UNITED WIRE FACTORIES COMPANY

SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

AND INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

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

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 (the "Company") as of 30 June 2025 and the interim condensed statement of profit or loss and other comprehensive income for the three and six-month periods then ended, and the interim condensed statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim-condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with 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 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 financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

OTHER MATTER

The financial statements of the company for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified audit opinion on those financial statements on 13 Ramadan 1446H (corresponding to 13 March 2025). Further, the interim condensed financial statements of the Company for the three and six-month periods ended 30 June 2024, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed financial statements on 3 Safar 1446H (corresponding to 7 August 2024).

For Alzoman and Alfahad & Alhajjaj Professional Services

Zaher Abdullah Al-Hajjaj
Certified Public Accountant
License No. 562

شركة الزومان والفهد والحجاج للاستشارات المهنية
Alzoman, Alfahad & Alhajjaj Professional Services
CR 1010461402

Riyadh, Kingdom of Saudi Arabia

Date: 18 Safar 1447H
Corresponding to: 12 August 2025

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UNITED WIRE FACTORIES COMPANY
SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	30 June 2025 (unaudited)	31 December 2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment	6	**132,325,000**	133,113,753
Intangible assets	7	**1,641,233**	4
Right of use assets	8	**2,340,935**	2,492,608
Investment in an associate	9	**8,492,570**	6,931,481
Due from related parties	11	**10,222,395**	9,281,112
Total non-current assets		**155,022,133**	151,818,958
Current assets			
Inventories	10	**141,632,170**	141,460,190
Due from related parties	11	**688,797**	642,776
Trade receivables	12	**109,003,301**	88,834,080
Prepaid expenses and other assets	13	**19,805,693**	13,145,329
Cash and cash equivalent	14	**51,747,996**	44,424,344
Total current assets		**322,877,957**	288,506,719
Total assets		**477,900,090**	440,325,677
Equity and liabilities			
Equity			
Share capital	1	**280,800,000**	280,800,000
Retained earnings		**84,755,821**	83,511,075
Re-measurement reserve for defined employees' benefits plan obligations		**3,238,205**	3,238,205
Total equity		**368,794,026**	367,549,280
Liabilities			
Non-current liabilities			
Lease liabilities	8	**2,210,284**	2,164,798
Employees' defined benefit plan obligations		**8,422,324**	8,211,791
Total non-current liabilities		**10,632,608**	10,376,589
Current liabilities			
Lease liabilities	8	**354,178**	455,230
Due to related party	11	**591,156**	956,566
Trade payables		**76,399,892**	35,522,044
Accrued expenses and other liabilities	16	**18,126,968**	19,165,269
Zakat provision	17	**3,001,262**	6,300,699
Total current liabilities		**98,473,456**	62,399,808
Total liabilities		**109,106,064**	72,776,397
Total equity and liabilities		**477,900,090**	440,325,677

Abdulhamied Husni Ibrahim Financial Director	Nabil Hasan Mohammed AL-Amir Chief Exceutive Officer	Khaled Mohamed Alkhwaitar Chairman of Board of Directors

The accompanying notes from 1 to 24 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
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (unaudited)	2024 (unaudited)	**2025 (unaudited)**	2024 (unaudited)
Sales	19	**181,402,568**	174,145,603	**346,221,463**	361,357,915
Cost of sales	19	**(169,636,837)**	(159,503,709)	**(323,934,342)**	(330,796,471)
Gross profit		**11,765,731**	14,641,894	**22,287,121**	30,561,444
Selling and marketing expenses		**(5,449,495)**	(4,898,215)	**(10,785,202)**	(10,283,345)
General and administrative expenses		**(4,751,899)**	(4,606,096)	**(9,575,514)**	(8,711,394)
Expected credit losses	12	**(37,083)**	145,405	**(648,702)**	525,510
Total Operating Profit		**1,527,254**	5,282,988	**1,277,703**	12,092,215
Company's Share of Results from Investment in an Associate	9	**764,364**	92,220	**1,561,089**	1,107,112
Finance costs of lease liabilities	8	**(30,994)**	(39,457)	**(62,416)**	(81,695)
Income from long term receivables measured at fair value	11	**941,283**	-	**941,283**	-
Other income		**166,068**	47,775	**277,087**	32,544
Net profit for the period before zakat		**3,367,975**	5,383,526	**3,994,746**	13,150,176
Zakat	17	**(1,500,000)**	(1,200,000)	**(2,750,000)**	(2,900,000)
Net profit for the period		**1,867,975**	4,183,526	**1,244,746**	10,250,176
Total comprehensive income for the period		**1,867,975**	4,183,526	**1,244,746**	10,250,176
Basic and Diluted Earnings per Share	18	**0.07**	0,15	**0.04**	0,37

