

**SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
(SAUDI JOINT STOCK COMPANY)**

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

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
(Saudi Joint Stock Company)
**CONSOLIDATED 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
Saudi Industrial Development Company (SIDC)
Jeddah, Kingdom of Saudi Arabia**

Opinion

We have audited the consolidated financial statements of Saudi Industrial Development Co. (SIDC) (a Saudi Joint Stock Company) ("the Company"), and its subsidiaries (together referred to "the Group"), which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, including material accounting policy information .

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as 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 Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Consolidated Financial Statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- We draw attention to Note (1) to the accompanying consolidated financial statements, which indicates that the Group had incurred recurring net losses and was facing liquidity pressures as of 31 December 2024. We also noted that the Group had recurring operating losses, negative cash flows from operating activities, and a history of not achieving the approved forecast budgets, as the actual results were lower than previous expectations, which increases the degree of uncertainty associated with management's estimates and assumptions underlying its going concern assessment. However, during the current year, the Group was able to obtain the required funding from shareholders through a capital increase amounting to SAR 165 million to support its operations and planned investments, including the launch of a new commercial identity and expansion in showrooms. Management expects an improvement in the Group's financial performance and operating cash flows, mainly due to obtaining sufficient funding as well as the expansion plans approved by the Board of Directors and presented to shareholders when seeking such funding from them. Accordingly, the Group's ability to continue as a going concern remains dependent on the successful implementation of the Group's business plans and the achievement of the expected cash flows approved by the Board of Directors. Our opinion has not been modified in respect of this matter.
- We also draw attention to Note (29) to the accompanying consolidated financial statements, which indicates that certain comparative figures as of January 1, 2024, and December 31, 2024, have been restated. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR’S REPORT – Continued

To the Shareholders
Saudi Industrial Development Company (SIDC)
Jeddah, Kingdom of Saudi Arabia
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key Audit matter	Audit Procedures Performed
Revenue Recognition	
<p>The Group recognized revenue amounting to SAR 98.8 million for the year ended 31 December 2025 (2024: SAR 137.7 million).</p> <p>Revenue is recognized from the Group’s principal activities, namely the sale of goods and transportation services.</p> <p>We considered this a key audit matter due to the recognition of revenue in accordance with the requirements of IFRS 15 – “Revenue from Contracts with Customers”. As the revenue is considered a significant line item in the consolidated financial statements and is an important indicator of the Group’s performance. It also includes significant inherent audit risks, particularly due to susceptibility to fraud. The Group recognizes revenue upon the transfer of control of goods to the customer, which generally occurs upon delivery. Revenue from transportation services is recognized at the point in time when control is transferred to the customer, typically upon the delivery of goods (point in time).</p> <p>Refer to Note (3) for the accounting policy and Note (22) for the related disclosures.</p>	<p>Our audit procedures to assess revenue recognition included the following:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Group’s accounting policies for revenue recognition and evaluated the reasonableness of its approach and application of the requirements of IFRS 15 - Revenue from Contracts with Customers. • We selected samples of revenue transactions and tested them against supporting documentation such as invoices, shipping documents, and other relevant documents. For the selected samples, we verified that revenue was recognized upon satisfaction of the performance obligation — typically at the point of delivery. In addition, we tested a sample of revenue transactions recorded before and after the year-end to verify whether revenue was recognized in the appropriate reporting period, by inspecting third-party evidence such as transportation invoices and customer confirmations of goods received, in line with the requirements of IFRS 15. • We evaluated the design and implementation of internal controls related to revenue recognition, including controls aimed at preventing and detecting fraud. • Assessing the adequacy and appropriateness of disclosures in the consolidated financial statements related to revenue recognition, to ensure compliance with the requirements of IFRS 15.

