

UNITED WIRE FACTORIES COMPANY
A SAUDI JOINT STOCK COMPANY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
United Wire Factories Company
Saudi Joint Stock Company

OPINION

We have audited the accompanying financial statements of United Wire Factories Company (the "Company") (a Saudi joint stock company), which comprise the statement of financial position as of 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2025, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (the "Code") that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters.

The following is a description of each key audit matter and how it was addressed in our audit:

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Referring to note 3 for the accounting policy of the revenue and note 24 for the disclosure of revenue.</p> <p>During the year ended 31 December 2025, the Company has recognized revenue from sales of goods amounting to ₪ 770 million.</p> <p>Revenue from sales of goods is recognised at point in time when control over the goods are transferred to the customer on delivery of the goods in accordance with "IFRS 15 - Revenue from contracts with customers".</p> <p>Revenue is one of the core indicators for measuring performance, and consequently, there are inherent risks through recognizing revenue with more than its actual value or not recognizing in correct accounting period, in order to increase profitability. Therefore, the revenue recognition process has been considered as a key audit matter. In addition, revenue was also considered an area of significant audit risk as part of the audit process due to inherent risk related to fraud.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the Company's accounting policies related to recognition of revenue from sales as well as assessing compliance with the requirements of applicable accounting standards and performed inquiry procedures with respect to risk of fraud; • Evaluated the design and implementation of the internal control procedures related to revenue recognition, including anti-fraud control procedures; • Performed testing of revenue transactions on a sample basis with underlying supporting documentation including dispatch documents and sales invoices; • Tested on a sample basis, revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period; and • Assessed the adequacy of the disclosures relating to the revenue in the accompanying financial statements.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of
United Wire Factories Company
Saudi Joint Stock Company

OTHER MATTER

The financial statements for the year ended 31 December 2024 were audited by another auditor, who expressed an unmodified audit opinion on 13 Ramadan 1446H, (corresponding to 13 March 2025).

OTHER INFORMATION

Other information consists of the information included in the Company's 2025 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in the annual report of the Company. The Company's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it became available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA, and the Companies law and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Audit Committee, are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of
United Wire Factories Company
Saudi Joint Stock Company

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No (562)

Riyadh, Kingdom of Saudi Arabia

Date: 17 Shawal 1447H
Corresponding to 05 April 2026



UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(ALL AMOUNTS ARE IN UNLESS OTHERWISE STATED)

	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	6	137,807,380	139,729,456
Intangible assets	7	1,557,753	-
Right-of-use assets	8	4,108,168	2,492,608
Investments in an associate	9	10,079,557	6,931,481
Due from a related party	25	-	9,281,112
Trade receivables	11	2,925,517	-
Total non-current assets		156,478,375	158,434,657
Current assets			
Inventories	10	135,852,312	134,844,491
Due from a related party	25	10,596,691	-
Trade receivables	11	141,370,254	96,651,017
Prepaid expenses and other assets	12	20,442,880	12,834,307
Cash and cash equivalents	13	48,153,751	44,424,344
Total current assets		356,415,888	288,754,159
Total assets		512,894,263	447,188,816
Equity and liabilities			
Equity			
Capital	1	280,800,000	280,800,000
Retained earnings		74,653,729	83,511,075
Remeasurement reserve of defined benefit employee obligations		224,808	3,238,205
Total equity		355,678,537	367,549,280
Liabilities			
Non-current liabilities			
Lease liabilities	8	3,170,030	2,164,798
Defined benefit employee obligations	15	11,978,937	8,211,791
Total non-current liabilities		15,148,967	10,376,589
Current liabilities			
Lease liabilities	8	826,190	144,208
Trade payables	16	117,682,144	43,652,771
Accrued expenses and other liabilities	17	17,889,315	19,165,269
Zakat provision	18	5,669,110	6,300,699
Total current liabilities		142,066,759	69,262,947
Total liabilities		157,215,726	79,639,536
Total equity and liabilities		512,894,263	447,188,816

Khaled Mohamed Alkhwaitar
Chairman of the board



Nabil Hasan Mohammed Al-Amir
Chief Executive Officer



Abdulhamied Husni Ibrahim
Finance Director



The accompanying notes from 1 to 32 form an integral part of these financial statements.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN UNLESS OTHERWISE STATED)

	Notes	31 December 2025	31 December 2024
Revenue from contracts with customers	24	770,546,967	707,286,079
Cost of revenue	19	(721,300,284)	(649,369,711)
Gross profit		49,246,683	57,916,368
Selling and marketing expenses	20	(23,518,527)	(20,458,710)
General and administrative expenses	21	(18,201,454)	(16,810,392)
Provision of expected credit loss	11	(1,036,845)	(918,765)
Impairment of advances to suppliers	12	(646,588)	-
Operating profit		5,843,269	19,728,501
The Company's share in results of operations of the associate	9	3,148,076	3,307,653
Costs of lease liabilities	8	(213,351)	(132,333)
Interest cost on defined benefit employee obligations	15	(602,087)	(409,051)
Other income	22	1,012,518	11,084
Returns from long-term receivables measured at fair value	11, 25	1,412,077	-
Profit before zakat		10,600,502	22,505,854
Zakat expenses	18	(5,417,848)	(6,272,927)
Net profit for the year		5,182,654	16,232,927
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
(Losses) / gains on remeasurement of defined benefit employee plan	15	(3,013,397)	417,041
Total other comprehensive (loss) income for the year		(3,013,397)	417,041
Total comprehensive income for the year		2,169,257	16,649,968
Earnings per share:			
Basic and diluted earnings per share from net profit for the year, attributable to ordinary equity holders of the Company	23	0.18	0.58

Khaled Mohamed Alkhwaitar
Chairman of the board



Nabil Hasan Mohammed Al-Amir
Chief Executive Officer



Abdulhamied Husni Ibrahim
Finance Director



UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN UNLESS OTHERWISE STATED)

	<u>Capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Reserve for remeasurement of employees' defined benefit obligations</u>	<u>Total equity</u>
Balance as at 1 January 2024	280,800,000	79,951,194	8,386,954	2,821,164	371,959,312
Transfer from statutory reserve to retained earnings (Note 1)	-	(79,951,194)	79,951,194	-	-
Profit for the year	-	-	16,232,927	-	16,232,927
Other comprehensive income	-	-	-	417,041	417,041
Total comprehensive income	-	-	16,232,927	417,041	16,649,968
Dividends (Note 14)	-	-	(21,060,000)	-	(21,060,000)
As at 31 December 2024	<u>280,800,000</u>	<u>-</u>	<u>83,511,075</u>	<u>3,238,205</u>	<u>367,549,280</u>
Balance as at 1 January 2025	280,800,000	-	83,511,075	3,238,205	367,549,280
Profit for the year	-	-	5,182,654	-	5,182,654
Other comprehensive income	-	-	-	(3,013,397)	(3,013,397)
Total comprehensive loss	-	-	5,182,654	(3,013,397)	2,169,257
Dividends (Note 14)	-	-	(14,040,000)	-	(14,040,000)
As at 31 December 2025	<u>280,800,000</u>	<u>-</u>	<u>74,653,729</u>	<u>224,808</u>	<u>355,678,537</u>