Abdulhamied Husni Ibrahim
Financial Director

Nabil Hasan Mohammed AL-Amir
Chief Exceutive Officer

Khaled Mohamed Alkhwaitar
Chairman of Board of Directors

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UNITED WIRE FACTORIES COMPANY
SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	**Statutory reserve**	**Retained earnings**	**Re-measurement reserve for employees' defined benefit plan obligations**	**Total**
Balance as at 1 January 2024 (audited)	280,800,000	79,951,194	8,386,954	2,821,164	371,959,312
Total comprehensive income	-	-	10,250,176	-	10,250,176
Transferred from statutory reserve- note 15	-	(79,951,194)	79,951,194	-	-
Balance as at 30 June 2024 (unaudited)	280,800,000	-	98,588,324	2,821,164	382,209,488
Balance as at 1 January 2025 (audited)	**280,800,000**	-	**83,511,075**	**3,238,205**	**367,549,280**
Total comprehensive income	-	-	**1,244,746**	-	**1,244,746**
Balance as at 30 June 2025 (unaudited)	**280,800,000**	-	**84,755,821**	**3,238,205**	**368,794,026**

Abdulhamied Husni Ibrahim
Financial Director

Nabil Hasan Mohammed AL-Amir
Chief Exceutive Officer

Khaled Mohamed Alkhwaitar
Chairman of Board of Directors

The accompanying notes from 1 to 24 form an integral part of these interim condensed financial statements.

UNITED WIRE FACTORIES COMPANY
SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Cash flows from operating activities			
Net profit for the period before zakat		**3,994,746**	13,150,176
Adjustments to reconcile net profit for the period before zakat to net cash flow			
Depreciation of property, plant and equipment	6	**5,626,498**	5,127,041
Amortization of Intangible Assets	7	**28,289**	-
Amortization of right of use assets	8	**374,471**	458,912
Gain on sale of property, plant and equipment		**(277,087)**	-
Share in the results of an associate	9	**(1,561,089)**	(1,107,112)
Expected credit loss	12	**648,702**	(525,510)
Employees' defined benefit plan obligations		**792,086**	903,905
Income from long term receivables measured at fair value	11	**(941,283)**	-
Finance costs of lease liabilities	8	**62,416**	81,695
		8,747,749	18,089,107
Changes in operating assets and liabilities			
Inventories		**(171,980)**	18,784,263
Net change in related parties		**(411,431)**	(5,234,204)
Trade receivables		**(20,817,923)**	1,435,184
Prepaid expenses and other assets		**(6,660,364)**	20,539,463
Trade payables		**40,877,848**	40,344,456
Accrued expenses and other liabilities		**(1,038,301)**	(2,868,303)
Employees' defined benefit plan obligations paid		**(581,552)**	(744,093)
Zakat paid	17	**(6,049,437)**	(7,250,188)
Net cash generated from operating activities		**13,894,609**	83,095,685
Cash flows from investing activities			
Purchase of property, plant, and equipment	6	**(6,507,294)**	(23,725,223)
Proceeds from sale of property, plant and equipment		**277,117**	-
Net cash used in investing activities		**(6,230,177)**	(23,725,223)
Cash flows from financing activities			
Lease liabilities paid	8	**(340,780)**	(513,020)
Net cash used in financing activities		**(340,780)**	(513,020)
Net change in cash and cash equivalent		**7,323,652**	58,857,442
Cash and cash equivalent, beginning of the period		**44,424,344**	37,854,005
Cash and cash equivalent, end of the period	14	**51,747,996**	96,711,447
Non-cash transactions			
Additions to the right of use assets and lease liabilities	8	**(222,798)**	-
Intangible assets	7	**(1,669,518)**	-

Abdulhamied Husni Ibrahim Financial Director	Nabil Hasan Mohammed AL-Amir Chief Exceutive Officer	Khaled Mohamed Alkhwaitar Chairman of Board of Directors

The accompanying notes from 1 to 24 form an integral part of these interim condensed financial statements.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

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.

On 25 June 2025, the Company announced the extension of the Memorandum of Understanding with Al Raedah Industrial Investment Company ("Al Raedah") regarding the acquisition of 40% of Al Raedah's shares through the issuance of new shares to Al Raedah's shareholders in the Company, for a period of 184 days ending on 31 December 2025, extendable by mutual written agreement between the parties, in order to complete the due diligence procedures and regulatory requirements.