**To the Shareholders
Saudi Industrial Development Company (SIDC)
Jeddah, Kingdom of Saudi Arabia**

Key Audit Matters- Continued

Key Audit matter	Audit Procedures Performed
Inventory Valuation	
<p>As of December 31, 2025 the Group’s inventory value amounted to SAR 28.7 million 2025(December 31, 2024: SAR 36.5 million), net of impairment in inventory value.</p> <p>Inventory valuation was considered a key audit matter due to the significant judgments and key assumptions applied by management in valuating the inventory at the lower of cost or net realizable value. In addition, management determines a provision for slow-moving and obsolete inventory.</p> <p>As of each reporting date, management reviews the valuation of inventory and applies the lower of cost or net realizable value. The cost of inventory expected to be sold at a value below its original cost is written down accordingly.</p> <p>Refer to Note (3) for the accounting policy and Note (10) for the related disclosures.</p>	<p>Our audit procedures to assess the valuation of inventory included the following:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the Group’s accounting policies for inventory valuation and measurement, In accordance with the requirements of International Accounting Standard (IAS 2) "Inventory". • Testing the net realizable value by selecting samples and comparing the recorded cost to the estimated selling price in the ordinary course of business, net of any costs to complete the sale. • Assessing the adequacy of provisions recorded for slow-moving and obsolete inventory. • Evaluating the sufficiency and appropriateness of related disclosures in the consolidated financial statements.

**To the Shareholders
Saudi Industrial Development Company (SIDC)
Jeddah, Kingdom of Saudi Arabia**

Key Audit Matters- Continued

Key Audit Matter	Audit Procedures Performed
Impairment Assessment of Goodwill	
<p>As of 31 December 2025, the Group’s carrying amount of goodwill was nil (31 December 2024: SAR 32.4 million), which arose from an acquisition of subsidiary in prior years</p> <p>The assessment of goodwill impairment is a key audit matter due to its material significance and the estimation of future cash flows and assumptions used to calculate the discounted value of those cash flows. These estimates involve significant judgment that affects the determination of the recoverable amount and, consequently, the assessment of goodwill impairment.</p> <p>Goodwill is tested for impairment annually. For the cash-generating unit to which the goodwill was allocated as a result of acquisitions in prior years, the impairment test is conducted by comparing the carrying amount of the cash-generating unit with its recoverable amount. The recoverable amount is determined based on the value in use, calculated using cash flow projections derived from the financial forecasts approved by senior management and the Group’s Board of Directors.</p> <p>Refer to Note (3) related to accounting policy and Note (6) for further disclosures.</p>	<p>We obtained management’s impairment assessment and performed the following procedures:</p> <ul style="list-style-type: none"> • We have verified that the calculations for the recoverable amounts were based on the latest business plan approved by the Board of Directors. Management has also followed a clearly documented mechanism for estimating future cash flows, which cover the period from 2026 to 2030. • We assessed the reasonableness of the business plan by comparing the implied growth rates with market forecasts and analysts’ expectations. • We also evaluated the extent to which management compared the estimated figures with the actual results in its current assessment, as well as its adjustments to the revenue growth rates and operating margins used in the current year’s model. • We compared model inputs, such as the weighted average cost of capital, long-term growth rates, and other assumptions, against observable market data. • We also performed a sensitivity analysis on key assumptions to ensure the extent of changes of those assumptions, as this will be required to measure goodwill impairment. • We engaged an expert to review the business plan provided by management in connection with the goodwill impairment test.

Other Information Included in the Group’s 2025 Annual Report

The other information comprises the information included in the Group's annual report for the year ended December 31, 2025, other than the consolidated financial statements and auditor's report thereon. Management is responsible for the other information included in its annual report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information mentioned above and, in doing so, consider whether such information is materially inconsistent with the consolidated financial statements or with our knowledge obtained during 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 this fact. We have nothing to report on in this regard.

INDEPENDENT AUDITOR'S REPORT – Continued

**To the Shareholders
Saudi Industrial Development Company (SIDC)
Jeddah, Kingdom of Saudi Arabia**

Responsibilities of Management and Those Charged with Governance of the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and in compliance with Companies Law and the Company's By-Laws, and it is responsible for such internal controls as it determines is necessary to enable the preparation relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (Board of directors) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 it is not a guarantee that an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia will always detect every material misstatement when it exists. Misstatements can arise from fraud or error, and misstatements are considered material if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain sufficient and appropriate audit evidence 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 controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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 whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT – Continued

To the Shareholders
Saudi Industrial Development Company (SIDC)
Jeddah, Kingdom of Saudi Arabia

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements – Continued

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and 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 consolidated 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.