Khaled Mohamed Alkhwaitar
Chairman of the board



Nabil Hasan Mohammed Al-Amir
Chief Executive Officer



Abdulhamied Husni Ibrahim
Finance Director



The accompanying notes from 1 to 32 form an integral part of these financial statements.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN UNLESS OTHERWISE STATED)

	Notes	31 December 2025	31 December 2024
Operating activities			
Profit before zakat		10,600,502	22,505,854
Adjustments to reconcile profit before zakat to net cash flows:			
Depreciation of property, plant and equipment	6	11,753,287	11,022,352
Amortization of intangible assets	7	111,765	-
Depreciation of right-of-use assets	8	879,452	1,004,618
Gains from disposal of property, plant and equipment	22	(385,356)	(11,084)
Gains from lease liabilities adjustments	22	(24,991)	-
The Company's share in results of operations of the associate	9	(3,148,076)	(3,307,653)
Allowance for slow moving and obsolete inventories	10	207,478	-
Provision of expected credit loss	11	1,036,845	918,765
Net impairment provision for advance payments to suppliers	12	433,079	-
Provision for defined benefit employee obligations	15	1,368,084	1,016,027
Returns from long-term receivables measured at fair value	11, 25	(1,412,077)	-
Costs of lease liabilities	8	213,351	132,333
Interest cost on benefit employee obligations	15	602,087	409,051
		<u>22,235,430</u>	<u>33,690,263</u>
Changes in working capital:			
Inventories		(1,215,299)	23,481,894
Net change in related parties		-	(10,988,351)
Trade receivables		(48,585,101)	5,985,638
Prepaid expenses and other assets		(8,041,652)	32,948,341
Trade payables		74,029,373	(7,529,291)
Accrued expenses and other liabilities		(1,275,954)	(1,363,776)
Cash flows generated from working capital		<u>37,146,797</u>	<u>76,224,718</u>
Employees' defined benefit obligations paid	15	(1,216,422)	(928,465)
Zakat paid	18	(6,049,437)	(7,250,188)
Net cash flows generated from operating activities		<u>29,880,938</u>	<u>68,046,065</u>
Investing activities			
Purchase of property, plant and equipment	6	(11,551,591)	(39,122,737)
Proceeds from disposal of property, plant and equipment		436,218	42,361
Net cash flows used in investing activities		<u>(11,115,373)</u>	<u>(39,080,376)</u>
Financing activities			
Lease liabilities paid	8	(996,158)	(1,335,350)
Dividends paid	14	(14,040,000)	(21,060,000)
Net cash flows used in financing activities		<u>(15,036,158)</u>	<u>(22,395,350)</u>
Net change in cash and cash equivalents		<u>3,729,407</u>	<u>6,570,339</u>
Cash and cash equivalents as at 1 January		44,424,344	37,854,005
Cash and cash equivalents as at 31 December	13	<u>48,153,751</u>	<u>44,424,344</u>
Significant non-cash transactions:			
Additions to right of use asset and lease liability	8	1,715,600	-
Transfers from capital work under construction to intangible assets	6	1,669,518	-

Khaled Mohamed Alkhwaitar
Chairman of the boardNabil Hasan Mohammed Al-Amir
Chief Executive OfficerAbdulhamied Husni Ibrahim
Finance Director

The accompanying notes from 1 to 32 form an integral part of these financial statements.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

1- CORPORATE INFORMATION

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

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

On 31 December 2024, the Company announced the signing of a non-binding Memorandum of Understanding (MoU) with Leading Industrial Investment Company ("Leading Company") to acquire forty percent (40%) of its capital. This acquisition is to be carried out through the issuance of new shares (consideration shares) to the selling shareholders in the Company. On 31 December 2025, the Company announced the signing of a Share Purchase Agreement (SPA) to acquire the 40% stake in Leading Company's capital.

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

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

The shareholders, in their meeting held on 20 Shawwal 1445H (corresponding to 29 April 2024), resolved to transfer the statutory reserve amount of ﷲ 79,951,194 to retained earnings. This transfer aims to align the Company's Bylaws with the Companies Law issued by Royal Decree No. M/132 dated 1 Dhul-Hijjah 1443H (corresponding to 30 June 2022) (hereinafter referred to as the "Law"), which came into effect on 26 Jumada Al-Akhirah 1444H (corresponding to 19 January 2023).

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

P.O. Box 355208

Postal Code 11383

Riyadh - Saudi Arabia

2- BASIS OF PREPARATION

2-1 Statement of compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

2-2 Basis of measurement

(i) Historical cost convention

These financial statements have been prepared on a historical cost basis, except for employees' end-of-service benefits which are recognized at the present value of future obligations using the projected unit credit method.

(ii) Functional and presentation currency

These financial statements are presented in Saudi Riyal ("ﷲ"), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest Saudi Riyals, except when otherwise indicated.

The Company has prepared these financial statements on a going concern basis.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

3- MATERIAL ACCOUNTING POLICY INFORMATION

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

3.1 Current versus non-current classification

Assets

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting year; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

Liabilities

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current.

3- 2 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Such cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets "capital work in progress" includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use and borrowing costs on qualifying assets.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within other income in the statement of profit or loss.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss as incurred.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3- 2 Property, plant and equipment (continued)

(c) Depreciation

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land and capital work in progress are not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Description	Useful life in years
Buildings and constructions	33,33
Machinery and equipment	From 2 to 16,7
Tools and equipment	6,66
Office equipment and furniture	6,66
Vehicles	4

Depreciation methods, useful lives and residual values are audited at least annually and adjusted prospectively, if required.

(d) Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit or Loss.

(e) Capital work in progress

Assets in the course of construction are capitalized in the capital work-in-progress account. The asset under construction is transferred to the appropriate category in property, plant and equipment, and intangible assets, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of capital work-in-progress comprises its purchase price, construction / development cost and any other directly attributable to the construction or acquisition of an item intended by management.

Borrowing costs related to qualifying assets are capitalized as part of the cost of the qualified assets until the commencement of commercial production. Capital work-in-progress is measured at cost less any recognized impairment.

(f) Capital Spare Parts

Capital spare parts are other major spare parts which are bought in advance due to planned replacement schedules (in line with prescribed maintenance program) to replace existing major spare parts. Such items are considered to be "available for use" only at a future date, and hence depreciation commences when it is installed as a replacement part. The depreciation period for such general spare parts is over the lower of its useful life, and the remaining expected useful life of the equipment to which it is associated.