B- The attached interim condensed financial statements represent the assets, liabilities and operations' results of the main commercial register and the following branches' registers:

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 head office is located at the following address:
United Wire Factories Company
P.O. Box 355208
Postal Code 11383
Riyadh – Saudi Arabia.

2. BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

Applicable accounting standards

These interim condensed financial statements have been prepared in accordance with the International Accounting Standard 34 - “Initial Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants and should be read in conjunction with the last 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, but changes in accounting policies “if any” 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 statements have 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 endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed 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 statements are presented in Saudi Riyal (“SR”), which represents Company’s functional currency, and are rounded to the nearest Saudi Riyal.

Use of assumptions and estimates

The preparation of the interim condensed financial statements in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as 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 these interim condensed financial statements are the same as those applicable to the financial statements for the year ended 31 December 2024. As no new standards have been issued, a number of amendments to the standards effective as of 1 January 2025 - as explained in the Company’s annual financial statements - have no material impact on the Company’s condensed interim financial statements.

4. New Standards, Amendments to Standards, Interpretations, and Issued Standards

New standards have been issued, a number of amendments to the standards effective from 1 January 2025 have been explained in the Company's annual financial statements but do not have a material impact on the Company's condensed interim financial statements.

5. 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 statements fairly as at 30 June 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.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6. PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2025 (unaudited)	**Lands**	**Buildings and constructions**	**Machinery and equipment**	**Tools & Equipment**	**Office equipment and furniture**	**Vehicles**	**Capital work in progress ***	**Total**
Cost								
As at 1 January 2025 (audited)	**46,442,583**	**60,194,354**	**186,736,768**	**34,608,906**	**8,823,533**	**11,326,563**	**9,949,234**	**358,081,941**
Additions	**-**	**971,686**	**1,575,212**	**1,067,993**	**131,224**	**231,894**	**2,529,285**	**6,507,294**
Disposals	**-**	**-**	**-**	**(739,500)**	**-**	**(1,357,000)**	**-**	**(2,096,500)**
Transfers		**-**	**3,029,021**	**-**	**-**		**(4,698,539)**	**(1,669,518)**
As at 30 June 2025	**46,442,583**	**61,166,040**	**191,341,001**	**34,937,399**	**8,954,757**	**10,201,457**	**7,779,980**	**360,823,217**
Accumulated depreciation								
As at 1 January 2025	**-**	**20,729,742**	**162,013,513**	**25,694,240**	**6,735,849**	**9,794,844**	**-**	**224,968,188**
Charged for the period	**-**	**938,339**	**3,057,280**	**1,105,273**	**243,617**	**281,989**	**-**	**5,626,498**
Disposals	**-**	**-**	**-**	**(739,490)**	**-**	**(1,356,979)**	**-**	**(2,096,469)**
As at 30 June 2025	**-**	**21,668,081**	**165,070,793**	**26,060,023**	**6,979,466**	**8,719,854**	**-**	**228,498,217**
Net book value as at 30 June 2025	**46,442,583**	**39,497,959**	**26,270,208**	**8,877,376**	**1,975,291**	**1,481,603**	**7,779,980**	**132,325,000**
As at 31 December 2024 (audited)								
Cost								
As at 1 January 2024	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	(634,633)	(6,580,475)	-	(616,955)
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)	-
As at 31 December 2024	46,442,583	60,194,354	186,736,768	34,608,906	8,823,533	11,326,563	9,949,234	358,081,941
Accumulated depreciation								
As at 1 January 2024	-	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	(627,479)	(5,376,547)	-	(616,951)
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)
As at 31 December 2024	-	20,729,742	162,013,513	25,694,240	6,735,849	9,794,844	-	224,968,188
Net book value as at 31 December 2024	46,442,583	39,464,612	24,723,255	8,914,666	2,087,684	1,531,719	9,949,234	133,113,757

* Capital work in progress for a total cost of SR 7,779,981 as at 30 June 2025 (31 December 2024: SR 9,949,234) represent the cost of machinery project and spare parts of the company and is expected to be completed during 2025. The expected cost of completing these works is 637,560 Saudi riyals.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. INTANGIBLE ASSETS

	ERP and Software	
	30 June 2025	31 December 2024
	(unaudited)	(audited)
Cost		
Balance, at the beginning of the period / year	**616,955**	616,955
Additions	**1,669,518**	-
Balance, ending of the period / year	**2,286,473**	616,955
Accumulated amortization		
Balance, beginning of the period / year	**616,951**	616,951
Charged for the period / year	**28,289**	-
Balance, at the end of the period / year	**645,240**	616,951
Net book value	**1,641,233**	4

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

	Lands	
	30 June 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	**374,471**	1,004,618
Balance, at the end of the period / year	**3,988,284**	3,613,813
Net book value	**2,340,935**	2,492,608

B- The following is the movement on lease liabilities:

	30 June 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	**62,416**	132,333
Paid	**(340,780)**	(1,024,328)
Balance, at the end of the period / year	**2,564,462**	2,620,028

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

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

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

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Lease liabilities - non-current portion	**2,210,284**	2,164,798
Lease liabilities - current portion	**354,178**	455,230
	2,564,462	2,620,028

D- The right to use assets consists of lands obtained under operating leases.