Crowe Solutions for Professional Consulting



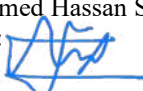
19 Shawwal 1447H (corresponding April 07, 2026)
Jeddah, Kingdom of Saudi Arabia


A blue ink signature of Abdullah M. Al Azem, consisting of a series of loops and a long horizontal stroke.

Abdullah M. Al Azem
License No. 335

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
(Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
(Expressed in Saudi Riyals)

		As of December 31, 2025	As of December 31, 2024 (restated)	As of January 1, 2024 (restated)
ASSETS	Note			
NON-CURRENT ASSETS				
Property, plant, and equipment	5	39,516,615	38,845,440	44,445,430
Goodwill	6	-	32,356,409	32,356,409
Right of use assets	7	10,712,257	10,427,497	10,831,484
Intangible assets	8	69,133	34,639	70,969
Financial assets at fair value through other comprehensive income (FVOCI)	9	19,447,099	29,620,465	55,703,687
Prepaid expenses and other debit balances non-current portion	11	802,500	502,500	-
TOTAL NON-CURRENT ASSETS		70,547,604	111,786,950	143,407,979
CURRENT ASSETS				
Inventory	10	28,650,109	36,473,737	31,964,050
Prepaid expenses and other debit balances current portion	11	5,575,312	4,657,570	4,284,191
Trade receivables	12	20,749,424	25,106,230	15,289,544
Financial assets at fair value through profit or loss	13	-	-	3,987,304
Cash and cash equivalents	14	103,553,484	1,681,143	7,166,986
TOTAL CURRENT ASSETS		158,528,329	67,918,680	62,692,075
TOTAL ASSETS		229,075,933	179,705,630	206,100,054
EQUITY AND LIABILITIES				
EQUITY				
Share capital	1	300,000,000	135,000,000	400,000,000
Foreign currency translation reserve	15	(51,585,066)	(52,169,860)	(45,146,685)
Fair value change reserve of investments	9	(135,841,933)	(137,110,764)	(124,572,748)
Re-measurement reserve of defined benefit obligations		655,930	763,958	2,560,567
Retained Earnings/(Accumulated losses)		25,539,186	127,274,088	(134,762,464)
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		138,768,117	73,757,422	98,078,670
Non-controlling interest	16	6,032,006	4,966,585	6,678,512
TOTAL EQUITY		144,800,123	78,724,007	104,757,182
NON-CURRENT LIABILITIES				
Employee benefit obligations	17	17,816,316	16,981,295	14,484,735
Lease liabilities - non-current portion	7	7,828,361	6,764,592	7,235,407
Deferred tax liabilities		261,841	265,293	427,738
Government grant - non-current portion	21	864,559	-	-
Loans and credit facilities- non-current portion	21	6,838,289	2,702,176	-
TOTAL NON-CURRENT LIABILITIES		33,609,366	26,713,356	22,147,880
CURRENT LIABILITIES				
Zakat and income tax payable	18	2,838,064	3,118,969	6,015,800
Accrued expenses and other current liabilities	19	12,208,991	13,961,881	14,380,952
Due to a related party	33	-	3,000,000	-
Lease liabilities - current portion	7	3,016,681	3,221,939	2,915,633
Government grant - current portion	21	247,184	-	-
Underwriting surplus	20	9,010,549	6,942,595	6,350,898
Loans and credit facilities- current portion	21	4,561,107	19,346,316	22,095,729
Trade payables		18,783,868	24,676,567	27,435,980
TOTAL CURRENT LIABILITIES		50,666,444	74,268,267	79,194,992
TOTAL LIABILITIES		84,275,810	100,981,623	101,342,872
TOTAL EQUITY AND LIABILITIES		229,075,933	179,705,630	206,100,054

Chief Financial Officer:
Name: Ahmed Hassan Shtiwi
Signature: 

Vice Chairman of the Board and Managing Director:
Name: Bandar bin Abdullah Al-Homaidhi
Signature: 

The attached notes 1 to 35 form an integral part of these consolidated financial statements

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)

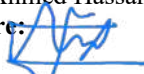
(Saudi Joint Stock Company)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025****(Expressed in Saudi Riyals)**