3.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

UNITED WIRE FACTORIES COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**3-4 INTANGIBLE ASSETS**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets under development consist of costs incurred in relation to development of software which will be eventually transferred to intangible assets. Intangible assets with indefinite useful lives (goodwill) are not amortized, but are tested for impairment annually, or earlier if there is an indication of impairment either individually or at the cash-generating unit level. The useful life of assets with an indefinite useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Intangible assets represent computer software which has finite useful life. The estimated rates of amortization of intangible assets are as follows:

Description	Useful life
Computer software	10 years

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3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

The right-of-use assets are presented as a separate line in the statement of financial position.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset. The unwinding component of finance cost is included in the statement of profit or loss.

Lease liabilities are presented as a separate line item in the statement of financial position.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

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3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3-6 Investments in Associates

An associate is an entity over which the Company has significant influence. Significant influence is the Company's ability to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate and joint venture is accounted for using the equity method. The Company's share of profit or loss of an associate is presented in the statement of profit or loss, outside of operating profit.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate' in the statement of profit or loss.

The statement of profit or loss reflects the Company's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to align its accounting policies with those of the Company.

After applying the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and then recognizes the loss in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

3.7 Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw Materials and Purchase Cost: On a moving weighted average cost basis.
- Finished Goods and Work in Progress: Cost includes direct materials, direct labor, and an appropriate proportion of fixed and variable indirect expenses. The latter are allocated based on normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs.
- Spare Parts: Purchase cost is based on the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts other than capital spare parts which don't meet the criteria of property, plant and equipment are included as consumable spare parts in inventory and are classified as current assets.

3- 8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at banks and cash on hand, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Foreign currency

The Company's financial statements are presented in Saudi Riyals ("ﷲ"), which is also the parent company's functional currency. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange ruling at the reporting date.

All differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency, if any, are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

(a) Measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Except for trade receivables, the Company initially measures a financial asset at its fair value and in the case of a financial asset not carried at fair value through profit or loss, fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price and for other trade receivables, that contain a significant financing component, the Company adjusts the transaction price in respect to the significant financing component.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

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3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10 Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in statement of profit or loss when the asset is derecognized, modified, or impaired.

The Company's financial assets at amortized cost include cash, short-term deposits, term deposits, trade receivables, employee loans, and profit margin on a letter of guarantee.

The Company's write-off policy for financial assets is when management has indications that there is no reasonable expectation of recovery.

Currently, the Company does not have any financial assets designated at fair value through OCI or through profit or loss.

(b) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates whether, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10 Financial instruments (continued)

(i) Financial assets (continued)

(c) Impairment

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortized cost (e.g. deposits, trade and other receivables and bank balances). The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, if they do not contain a significant financing component.

The application of a simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The Company uses a provision matrix in the calculation of the ECL on trade receivables to estimate the lifetime expected credit losses, applying certain provision rates to respective contractual past due aging buckets. The provision matrix was developed considering probability of default and loss given default which were derived from historical data of the Company and are adjusted to reflect the expected future outcome.

ECL impairment loss allowance or reversal recognized during the year is recognized as income/ expense in profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value. For loans, advances, and payables, they are presented net of directly attributable transaction costs. The Company's financial liabilities consist of trade payables and lease liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

11-3 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value, less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment loss is allocated to reduce the carrying amount of the assets of the cash generating unit (group of units) in pro rata on the basis of the carrying amount of each asset in the unit (group of units). These reductions in carrying amounts shall be treated as impairment losses on individual assets and recognized. Non-current assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the statement of comprehensive income. Impairment losses recognized on goodwill are not reversible.

3.12 Employee defined benefits obligations

The Company operates a single post-employment benefit scheme of defined benefit plan, driven by the Labor Laws and Workman Laws of the Kingdom of Saudi Arabia, which is based on most recent salary and number of service years. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the Labor Law of Saudi Arabia.

The Company's obligation under employee end of service benefit plan is accounted for as an unfunded defined benefit plan and is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurements of the defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in statement of other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

3.13 Zakat and Tax

The Company (entities registered in Kingdom of Saudi Arabia only) is subject to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided for in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia and on accruals basis. The zakat charge is computed on the zakat base and is charged to the statement of comprehensive income. Any shortfall / excess on finalization of an assessment is accounted for in the period in which such assessment is finalized.

Withholding tax

The Company withholds taxes on transactions with non-resident parties in accordance with ZATCA regulations, which is not recognized as an expense being the obligation of the counterparty on whose behalf the amounts are withheld.

3.14 Value Added Tax ("VAT")

Revenues, expenses, and assets are recognized net of the amount of Value Added Tax ("VAT") except:

- Where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to the ZATCA is included as part of receivables or payables in the statement of financial position.

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3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.15 Cost of revenue

Production costs and direct manufacturing expenses are classified as cost of revenue. This includes raw material, direct labor and other attributable overhead costs.

3.16 Selling and distribution expenses

These include any costs incurred to carry out or facilitate selling activities of the Company. These costs typically include salaries of the commercial staff, marketing, distribution, and logistics expenses.

17-3 General and administrative expenses

General and administrative expenses include direct and indirect costs, not specifically part of cost of sales or the selling and distribution activity of the Company. Allocation of overhead between cost of sales, selling and distribution expenses and general and administrative expenses are made on a consistent basis, when required.

3- 18 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue consists of sales of goods and is measured based on the consideration amounts specified in contracts with customers, excluding volume discounts and amounts, if any, collected on behalf of third parties. Some customers are eligible for volume discounts on products purchased during the period that exceed the thresholds specified in the relevant contracts. Revenue from these sales is recognized based on the price specified in the contract, net-of-volume discounts and estimated rebates.

Trade receivables are recognized when the goods are shipped, as this is the point in time when the amount becomes unconditional, where only the passage of time is required before payment is due. Contract assets are recognized when a performance obligation is satisfied and revenue is recognized, but payment is conditional on the Group's future performance. This typically indicates that the entity cannot invoice the customer until additional performance obligations under the same contract have been fulfilled.

The Company recognizes revenue from the sale of the following goods directly to customers:

- Sale of reinforcing steel mesh and fencing mesh.
- Sale of metal clothes hangers.
- Sale of binding wires (Labanah), concrete metal binding wires, coated, drawn, and galvanized steel wires, and metal strapping bands.
- Sales of steel bars, angles, and flat bars.

The above sales are recognized when the goods are shipped from the Company's warehouses in accordance with the applicable delivery terms; accordingly, revenue is recognized at that point in time.

Invoices are usually payable within the credit period agreed with the customer which may vary from one customer to another. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

It is the Company's policy to sell its products to its customers with a right to return with certain requirements. However, the management concluded that the expected returns based on pattern of historical returns is deemed immaterial, accordingly the management has not accounted for it.