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.

9. INVESTMENT IN AN ASSOCIATE

A- The company invested in A One Fence Arabia for Industry (a limited liability company), where the company owns 30% of the capital.

B- The following is the movement in the investment in the associate

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Balance, at the beginning of the period /Year	**6,931,481**	1,654,940
Additions *	**-**	1,968,888
Share from company results	**1,561,089**	3,307,653
Balance, at the end of the period / year	**8,492,570**	**6,931,481**

* The addition to the investment in the associate represents the difference between the nominal value and the fair value of the interest-free loan granted by the company to the associate. This difference has been treated as a contribution to the capital of the associate (Note 11).

10.INVENTORY

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Raw materials	**20,597,342**	19,117,940
Work in progress	**11,423,083**	12,427,757
Finished goods	**97,341,201**	98,934,599
Spare parts	**12,270,544**	10,979,894
	141,632,170	141,460,190

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

11. 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- The following is the balance due from the related parties:

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Arabian A1 Fens Industries Company *	**10,222,395**	9,281,112
Romoz Alfakhera for Trading Company	**688,797**	642,776
	10,911,192	9,923,888

The due from related parties are classified as follows:

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Due from related parties – non-current portion *	**10,222,395**	9,281,112
Due from related parties – current portion	**688,797**	642,776
	10,911,192	9,923,888

* 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. Since the loan was granted without interest, it was measured at fair value upon initial recognition, in accordance with the requirements of International Financial Reporting Standard No. (9) "Financial Instruments." The difference between the nominal value and the fair value was recognized as a contribution to the equity of the associate company, and was included in the investment in associate companies item (Note 9).
The following is the loan balance transactions :

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Balance, at the beginning of the period /year	**9,281,112**	-
Loan granted during the period / year	**-**	11,250,000
Fair value effect upon initial recognition	**-**	(1,968,888)
Finance Income – IFRS 9	**941,283**	-
Balance, at the end of the period /Year	**10,222,395**	9,281,112

B- The following is the balance due to the related party:

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Arabian A1 Fens Industries Company	591,156	956,566

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

11. RELATED PARTIES (CONTINUED)

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

Related party	**Nature of the relationship**	**Nature of transaction**	**30 June 2025**	30 June 2024
Arabian A1 Fens Industries Company	Associate company	Purchases	**10,764,472**	26,191,321
		Sales	**22,175,649**	815,014
Elegant Romoz for Trading Company	Affiliate	Sales	**6,194,515**	2,409,895

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

D- 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:

	30 June 2025	30 June 2024
	(unaudited)	(unaudited)
Salaries and benefits	**3,121,073**	2,979,330

12. ACCOUNT RECEIVABLES

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Accounts receivable	**115,314,237**	94,496,314
Provision for expected credit losses	**(6,310,936)**	(5,662,234)
	109,003,301	88,834,080

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

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Balance, beginning of the period / year	**5,662,234**	4,743,469
Charged during the period / year	**648,702**	918,765
Balance, ending of the period / year	**6,310,936**	5,662,234

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

13. PREPAID EXPENSES AND OTHER ASSETS

	30 June 2025 (unaudited)	31 December 2024 (audited)
Advance payments to suppliers	**9,629,185**	7,039,985
Letters of guarantee	**4,325,308**	1,825,308
Refundable fees and deposits	**2,963,129**	3,066,766
Prepaid expenses	**2,407,688**	1,256,847
Employee receivables	**1,982,279**	1,655,655
Letters of credit	**182,584**	145,362
Others	**1,401,199**	1,241,085
Provision for other assets	**(3,085,679)**	(3,085,679)
	19,805,693	13,145,329

14. CASH AND CASH EQUIVALENT

	30 June 2025 (unaudited)	31 December 2024 (audited)
Cash in Banks	**51,712,460**	44,424,301
Cash on hand	**35,536**	43
	51,747,996	44,424,344

15. STATUTORY RESERVE

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") came into effect on 26 Jumada al-Akhirah 1444H (corresponding to 19 January 2023).

16. ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2025 (unaudited)	31 December 2024 (audited)
Advance payments from customers	**8,595,599**	10,051,705
Accrued employee benefits	**2,107,625**	2,559,908
Accrued rewards and incentives	**712,500**	1,425,000
Accrued commissions	**2,362,917**	2,654,246
Value added tax (VAT)	**3,186,176**	1,514,203
Others	**1,162,151**	960,207
	18,126,968	19,165,269

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

17. ZAKAT PROVISION

A- Following is the movement of zakat provision:

	30 June 2025	31 December 2024
	(unaudited)	(audited)
Balance, beginning of the period / year	**6,300,699**	7,277,960
Charge	**2,750,000**	6,272,927
Paid	**(6,049,437)**	(7,250,188)
Balance, ending of the period / year	**3,001,262**	6,300,699

B- Zakat status

The Company has finalized its zakat status until 2023. 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, and the zakat examination for the year 2024 is in progress.

18. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share have been calculated by dividing the profit attributable to the company's shareholders by the weighted average number of shares outstanding during the period. Earnings per share for the period are as follows:

	For the three months ended 30 June		**For the Six months ended 30 June**	
	2025	2024	**2025**	2024
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Net profit for the period	**1,867,975**	4,183,526	**1,244,746**	10,250,176
Weighted average number of shares	**28,080,000**	28,080,000	**28,080,000**	28,080,000
Basic earnings per share of net profit for the year	**0,07**	0,15	**0.04**	0.37
Number of shares outstanding, end of the period	**28,080,000**	28,080,000	**28,080,000**	28,080,000

19. SEGMENT INFORMATION

The company presents its sectoral 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

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

19. SEGMENT INFORMATION (CONTINUED)

30 June 2025 (unaudited)	**Industrial Sector**	**Commercial Sector**	**Total**
Sales	**204,711,470**	**141,509,993**	**346,221,463**
Cost of sales	**(187,302,250)**	**(136,632,092)**	**(323,934,342)**
Gross profit	**17,409,220**	**4,877,901**	**22,287,121**
30 June 2024 (unaudited)			
Sales	179,018,395	182,339,520	361,357,915
Cost of sales	(155,595,233)	(175,201,238)	(330,796,471)
Gross profit	23,423,162	7,138,282	30,561,444
30 June 2025 (unaudited)			
Property, plant and equipment	**89,060,252**	**43,264,748**	**132,325,000**
31 December 2024 (audited)			
Property, plant and equipment	89,706,747	43,407,006	133,113,753

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

20. CONTINGENT LIABILITIES AND COMMITMENTS

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

	30 June 2025 (unaudited)	31 December 2024 (audited)
Letters of credit	**18,258,368**	12,339,872
Letters of guarantee	**86,506,155**	34,680,847
Capital commitments relating to capital work in progress	**-**	9,949,234
	104,764,523	56,969,953

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

21. FINANCIAL INSTRUMENTS, RISK MANAGEMENT, AND FAIR VALUE

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ending 31 December 2024. No material changes have occurred.

on the classification, measurement, or fair value of financial instruments during the financial period ending 30 June 2025. There were no significant changes in the company's exposure to credit, liquidity, or market risks, or in the methods used to manage those risks, compared to what was disclosed in the last annual financial statements.

Fair value

Represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. The company's management believes that the fair values of financial assets and financial liabilities are not materially different from their carrying values.

22. COMPARATIVE FIGURES

During the period ending 30 June 2025, the company reassessed the accounting treatment for an interest-free loan previously granted to an associate. In accordance with the requirements of International Financial Reporting Standard 9 - Financial Instruments and International Accounting Standard 28 - Investments in Associates and Joint Ventures, Management has determined that the difference between the nominal value of the loan and the fair value at initial recognition is considered a contribution to the equity of the associate.

Accordingly, an amount of SAR 1,968,888 was reclassified from "due from related parties" to "investment in an associate" to reflect the accounting treatment under the effective interest rate and fair value method. This treatment did not affect the total assets or total equity, but only the presentation of items within the non-current assets category**.**

The following is the effect of the reclassification:

	Balance as of 31 December 2024 (as issued)	reclassification	Balance as of 31 December 2024 (after reclassification)
Interim condensed statement of financial position			
Investment in an associate	4,962,593	1,968,888	6,931,481
Due From Related Party	11,250,000	(1,968,888)	9,281,112

Accordingly, comparative figures have been reclassified to conform to the current period presentation.

23. SUBSEQUENT EVENTS

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

24. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Board of Directors on 16 Safar 1447H (corresponding to 10 August 2025).