	Note	For the year ended December 31	
		2025	2024
Revenue	22	98,810,937	137,669,966
Cost of revenue	23	(85,330,055)	(107,092,294)
Gross profit		13,480,882	30,577,672
Selling and distribution expenses	24	(15,041,401)	(17,426,287)
General and administrative expenses	25	(30,975,857)	(30,331,691)
Impairment of Goodwill	6	(32,356,409)	-
Impairment of non-financial assets	5,7	(1,675,902)	-
Impairment of current assets	26	(19,831,916)	(4,343,586)
Loss from operations		(86,400,603)	(21,523,892)
Realized gain from financial assets at fair value through profit or loss	13	-	1,544,478
Dividends from the financial assets at fair value		686,074	753,016
Finance cost	27	(4,093,766)	(2,584,849)
Other income	28	3,179,562	6,171,376
Net Loss before zakat and income tax		(86,628,733)	(15,639,871)
Zakat charged during the year	18	(1,387,054)	(168,227)
Income tax and Deferred tax	18	20,038	285,854
Loss for the year		(87,995,749)	(15,522,244)
Loss attributable to:			
Parent Company shareholders		(89,058,923)	(16,905,612)
Non-controlling interest	16	1,063,174	1,383,368
		(87,995,749)	(15,522,244)
Other Comprehensive (loss) / income items:			
Items that are classified subsequently to the consolidated statement of profit or loss:			
Changes in foreign currency translation reserve	15	584,794	(7,023,175)
Items that are non-classified subsequently to the consolidated statement of profit or loss:			
Realized (losses) / profits from financial assets at fair value through other comprehensive income	9	(7,247,769)	13,942,164
Unrealized profits /(losses) from financial assets at fair value through other comprehensive income	9	1,268,831	(12,538,016)
Re-measurement of employee benefits obligations	17	(105,781)	(1,891,904)
Total comprehensive loss		(5,499,925)	(7,510,931)
Net comprehensive loss for the year		(93,495,674)	(23,033,175)
Net comprehensive (loss) / income attributable to:			
Parent Company shareholders		(94,561,095)	(24,321,248)
Non-controlling interest	16	1,065,421	1,288,073
		(93,495,674)	(23,033,175)
Loss per share			
The weighted average number of shares	30	18,382,514	17,072,005
Loss per share from operations (Basic and diluted)	30	(4.70)	(1.26)
Loss for the year attributable to shareholders (Basic and diluted)	30	(4.84)	(0.99)

Chief Financial Officer:

Name: Ahmed Hassan Shtiwi

Signature: **Vice Chairman of the Board and Managing Director:**

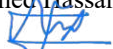
Name: Bandar bin Abdullah Al-Homaidhi


Signature: 

The attached notes 1 to 35 form an integral part of these consolidated financial statements

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
(Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

	Share Capital	Foreign currencies translation reserve	Fair value change reserve of investments	Re-measurement reserve of defined benefit obligations	Retained Earnings/ (Accumulated Losses)	Total equity attributable to shareholders of the Parent Company	Equity for non-controlling interests	Total Equity
<u>December 31, 2024 (restated)</u>								
Balance as at 31 December 2023, before adjustment	400,000,000	(45,146,685)	8,327,252	2,560,567	(267,662,464)	98,078,670	6,678,512	104,757,182
Prior years' adjustments (Note 29)	-	-	(132,900,000)	-	132,900,000	-	-	-
Balance as at 1 January 2024, after adjustment	400,000,000	(45,146,685)	(124,572,748)	2,560,567	(134,762,464)	98,078,670	6,678,512	104,757,182
Net (loss) / profit for the year	-	-	-	-	(16,905,612)	(16,905,612)	1,383,368	(15,522,244)
Other comprehensive (loss)/income items	-	(7,023,175)	(12,538,016)	(1,796,609)	13,942,164	(7,415,636)	(95,295)	(7,510,931)
Total comprehensive loss for the year	-	(7,023,175)	(12,538,016)	(1,796,609)	(2,963,448)	(24,321,248)	1,288,073	(23,033,175)
Absorption of accumulated losses by reducing capital - (Note 1)	(265,000,000)	-	-	-	265,000,000	-	-	-
Net change in non-controlling interest	-	-	-	-	-	-	(3,000,000)	(3,000,000)
Balance as at December 31, 2024	135,000,000	(52,169,860)	(137,110,764)	763,958	127,274,088	73,757,422	4,966,585	78,724,007
<u>December 31, 2025</u>								
Balance as at 1 January, 2025	135,000,000	(52,169,860)	(137,110,764)	763,958	127,274,088	73,757,422	4,966,585	78,724,007
Net (loss) / profit for the year	-	-	-	-	(89,058,923)	(89,058,923)	1,063,174	(87,995,749)
Other comprehensive (loss)/income items	-	584,794	1,268,831	(108,028)	(7,247,769)	(5,502,172)	2,247	(5,499,925)
Net comprehensive (loss) / income	-	584,794	1,268,831	(108,028)	(96,306,692)	(94,561,095)	1,065,421	(93,495,674)
Capital increase through rights shares - (Note 1)	165,000,000	-	-	-	-	165,000,000	-	165,000,000
Transaction costs related to issued share capital - Note 1	-	-	-	-	(5,428,210)	(5,428,210)	-	(5,428,210)
Balance as at December 31, 2025	300,000,000	(51,585,066)	(135,841,933)	655,930	25,539,186	138,768,117	6,032,006	144,800,123