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3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.19 Earnings per share "EPS"

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.20 Cash dividends to shareholders of the Company

The Company recognized a liability to pay a dividend when the distribution is recognized and no longer at the discretion of the Company. As per the By-laws of the Company, a distribution is recognized when it is approved by the shareholders. A corresponding amount is recognized directly in shareholders' equity.

3.21 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The executive management (Chairman of the Board of Directors and top management (Chief Executive Officer (CEO), and Chief Financial Officer (CFO)) is the Chief Operating Decision Maker ("CODM") and monitor the operation results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

An operating segment is group of assets and operations:

- engaged in revenue producing activities;
- results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- Financial information is separately available.

3.22 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

3-23 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all the conditions attached will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

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4- SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures and disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management (note 28).
- Financial risk management (note 27).
- Sensitivity analyses disclosures (note 15).

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contract that includes extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Information about the assumptions and estimation uncertainties is included in the following areas:

Useful lives and residual value of property, plant and equipment and intangibles assets

The Company's management determines the estimated useful lives and residual value of its property, plant and equipment and intangibles assets for calculating depreciation and amortization. These estimates are determined after considering the expected usage of the assets and their physical wear and tear and technical obsolescence. The management reviews the residual value and useful lives annually and future depreciation/amortization charges are adjusted where management believes the useful lives differ from previous estimates.

Allowance for slow moving and obsolete inventories

The Company recognizes an allowance for inventory losses due to factors such as obsolescence, physical damage based upon historical experience, current condition, and current and future expectations with respect to sales or use. The estimate of the Company's allowance for slow moving and obsolete inventory could change from period to period, which could be due to differing remaining useful life, changes in technology, possible change in usage, their expiry, sales expectation and other qualitative factors of the portfolio of inventory from year to year.

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4- SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. To determine a recoverable amount, the management uses fair value using market approach and value in use approach.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value, less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices, less incremental costs of disposing of the asset. The value in using calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Company.

Provision of expected credit losses (ECL) in trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Company's historically observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Company trade receivables is disclosed in note 11.

Employees defined benefit obligations

The cost of the employee defined benefit plan, and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employees' turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

The calculation most sensitive parameter to change is discount rate and future salary increases. In determining the appropriate discount rate, the management considers the market yield on high quality government bonds. Future salary increases are based on expected future inflation rates, seniority, promotion, demand and supply in the employment market.

The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes.

Further details about employee benefits obligations are provided in note 15.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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5- NEW STANDARDS AND AMENDMENTS - APPLICABLE FOR THE ANNUAL PERIOD BEGINNING 1 JANUARY 2025

Lack of Exchangeability - Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates'

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. These new requirements apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process).

The Company determined that the amendments did not have a material impact on the Company's financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 relating to the classification and measurement of financial instruments. The amendments clarify certain requirements, including the assessment of contractual cash flow characteristics and derecognition of financial liabilities settled through electronic payment systems, and introduce additional disclosure requirements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The Company is currently assessing the impact of these amendments and does not expect them to have a material effect on its financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) issued Annual Improvements to IFRS Accounting Standards – Volume 11, which includes minor amendments to certain IFRS Accounting Standards to clarify wording and correct minor inconsistencies.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. The Company is currently assessing the impact of these amendments and does not expect them to have a material effect on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: Operating, Investing, Financing, Income Taxes, and Discontinued Operations. It is noted that the first three categories are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

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5- NEW STANDARDS AND AMENDMENTS - APPLICABLE FOR THE ANNUAL PERIOD BEGINNING 1 JANUARY 2025 (CONTINUED)

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Company's equity instruments are publicly traded, it is not eligible to elect to apply for IFRS 19.

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6- PROPERTY, PLANT AND EQUIPMENT

	<u>Lands</u>	<u>Buildings and constructions</u>	<u>Machinery and equipment</u>	<u>Tools and equipment</u>	<u>Office equipment and furniture</u>	<u>Vehicles</u>	<u>Capital work under construction</u>	<u>Total</u>
Cost								
As at 1 December 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-classification	-	42,855	(22,817,238)	29,372,536	(17,678)	(6,580,475)	-	-
Reclassification of Capital Spare Parts (Note 10, 29)	-	-	6,615,699	-	-	-	-	6,615,699
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)
Transfers from capital work under construction	-	6,688,315	13,074,390	-	-	-	(19,762,705)	-
As at 31 December 2024	46,442,583	60,194,354	193,352,467	34,608,906	9,440,488	11,326,563	9,949,234	365,314,595
Additions	-	1,595,991	4,013,689	1,431,195	354,693	247,129	3,908,894	11,551,591
Disposals	-	(57,815)	-	(936,301)	-	(1,963,578)	-	(2,957,694)
Transfers from capital work under construction	-	-	12,188,610	-	-	-	(13,858,128)	(1,669,518)
At 31 December 2025	46,442,583	61,732,530	209,554,766	35,103,800	9,795,181	9,610,114	-	372,238,974
Accumulated depreciation								
As at 1 December 2024	-	19,192,298	172,347,845	1,293,169	6,978,188	14,834,571	-	214,646,071
Re-classification	-	32,838	(16,998,410)	22,352,647	(10,528)	(5,376,547)	-	-
Charge 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	7,352,800	9,794,844	-	225,585,139
Charge for the year	-	1,902,531	6,537,351	2,232,774	499,089	581,542	-	11,753,287
Disposals	-	(6,995)	-	(936,288)	-	(1,963,549)	-	(2,906,832)
At 31 December 2025	-	22,625,278	168,550,864	26,990,726	7,851,889	8,412,837	-	234,431,594
Net Book Value								
1 January 2024	46,442,583	31,184,547	21,106,240	720,163	1,267,644	2,039,056	2,284,416	105,044,649
At 31 December 2024	46,442,583	39,464,612	31,338,954	8,914,666	2,087,688	1,531,719	9,949,234	139,729,456
At 31 December 2025	46,442,583	39,107,252	41,003,902	8,113,074	1,943,292	1,197,277	-	137,807,380

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6- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation expense on property, plant and equipment was distributed as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost of revenue (Note 19)	10,877,421	10,118,775
Selling and distribution expenses (Note 20)	496,562	560,561
General and administrative expenses (Note 21)	379,304	343,016
	<u>11,753,287</u>	<u>11,022,352</u>

Property, plant and equipment include assets that are fully depreciated but remain in active use by the Company, with the total carrying cost of ₪ 139,982,701 (2024: ₪ 142,882,579)

7- INTANGIBLE ASSETS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost		
At 1 January	-	-
Transfers from capital work under construction (Note 6)	1,669,518	-
At 31 December	<u>1,669,518</u>	<u>-</u>
Accumulated amortization		
At 1 January	-	-
Amortization (Note 21)	111,765	-
At 31 December	<u>111,765</u>	<u>-</u>
Net Book Value	<u>1,557,753</u>	<u>-</u>

8- RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

A. Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	<u>Buildings</u>	<u>Lands</u>	<u>Total</u>
1 January 2024	-	3,497,226	3,497,226
Depreciation of right-of-use assets	-	(1,004,618)	(1,004,618)
As at 31 December 2024	-	2,492,608	2,492,608
Lease liabilities adjustments	206,846	572,566	779,412
Additions	55,104	1,660,496	1,715,600
Depreciation of right-of-use assets	(105,719)	(773,733)	(879,452)
As at 31 December 2025	<u>156,231</u>	<u>3,951,937</u>	<u>4,108,168</u>

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

B. The following is the movement in lease liabilities:

	<u>31 December 2025</u>	<u>31 December 2024</u>
At 1 January	2,309,006	3,512,023
Additions	1,715,600	-
Lease liabilities adjustments	754,421	-
Finance costs	213,351	132,333
Lease liabilities	<u>(996,158)</u>	<u>(1,335,350)</u>
	<u>3,996,220</u>	<u>2,309,006</u>
Current	826,190	144,208
Non-current	<u>3,170,030</u>	<u>2,164,798</u>
	<u>3,996,220</u>	<u>2,309,006</u>

C. The following are the amounts recognized in profit or loss:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Finance costs	(213,351)	(132,333)
Depreciation expense of right-of-use assets*	(879,452)	(1,004,618)
Effect of lease adjustments (Note 22)	24,991	-
Expenses related to short-term leases**	(799,802)	(1,060,492)
	<u>(1, 867,614)</u>	<u>(2,197,443)</u>

* The depreciation charge related to the right-of-use assets for the year was allocated as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost of revenue (Note 19)	773,733	1,004,618
Selling and distribution expenses (Note 20)	105,719	-
	<u>879,452</u>	<u>1,004,618</u>

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost of revenue (Note 19)	136,949	154,082
Selling and distribution expenses (Note 20)	662,853	906,410
	<u>799,802</u>	<u>1,060,492</u>

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9- INVESTMENTS IN AN ASSOCIATE

The Company invested in A1 Fence Arabia Industry Company (a Limited Liability Company), in which the Company owns 30% of the capital, where it owns 30% of the capital, while a foreign partner owns 70%.

A. The following is the movement in the investment in the associate:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at beginning of the year	6,931,481	1,654,940
Additions*	-	1,968,888
The Company's share in results of operations	3,148,076	3,307,653
Balance at end of the year	10,079,557	6,931,481

* The addition to the investment balance 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 capital contribution to the associate (Note 25).

B. The following table summarizes the information related to A1 Fence Arabia Industry Company:

	<u>31 December 2025</u>	<u>31 December 2024 **</u>
Current assets	93,707,966	65,297,330
Non-current assets	18,745,262	3,588,338
Current liabilities	83,365,061	36,344,546
Non-current liabilities	4,030,233	17,968,647
Equity	25,057,934	14,572,475
The Company's share in equity – 30% *	10,079,557	6,931,481

* Represents the difference between the carrying amount of the investment in the associate and the company's share in the total equity of the associate, relating only to the company's additional contribution amounting to ₪ 1,968,888 (Note 25), in addition to the effect of excluding income tax related to the foreign partner in the associate.

	<u>31 December 2025</u>	<u>31 December 2024 **</u>
Revenue from contracts with customers	229,977,231	224,493,536
Cost of revenue	(202,736,941)	(194,524,673)
Administrative expenses	(13,562,683)	(13,427,932)
Selling expenses	(568,837)	(409,139)
Financing expenses	(2,643,506)	-
Other expenses	540,253	59,910
Profit before zakat and income tax	11,005,517	16,191,702
Zakat expense	(153,579)	(176,919)
Income tax expense	(1,694,459)	(2,358,645)
Profit for the year from continuing operations	9,157,479	13,656,138
Total comprehensive income from continuing operations	9,072,261	13,656,138
The Company's share of profit before zakat and income tax	3,301,655	3,484,572
Zakat expense	(153,579)	(176,919)
The Company's share of profit for the year	3,148,076	3,307,653

** Comparative figures represent the period from the acquisition date in August 2023 to 31 December 2024.

During 2025, the Company provided a joint guarantee to a local bank against banking facilities granted to A1 Fence Arabia Industry Company (an associate) amounting to ₪ 25,000,000, in addition to any unpaid profits or commissions and any other fees or costs associated with the facilities agreement.

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10- INVENTORIES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Finished goods	95,306,496	98,934,599
Raw materials	25,600,386	19,117,940
Work in progress	10,730,311	12,427,757
Spare parts not held for sale	4,422,597	10,979,894
	<u>136,059,790</u>	<u>141,460,190</u>
Less:		
Reclassification of Capital Spare Parts (Note 6, 29)	-	(6,615,699)
Allowance for slow moving and obsolete inventories	(207,478)	-
	<u>135,852,312</u>	<u>134,844,491</u>

11- TRADE RECEIVABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade receivables – third parties	144,094,601	94,496,314
Trade receivables – related parties (Note 25)	6,900,249	7,816,937
	<u>150,994,850</u>	<u>102,313,251</u>
Less: Provision of expected credit loss	(6,699,079)	(5,662,234)
	<u>144,295,771</u>	<u>96,651,017</u>
Trade receivables - current portion	141,370,254	96,651,017
Trade receivables – non-current portion	2,925,517	-
	<u>144,295,771</u>	<u>96,651,017</u>

Trade receivables with third parties include balances secured by letters of credit and other guarantees amounting to ﷲ 46,749,827 (31 December 2024: ﷲ 27,951,246) These balances have been excluded from the expected credit loss (ECL) calculation due to the existence of sufficient guarantees covering the associated credit risks.

Trade receivables with related parties include a service contract with extended payment terms over 4 years; accordingly, it contains a significant financing component in accordance with the requirements of IFRS 15 "Revenue from Contracts with Customers." Revenue from these contracts is recognized at the present value of the consideration due at the inception of the contract, with the difference between the nominal value and the present value being recognized as finance income over the payment period using the effective interest rate method in accordance with IFRS 9 "Financial Instruments." As of 31 December 2025, trade receivables with related parties include an amount of ﷲ 5,020,668 relating to these arrangements, and the associated finance income will be recognized over the remaining period of the contractual payment terms and the total amount of financing revenue for the current year amounted to 96,498. The Company also measures the expected credit loss (ECL) allowance for these balances using the general approach, which resulted in an insignificant allowance.

