios at period / year-end:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Total liabilities	107,731,912	72,776,397
Less: Cash and cash equivalent	(20,870,231)	(44,424,344)
Net debt	86,861,681	28,352,053
 Total equity	 366,926,096	 367,549,280
Debt-to-equity ratio	%23,67	%7,71

Liquidity risk

Liquidity risk represents the difficulties faced by the Company in meeting obligations related to its financial liabilities. The Company's approach to liquidity risk management is to maintain sufficient cash and quasi-cash and ensure the availability of funding from shareholders.

Management monitors liquidity shortfall risks using forecast models to determine the effects of operating activities on overall liquidity availability, and maintains an available cash flow ratio, ensuring debt is repaid at maturity.

The table below summarizes the maturity dates of the Company's financial liabilities based on undiscounted contractual payments:

31 March 2025 (unaudited)	1 to 12 months	1 to 5 years	Indefinite	Total	Book value
Lease liabilities	467,244	2,811,683	-	3,278,927	2,650,280
Employees' defined benefit plan obligations	-	-	8,391,149	8,391,149	8,391,149
Accounts payable	74,028,430	-	-	74,028,430	74,028,430
Accrued expenses and other liabilities	5,918,714	-	-	5,918,714	15,111,354
	80,414,388	2,811,683	8,391,149	91,617,220	100,181,213
 31 December 2024 (audited)					
Lease liabilities	566,911	2,594,726	-	3,161,637	2,620,028
Employees' defined benefit plan obligations	-	-	8,211,791	8,211,791	8,211,791
Due to related party	956,566	-	-	956,566	956,566
Accounts payable	35,522,044	-	-	35,522,044	35,522,044
Accrued expenses and other liabilities	9,113,564	-	-	9,113,564	19,165,269
	46,159,085	2,594,726	8,211,791	56,965,602	66,475,698

Fair value

Fair value represents the value at which assets can be exchanged or liabilities paid between parties with the knowledge and desire to do so and on fair dealing terms. 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 book values.

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19 - Comparative figures

Some of the comparative figures have been reclassified to align to the current year's presentation and classification, the following is the effect of the reclassification:

	<u>Balance before reclassification</u>	<u>reclassification</u>	<u>Balance after reclassification</u>
Cost of sales	171,335,000	(42,237)	171,292,763
Finance costs of lease liabilities	-	42,237	42,237

20 - Subsequent events

Management believes that no significant subsequent events after the date of the interim condensed financial information and prior to the issuance of these interim condensed financial information require amendment or disclosure.

21 - Approval of interim condensed financial information

The interim condensed financial information was approved by the Board of Directors on 15 Thul-Qi'dah 1446H (corresponding to 13 May 2025).