Chief Financial Officer:
Name: Ahmed Hassan Shtiwi
Signature: 

Vice Chairman of the Board and Managing Director:
Name: Bandar bin Abdullah Al-Homaidhi
Signature: 

The attached notes 1 to 35 form an integral part of these consolidated financial statements

SAUDI INDUSTRIAL DEVELOPMENT COMPANY (SIDC)
(Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2025
(Expressed in Saudi Riyals)

	For the year ended December 31	
	2025	2024
<u>Cash flows from operating activities:</u>		
Net Loss before zakat and income tax	(86,628,733)	(15,639,871)
Net cash used in operating activities Adjustments to reconcile net loss		
Depreciation of right of use assets	4,475,503	4,284,737
Depreciation of property, plant and equipment	7,314,313	7,080,840
Reversal of provision	-	(2,286,531)
Amortization of intangible assets	15,560	36,330
Impairment of property, plant and equipment	1,013,255	-
Impairment of right-of-use assets	662,647	-
Gain from sale of property, plant and equipment	(774,798)	(480,740)
Impairment of goodwill	32,356,409	-
Realized gain from financial assets at fair value through profit or loss	-	(1,544,478)
Impairment of inventory	19,758,745	4,799,696
Impairment / (reversal) of trade receivables	130,173	379,087
Impairment of other current assets	(57,002)	(28,336)
Employee benefit obligations charged for the year	2,848,004	2,566,084
Finance costs	4,093,766	2,584,849
Write-off of credit facilities	(124,177)	-
Adjustment in lease liabilities	(16,650)	84,652
Changes in operating assets and liabilities:		
Trade receivable	4,218,343	(10,154,476)
Inventory	(11,935,117)	(9,309,383)
Prepaid expenses and other debit balances	(1,160,754)	(841,786)
Trade payables	(5,892,699)	(2,759,413)
Deferred tax liabilities	(618)	(162,445)
Accrued expenses and other current liabilities	(1,781,976)	1,606,235
Cash used in operating activities	(31,485,806)	(19,787,949)
Zakat and income tax paid	(1,667,959)	(2,779,204)
Employee benefits paid	(2,118,764)	(1,961,428)
Finance cost paid	(3,000,762)	(2,077,958)
Net cash used in operating activities	(38,273,291)	(26,606,539)
<u>Cash flows from Investing activities</u>		
Purchase of Property, plant, and equipment	(9,398,784)	(2,992,763)
Proceed from sale Property, plant, and equipment	1,288,837	506,660
Net Changes in financial assets at fair value	4,194,428	25,284,910
Net cash (used in)/generated from investing activities	(3,915,519)	22,798,807
<u>Cash flows from Financing activities</u>		
Capital issuance, net of expenses	159,571,790	-
Proceed from credit facilities	(9,902,819)	5,559,852
Dividend distributions	-	(3,000,000)
Surplus subscription	2,067,954	591,697
Due to a related party	(3,000,000)	3,000,000
Lease liabilities paid	(5,161,535)	(4,398,235)
Net cash generated from financing activities	143,575,390	1,753,314
Net change in cash and cash equivalents	101,386,580	(2,054,418)
Cash and cash equivalents at beginning of the year	1,681,143	7,166,986
Foreign currency translation differences	485,761	(3,431,425)
Cash and cash equivalents at end of the year	103,553,484	1,681,143
<u>Significate Non-cash Transaction</u>		
Absorption of accumulated losses by reducing capital	-	265,000,000
Payment of outstanding credit facilities through financing	-	5,607,089
Unrealized gain / (loss) from financial assets at fair value through OCI	1,268,831	12,538,016
Additions to right-of-use assets and Lease liabilities	-	4,200,413
Transfer from lease liabilities to accrued expenses	-	261,225
Realized gain classified from financial assets at fair value through OCI - accumulated losses	7,247,769	13,942,164