The following is the movement in the expected credit loss (ECL) allowance:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at beginning of the year	5,662,234	4,743,469
Charged for the year	1,036,845	918,765
Balance at end of year	<u>6,699,079</u>	<u>5,662,234</u>

11- TRADE RECEIVABLES (CONTINUED)

The aging of trade receivables is as follows:

As at 31 December 2025	<u>Gross carrying amount</u>	<u>Expected credit loss range (%)</u>	<u>Loss allowance</u>
1-90 days	87,293,496	0%-1%	39,936
91-180 days	3,675,567	7%-14%	304,003
181-270 days	30,955	24%-34%	10,550
271-360 days	1,423	43%-100%	1,257
More than 365 days	6,343,333	100%	6,343,333
	<u>97,344,774</u>		<u>6,699,079</u>

As at 31 December 2024	<u>Gross carrying amount</u>	<u>Expected credit loss range (%)</u>	<u>Loss allowance</u>
1-90 days	54,627,973	0%-1%	53,886
91-180 days	3,182,653	7%-14%	79,295
181-270 days	428,000	24%-43%	2,221
271-360 days	3,322,433	55%-100%	542,823
More than 365 days	4,984,009	100%	4,984,009
	<u>66,545,068</u>		<u>5,662,234</u>

12- PREPAID EXPENSES AND OTHER ASSETS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Advances to suppliers	10,058,256	7,039,985
Margin on letters of guarantee	4,314,459	1,825,308
Refundable deposits and fees	2,963,129	2,675,294
Prepaid expenses	3,540,737	945,825
Employee advances and liabilities	1,730,667	1,655,655
Letters of credit (LCs)	180,295	145,362
Others	1,174,095	1,632,557
Less: Impairment of provision for advance payments to suppliers	(3,518,758)	(3,085,679)
	<u>20,442,880</u>	<u>12,834,307</u>

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at beginning of the year	3,085,679	3,085,679
Charge for the year	646,588	-
No longer required (Note 22)	(213,509)	-
Balance at the end of the year	<u>3,518,758</u>	<u>3,085,679</u>

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13- CASH AND CASH EQUIVALENTS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash on hand	177	43
Cash at banks	48,153,574	44,424,301
	<u>48,153,751</u>	<u>44,424,344</u>

14- DIVIDENDS

The Board of Directors, in their meeting held on 20 Jumada Al-Awwal 1447H (corresponding to 11 November 2025), pursuant to the authorization of the Ordinary General Assembly held on 20 Dhu al-Hijjah 1446H (corresponding to 16 June 2025), resolved to distribute dividends amounting to ﷲ 14,040,000, representing 14 Halalas for the nine-month period of 2025 and 36 Halalas from the retained earnings balance until the end of the year 2024. The distribution was made on 22 Jumada Al-Awwal 1447H (corresponding to 24 November 2025) (2024: ﷲ 21,060,000).

15- DEFINED BENEFIT EMPLOYEE OBLIGATIONS

Movement in provision of employees' benefits is summarized as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	8,211,791	8,132,219
Included in profit and loss		
Current service cost	1,368,084	1,016,027
Finance costs	602,087	409,051
Included in other comprehensive income		
Losses/(gains) on remeasurement of defined benefit employee plan	3,013,397	(417,041)
Benefits paid	(1,216,422)	(928,465)
Balance at the end of the year	<u>11,978,937</u>	<u>8,211,791</u>

Key actuarial assumptions:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Short-term salary increments rate	1%	1%
Long-term salary increments rate	4.7%	1%
Discount rate	4.7%	5.38%
Employees turnover rate	Moderate	Moderate

Sensitivity analysis:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>0.5% increase</u>	<u>0.5% decrease</u>	<u>0.5% increase</u>	<u>0.5% decrease</u>
Discount rate	11,621,178	12,359,145	7,854,127	8,593,134
Salary increments rate	12,230,514	11,739,623	8,609,957	7,835,786

The above sensitivity analyses are based on the change in assumptions while all other assumptions are constant. Practically, this is unlikely, as some changes in certain assumptions may be correlated with one another. When calculating the sensitivity of employee end-of-service benefits to a material actuarial assumption, the same method is applied (the present value of employees end-of-service benefits calculated on the basis of the projected unit cost method at the end of the reporting period) when calculating employee end-of-service benefits recognized in the statement of financial position.

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16- TRADE PAYABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade payables– third parties	102,536,861	35,522,044
Trade payables– related parties (Note 25)	15,145,283	8,130,727
	<u>117,682,144</u>	<u>43,652,771</u>

17- ACCRUED EXPENSES AND OTHER LIABILITIES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Advances from suppliers	8,037,659	10,051,704
Accrued employees' benefit	1,997,616	2,559,907
Accrued bonuses and incentives	1,425,000	1,425,000
Accrued commissions	3,172,086	2,654,246
Value added tax	1,434,885	1,514,203
Others	1,822,069	960,209
	<u>17,889,315</u>	<u>19,165,269</u>

18- ZAKAT PROVISION

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	6,300,699	7,277,960
Charge during the year	5,417,848	6,272,927
Paid during the year	(6,049,437)	(7,250,188)
Balance at the end of the year	<u>5,669,110</u>	<u>6,300,699</u>

Zakat assessments status

The Company completed its Zakat returns till 2024. The Company has submitted the Zakat return and the financial statements to the Zakat, Tax and Customs Authority (ZATCA) for the year 2024, paid the amounts due as per the return, and obtained the required Zakat certificate. Furthermore, the Zakat assessment for the year 2024 has been finalized without any differences or amendments to the return.

19- COST OF REVENUE

	<u>31 December 2025</u>	<u>31 December 2024</u>
Materials and production supplies	678,411,200	610,000,575
Employee salaries and benefits	16,288,913	15,585,749
Depreciation of property, plant and equipment (Note 6)	10,877,421	10,118,775
Spare parts and maintenance	4,021,990	4,724,578
Service fees	5,146,952	4,242,343
Depreciation of right-of-use assets (Note 8)	773,733	1,004,618
Short-term leases (Note 8)	136,949	154,082
Others	5,643,126	3,538,991
	<u>721,300,284</u>	<u>649,369,711</u>

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20- SELLING AND MARKETING EXPENSES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Employee salaries and benefits	7,478,892	7,461,950
Shipment and transportation	11,083,334	7,470,277
Selling commissions	1,563,545	1,596,210
Maintenance and repair	1,003,398	1,261,151
Short-term leases (Note 8)	662,853	906,410
Depreciation of property, plant and equipment (Note 6)	496,562	560,561
Government grants	204,355	140,920
Depreciation of right-of-use assets (Note 8)	105,719	-
Others	919,869	1,061,231
	<u>23,518,527</u>	<u>20,458,710</u>

21- GENERAL AND ADMINISTRATIVE EXPENSES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Employee salaries and benefits	13,795,847	12,838,743
Board of Directors and sub-committees' remuneration	1,641,000	1,298,008
Government fees and subscriptions	825,128	1,081,179
Professional and consulting fees	602,918	694,197
Depreciation of property, plant and equipment (Note 6)	379,304	343,016
Amortization of intangible assets (Note 7)	111,765	-
Bank commissions	430,778	45,157
Others	414,714	510,092
	<u>18,201,454</u>	<u>16,810,392</u>