Chief Financial Officer:

Name: Ahmed Hassan Shtiwi

Signature: 

Vice Chairman of the Board and Managing Director:

Name: Bandar bin Abdullah Al-Homaidhi

Signature: 

The attached notes 1 to 35 form an integral part of these consolidated financial statements

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(Saudi Joint Stock Company)

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1. CORPORATE INFORMATION FOR THE COMPANY AND ITS SUBSIDIARIES

Saudi Industrial Development Company (SIDC) (“the Parent Company”) was established in the Kingdom of Saudi Arabia as a Saudi joint stock Company pursuant to the decision of the Minister of Commerce No. 673 dated 14 December 1992 (corresponding to 20 Jumada Al-Thani 1413 H.). The Company obtained its Commercial Registration No. 4030092792, which is issued in Jeddah, Kingdom of Saudi Arabia on 1 January 1993 (corresponding to 17 Rajab 1413 H).

The Company authorized, issued, and fully paid share capital is SAR 400 million which is divided into 40 million shares stated at SAR 10 each as of December 31, 2023.

As of 31 December 2023, the Company’s accumulated losses amounted to SAR 267.7 million. Accordingly, the Board of Directors recommended a reduction of the Company’s share capital to offset the accumulated losses. This recommendation was approved at the Extraordinary General Assembly meeting held on 19 September 2024, where it was resolved to reduce the Company’s share capital by SAR 265 million for the purpose of eliminating the accumulated losses. As a result, 26.5 million shares were cancelled, representing a reduction of 0.6625 shares for each outstanding share, as part of the Company’s capital restructuring.

Following the capital reduction, the Company’s share capital amounted to SAR 135 million as of December 31, 2024, divided into 13.5 million shares with a nominal value of SAR 10 each.

On 6 November 2025, the Extraordinary General Assembly approved the Board of Directors’ recommendation to increase the Company’s share capital through a rights issue of SAR 165 million, divided into 16.5 million ordinary shares with a nominal value of SAR 10 per share and an issue price of SAR 10 per share. As a result, the Company’s share capital after the increase amounted to SAR 300 million, divided into 30 million ordinary shares. The capital increase was undertaken to enable the Company to implement its operational plans, support working capital, and strengthen its financial position.

The Company incurred transaction costs of SAR 5.4 million related to the rights issue, which were recognized as a deduction from equity in accordance with the requirements of the International Financial Reporting Standards adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The Company’s activities include the manufacture of plastic sanitary ware, including wash basins, bathtubs and toilets, as well as the manufacture of sponge products.

The consolidated financial statements consist of the financial statements of the Saudi Industrial Development Company (SIDC) (the "parent company") and its branches and subsidiaries, all referred to as (the "Group"). The Group's subsidiaries and main activities along with the share were disclosed in Note (3) of these consolidated financial statements.

The registered address of the company is on Prince Mohammed bin Abdulaziz Street in Al Faisaliah district in Jeddah, Kingdom of Saudi Arabia.

The financial year of the Company starts from the beginning of January of each calendar year and ends by the end of December of the same year.

The shares of the parent Company are listed on the stock market of the kingdom of Saudi Arabia "Tadawul" under the number 2130.

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Branches of the Company in the kingdom of Saudi Arabia:

Commercial Registration number	City	Commercial Registration date	Activates
4700005290	Yanbu	9 Jumada Al-Awwal 1416H corresponding to (October 3, 1995)	The manufacture of sanitary supplies stems from plastics, including (wash basins, showers and toilets ...Etc.) Manufacture of sponge products, Manufacture of furniture and furniture from wood, furniture upholstery, detailing of mattresses of various types, wholesale of sanitary ware and its extensions, heaters and water tanks, retail sale of blankets, sheets, linens and bedspreads, retail sale of sanitary ware and its extensions such as washbasins, chairs, sinks ... Etc. devices for saunas.
1010480324	Riyadh	27 Rabi Al-Awwal 1440H corresponding to (December 5, 2018)	

Going concern

Going Concern of the Group and Accumulated Losses

The Group’s management has assessed its financial performance and working capital for the current and upcoming periods. Management is satisfied that the Group has sufficient resources to continue its operations and is confident that it will be able to generate adequate cash flows to meet its short-term obligations as of the date of these consolidated financial statements.

Although the Group has incurred historical losses that have affected its results and equity in prior years, management has implemented several measures to support its going concern. In addition, a budget and cash flow forecasts covering the year 2026 have been prepared. The key measures considered by management in addressing financial performance and working capital include the following:

• **Strengthening Financial Position and Liquidity through Capital Increase**

The Company completed a capital increase of SAR 165 million, and the proceeds were received in December 2025. These proceeds will be utilized and disbursed in accordance with the approved use of proceeds outlined in the prospectus, including covering issuance costs, supporting working capital, financing expansion and investment plans, repaying a portion of borrowings, and funding specific operational projects.

• **Business and Operational Plan for 2026**

Management approved a budget for 2026, which includes operational and financial targets based on business development initiatives, including the planned investment in (sh) brand showrooms starting in 2026. Management expects this initiative to positively impact sales growth and improve profitability in the coming periods.

• **Management of Financing and Facilities**

The Group submitted a request to renew the banking facilities of its subsidiary, (Global Marketing Company for Sleeping System Limited “Sleep High”), with Riyad Bank for SAR 9 million for an additional year, expiring in February 2027. Furthermore, the Group repaid approximately SAR 13 million of credit facilities with Derayah Finance and made early repayment of sukuk facilities totaling approximately SAR 5.8 million. These actions are expected to reduce financing costs and strengthen the liquidity position.

• **Liquidity and Cash Flow Assessment**

Management prepared cash flow forecasts covering the year 2026, demonstrating the Group’s ability to meet its obligations as they fall due during the assessment period, taking into account available liquidity sources, the approved expenditure plan, and planned capital expenditures. The forecasts indicate maintenance of a comfortable level of unrestricted cash throughout the assessment period, with periodic financing obligations within the Group’s operational and financing capacity. A reasonable sensitivity

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analysis was performed on key operational assumptions, and the results did not indicate any liquidity pressures that could affect the Group's ability to continue as a going concern.

Based on the foregoing, these consolidated financial statements have been prepared on a going concern basis, as management believes that the Group will continue to operate in accordance with the going concern principle.

2. BASIS OF PREPARATION

The consolidated 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 that are endorsed by the Saudi Organization for Auditors and Accountants.

Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss that are measured at fair value and employee benefit obligations where the actuarial's present value calculations are used.

Functional and presentation currency

The consolidated financial statements are prepared in Saudi riyals (SAR), which represent the Group's functional and reporting currency.

New Standards, Amendment to Standards and Interpretations:

There are a number of other new amendments to standards, listed below, which are effective this year but do not have a material impact on the Group's consolidated financial statements.

Amendments to the Standard	Description	Effective for annual periods beginning on or after
Amendments to International Accounting Standard (IAS) 21	Non-convertibility of Currencies -Amendments to International Accounting Standard (IAS) 21	1 January 2025
Amendments to International Financial Reporting Standard (IFRS) 10 and International Accounting Standard (IAS) 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Optional Application Available / Effective Date Deferred and Not Yet Determined

Issued Accounting Standards Not Yet Effective

The Group has not applied early any standard, interpretation, or amendment that has been issued but is not yet effective. Several of these amendments will be applied for the first time in 2025 or in subsequent annual periods; however, they are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to the Standard	Description	Effective for annual periods beginning on or after
New Standard: International Financial Reporting Standard (IFRS) 18	Presentation and Disclosure in the Financial Statements	1 January 2027
New Standard: International Financial Reporting Standard (IFRS) 19	Reduced Disclosures for Subsidiaries	1 January 2027
Amendments to International Financial Reporting Standard (IFRS) 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026

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3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements include statements of the Company and its Subsidiaries (“the Group”). Control is achieved when the Company is exposed, or has rights, to variable returns from its transactions with the investee and has the ability to affect those returns through exercising its power over the investee. Specifically, the Company controls an investee if, and only if, has:

- Power over the investee (i.e., existing rights that give the Company the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its transactions with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Company obtains control over the Subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date it ceases to control the subsidiary

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company’s accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and, other components of equity, while any resultant gain or loss is recognized in the consolidated statement of comprehensive income. Any investment retained is recognized at fair value.