22- OTHER INCOME

	<u>31 December 2025</u>	<u>31 December 2024</u>
Gains from disposal of property, plant and equipment	385,356	11,084
Scrap sales	388,662	-
Effect of lease adjustments (Note 8)	24,991	-
Provision no longer required (Note 12)	213,509	-
	<u>1,012,518</u>	<u>11,084</u>

23- EARNINGS PER SHARE

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Net profit for the year	5,182,654	16,232,927
Weighted average number of shares	28,080,000	28,080,000
Basic and diluted earnings per share	<u>0.18</u>	<u>0.58</u>

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24- SEGMENT INFORMATION

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

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

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

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

A. The following is some financial data for the business segments:

	Industrial Segment	Commercial Segment	Total
At 31 December 2025			
Revenue	454,052,625	316,494,342	770,546,967
Cost of revenue	(417,189,858)	(304,110,426)	(721,300,284)
Gross profit	36,862,767	12,383,916	49,246,683
At 31 December 2024			
Revenue	358,325,520	348,960,559	707,286,079
Cost of revenue	(313,382,448)	(335,987,263)	(649,369,711)
Gross profit	44,943,072	12,973,296	57,916,368
At 31 December 2025			
Property, plant and equipment	92,869,833	44,937,547	137,807,380
At 31 December 2024			
Property, plant and equipment	96,322,450	43,407,006	139,729,456

B. The following is the Company's sales breakdown by geographical region:

	Industrial Segment	Commercial Segment	Total
At 31 December 2025			
Domestic sales	441,295,735	315,712,259	757,007,994
Export sales	13,475,896	63,077	13,538,973
Total	454,771,631	315,775,336	770,546,967
At 31 December 2024			
Domestic sales	352,268,331	348,960,559	701,228,890
Export sales	6,057,189	-	6,057,189
Total	358,325,520	348,960,559	707,286,079

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25- RELATED PARTIES

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

A. The following are the significant transactions with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Transaction type</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
A One Fence Arabia for Industry Company	Fellow subsidiary	Purchases	38,196,160	58,554,242
		Sales	17,322,025	8,959,903
Romoz Alfakhera for Trading Company	Affiliate*	Sales	3,256,220	4,458,345

* An affiliate is a related party in which the shareholders hold a capital interest.

Balances due from related parties consist of the following:

	<u>31 December 2025</u>	<u>31 December 2024</u>
A One Fence Arabia for Industry Company*	10,596,691	9,281,112

* During 2023, A One Fence Arabia for Industry Company entered into an interest-free loan agreement with the Company amounting to ₪ 11,250,000 to finance its operating activities and working capital requirements. The loan is repayable after 30 months from the date of each drawdown. The loan was drawn in four tranches, with the first drawdown on 21 February 2024 and the final drawdown on 29 April 2024. Accordingly, the entire loan balance has been classified as current assets in the current year.

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

The following is the loan balance movement:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	9,281,112	-
Loan granted during the year	-	11,250,000
Fair value effect upon initial recognition	-	(1,968,888)
Returns from long-term receivables measured at fair value	1,315,579	-
Balance at end of the year	10,596,691	9,281,112

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
A One Fence Arabia for Industry Company	6,212,780	7,174,161
Romoz Alfakhera for Trading Company	687,469	642,776
	6,900,249	7,816,937

25- RELATED PARTIES (CONTINUED)

B. Due to related parties - classified under trade payables (Note 16)

	<u>31 December 2025</u>	<u>31 December 2024</u>
A One Fence Arabia for Industry Company	<u>15,145,283</u>	<u>8,130,727</u>

C. Key Management Personnel Compensation

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
Short-term benefits	<u>4,015,064</u>	3,970,279
Post employment benefits	<u>2,223,409</u>	1,940,808
	<u>6,238,473</u>	<u>5,911,087</u>

26- FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company holds various financial instruments in the ordinary course of its activities.

26.1 Financial instruments by category

A. Financial assets at amortized cost:

	<u>Notes</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Due from a related party	25	<u>10,596,691</u>	9,281,112
Trade receivables	11	<u>144,295,771</u>	96,651,017
Other assets	12	<u>10,362,645</u>	8,029,560
Cash and cash equivalents (excluding cash on hand)	13	<u>48,153,574</u>	44,424,301
		<u>213,408,681</u>	<u>158,385,990</u>

B. Financial liabilities at amortized cost:

	<u>Notes</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Lease liabilities	8	<u>3,996,220</u>	2,309,006
Trade payables	16	<u>117,682,144</u>	43,652,771
Expenses payable	17	<u>9,851,656</u>	9,015,429
		<u>131,530,020</u>	<u>54,977,206</u>

The carrying amount of financial assets and liabilities approximates their fair value. Financial assets are not considered to pose a significant credit risk. Trade receivables are due from customers who have been assessed for creditworthiness prior to entering into transactions with them.

26.2 Fair value of assets and liabilities

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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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27- FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value risk, cash flow interest rate risk, and price risk), credit risk, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company also uses derivative financial instruments to hedge certain risk exposures.

27.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is represented by interest rate risk, currency risk and other price risks.

27- 2 Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. There are no interest-bearing financial liabilities at the end of reporting period.

27.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did undertake significant transactions in currencies Saudi Riyals and US Dollars during the year ended 31 December 2025 and 2024. Since Saudi Riyal is pegged to the US Dollar, the Company is not exposed to significant foreign currency risk.

27.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The management continuously monitors the credit exposure towards the customers and makes allowances against those balances considered doubtful of recovery using the expected credit loss model. To mitigate the risk, the Company has developed a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Financial assets		
Due from a related party	10,596,691	9,281,112
Trade receivables	144,295,771	96,651,017
Other assets	10,362,645	8,029,560
Cash at banks	48,153,574	44,424,301
	<u>213,408,681</u>	<u>158,385,990</u>

Cash at banks

For banks, only independently rated parties with sound credit ratings are accepted. The stated rating is as per the global bank ratings by Moody's Investors Service. Management does not expect any losses from non-performance by these counterparties. The identified risk of default arising on these balances is considered not to be material.

The credit rating of banks in which the Company holds cash are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
A	33,780,508	40,026,224
BBB	14,373,066	4,398,077
	<u>48,153,574</u>	<u>44,424,301</u>

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27- FINANCIAL RISK MANAGEMENT (CONTINUED)**27.4 Credit risk (Continued)****Trade receivables**

The Company uses the forward-looking 'expected credit loss' (ECL) model to measure the impairment loss on financial assets. Cash at banks are placed with banks with sound credit ratings. Employee and other receivables are considered to have low credit risk therefore, 12 months expected loss model was used for impairment assessment. Based on management's impairment assessment, there is no provision required in respect of these balances for all the years presented.

For trade receivables, the Company applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables based on a provision matrix. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The provision matrix takes into account historical credit loss experience and is adjusted for average historical recovery rates. The historical loss rates are also considered to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company considers the gross domestic product as the most relevant macro-economic factor of forward-looking information that would impact on the credit risk of the customers and accordingly adjusts the historical loss rates based on expected changes in these factors.

27.5 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis so that sufficient funds are available through committed credit facilities to meet any future commitments. The Company has no significant concentration on liquidity risk. For instance, concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is contractual undiscounted maturity analysis of the financial liabilities of the Company as at 31 December 2025. The Company does not hold financial assets for the management of liquidity risk; therefore, these risks were not taken into consideration when preparing the maturity analysis.

2025	Above 1 year to			Total
	1 year or less	5 years	More than 5 years	
Non derivative financial liabilities				
Lease liabilities	1,013,868	2,388,155	1,488,843	4,890,866
Trade payables	117,682,144	-	-	117,682,144
Expenses payable	9,851,656	-	-	9,851,656
	<u>128,547,668</u>	<u>2,388,155</u>	<u>1,488,843</u>	<u>132,424,666</u>
2024	1 year or less	Above 1 year to 5 years	More than 5 years	Total
Non derivative financial liabilities				
Lease liabilities	566,911	1,384,620	1,210,106	3,161,637
Trade payables	43,652,771	-	-	43,652,771
Expenses payable	9,015,429	-	-	9,015,429
	<u>53,235,111</u>	<u>1,384,620</u>	<u>1,210,106</u>	<u>55,829,837</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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27- FINANCIAL RISK MANAGEMENT (CONTINUED)

27.6 Changes in liabilities arising from financing activities

2025	1 January 2025	Cash flows	New leases	Others	31 December 2025
Non derivative financial liabilities					
Lease liabilities	2,309,006	(996,158)	1,715,600	967,772	3,996,220
2024	1 January 2024	Cash flows	New leases	Others	31 December 2024
Non derivative financial liabilities					
Lease liabilities	3,512,023	(1,335,350)	-	132,333	2,309,006

The 'Other' column includes the effect of lease modifications and other adjustments.

28- CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt divided by total capital less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. Net debt is calculated as borrowings (if any), lease liabilities as shown in the statement of financial position, less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	31 December 2025	31 December 2024
Lease liabilities	3,996,220	2,309,006
Less: cash and cash equivalents	(48,153,751)	(44,424,344)
Net debt	-	-
Shareholders' equity	355,678,537	367,549,280
Total capital	355,678,537	367,549,280
Gearing ratio	None	None

29- COMPARATIVE FIGURES

Certain comparative information for the prior year has been reclassified to conform to the presentation in the current year. As a result of this reclassification, there is no impact on the statement of profit or loss and other comprehensive income, and the statement of changes in equity.

29-1 Reclassification of capital spare parts

During the year, management identified that certain spare parts amounting to ₪ 6,615,699, which were previously classified as inventory, meet the recognition criteria as property, plant and equipment in accordance with the requirements of IAS 16 "Property, Plant and Equipment." These items represent capital spare parts associated with operated machinery and equipment and are expected to be used over more than one financial period; however, they had not been installed or put into use as at the reporting date.

Accordingly, the Company reclassified these items from inventory to property, plant and equipment. In line with the Company's accounting policies, depreciation on these spare parts will commence upon their installation and when they are ready for use, based on their estimated useful lives or the remaining useful lives of the related assets, whichever is shorter. This reclassification did not have any impact on the statement of profit or loss or retained earnings for the current or prior periods.

29- COMPARATIVE FIGURES (CONTINUED)

29-2 Re-measurement of the loan granted to the associate company

Management has also reassessed the accounting treatment of an interest-free loan previously granted to the associate company. In accordance with the requirements of IFRS 9 – Financial Instruments and IAS 28 – Investments in Associates and Joint Ventures, management concluded that the difference between the nominal value of the loan and its fair value at initial recognition should be treated as a contribution to the equity of the associate. Accordingly, an amount of 1,968,888 has been reclassified from “Due from related parties” to “Investment in an associate” to reflect the accounting treatment in accordance with the effective interest rate method and fair value.

29-3 Reclassification of balances with related parties

During the year, management reclassified certain balances related to related parties to better reflect their commercial nature. An amount of ﷲ 642,776 was reclassified from “due from related parties” to “trade receivables,” as it arose from commercial transactions.

In addition, an amount of ﷲ 956,566, previously included in “due to related parties” and presented on a net basis, was reclassified to “trade receivables” amounting to ﷲ 7,174,160 and “trade payables” amounting to ﷲ 8,130,727. This reclassification was made as these balances were determined to be of a commercial nature and did not meet the criteria for offsetting; accordingly, they have been presented on a gross basis.

29-4 Reclassification of prepaid lease payments

The Company identified that certain lease payments relating to the prior year were presented within “prepayments” in the comparative figures, whereas they should have been offset against the related lease liabilities, amounting to ﷲ 311,022. Accordingly, the comparative figures have been reclassified between prepayments and lease liabilities to reflect the appropriate presentation.

The following is a summary of the reclassifications in the statement of financial position for the year ended 31 December 2024:

Statement of financial position as of 31 December 2024:

		31 December 2024	Reclassification	31 December 2024
	Notes	(As previously disclosed)	effect	(As currently disclosed)
Non-current assets				
Property, plant and equipment	29- 1	133,113,757	6,615,699	139,729,456
Investments in an associate	29- 2	4,962,593	1,968,888	6,931,481
Due from related parties – non-current portion	29- 2	11,250,000	(1,968,888)	9,281,112
Current assets				
Inventories	29- 1	141,460,190	(6,615,699)	134,844,491
Due from related parties - current portion	29- 3	642,776	(642,776)	-
Trade receivables	29- 3	88,834,080	7,816,937	96,651,017
Prepaid expenses and other assets	29- 4	13,145,329	(311,022)	12,834,307
Current liabilities				
Lease liabilities	29- 4	455,230	(311,022)	144,208
Trade payables	29- 3	35,522,044	8,130,727	43,652,771
Due to related parties	29- 3	956,566	(956,566)	-

30- CONTINGENCIES AND COMMITMENTS

Contingencies and financial commitments as of 31 December 2025 and 2024 were as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Letters of credit (LCs)	17,729,833	12,339,872
Letters of guarantee	86,289,182	34,680,847
Capital commitments relating to the construction and execution of capital works	119,449	9,949,234
	<u>104,138,464</u>	<u>56,969,953</u>

31- SUBSEQUENT EVENTS

No subsequent events occurred between 31 December 2025 and the date of authorization of issuance of the accompanying financial statements by the Board of Directors, which may have an impact on the financial statements.

32- BOARD OF DIRECTORS APPROVAL

These financial statements were authorized for issue by the Company's Board of Directors on 10 Shawal 1447H (corresponding to 29 March 2026).