The following subsidiaries that are directly or indirectly owned by more than 50% and/or over which the Company is able to exercise control are consolidated in these consolidated financial statements based on the financial statements of the subsidiaries.

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Below are the details of the subsidiaries:

Company Name	Country of incorporation	The activity	The ownership ratios of direct and indirect
SIDC Commercial Investment (Limited liability Company)	Kingdom of Saudi Arabia		100%
SIDC Projects Investment (Limited liability Company)	Kingdom of Saudi Arabia	wholesale trade of blankets, ready-made linens, and bed sheets, wholesale trade of clothing accessories such as gloves, neckties, pant suspenders, rosaries, wholesale trade of home furniture and furnishings, wholesale trade of perfumes, retail sale of blankets, bed sheets, linens, and bedspreads, retail sale and fixing of sanitary wares and extensions such as sinks, WCs, bathtubs, Sauna bathroom appliances, retail sale of home furniture, etc.	100%
- The Arabian Spring & Foam Mattresses Mfg. Company. "Sleep High - Egypt" (Sleep High Egypt) (Limited liability Company)	Arab Republic of Egypt	Production of bedspreads, spring mattresses, polyurethane padding, embroidered and ordinary Foam mattresses, production of Arab seats and Foam of various pressures, production of spring mattress structures and accessories of simple cotton and embroidered cloth of various sizes and pressures, and mattresses of regular and compressed Foam, production of car seat covers, polyester cushions, office sets and special polyester stuffing Mattresses, polyester fabric-covered, Foam mattresses and polyester pillows, production of zippers, cornices, and Foam, embroidery of fabrics, production of Moroccan and wooden furniture of all kinds, production of all decorative requirements from various materials.	100%
Global Marketing Company for Sleeping System Ltd. (Sleep High) (Limited liability Company)	Kingdom of Saudi Arabia	Manufacturing sponge products, furniture and woodwork, upholstery, bedding customization (mattresses), and operating general stores showcasing a variety of goods.	100%
Emmdad Logistic Services Company (Limited liability Company)	Kingdom of Saudi Arabia	Moving of Furniture; general loading and unloading services for goods; operation of storage for all types of goods (excluding food stuff); and general warehouses accommodating a variety of goods, etc.	50%

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Direct and indirect ownership ratios in the group's subsidiaries:

Company Name	The ownership ratios of direct	The ownership ratios of indirect
SIDC Commercial Investment (Limited liability Company) *	100%	-
SIDC Projects Investment (Limited liability Company)	95%	5% owned by SIDC Commercial Investment
Global Marketing Company for Sleeping System Ltd. (Sleep High) (Limited liability Company)	95%	5% owned by SIDC Commercial Investment
Arabian Co. For Manufacturing Sponges & Springs Mattresses Ltd. (Sleep High) (Limited liability Company)	-	98.5% owned by Global Marketing Company for Sleeping System Ltd. (Sleep High) 1.5% owned by SIDC Commercial Investment
Emmdad Logistic Services Company (Limited liability Company)	-	50% owned by Global Marketing Company for Sleeping System Ltd. (Sleep High)

*During the year 2023, SIDC Projects Investment Company waived its stake in SIDC Commercial Investment Company, and the company's article of association was amended, and the company became wholly owned by the Saudi Industrial Development Company (SIDC) - the parent company.

Non-controlling interests

The non-controlling interests are measured at the acquisition date either at fair value or the proportionate share of the non-controlling interests' shares of the fair value of the net identified assets of the acquired company. The measurement basis is selected for each acquisition separately. After the acquisition, the rights of non-controlling interests are shown in value at the initial recognition in addition to their share of subsequent changes in the equity of the acquired companies and are shown as an independent item in the Consolidated Statement of comprehensive income and within the equity of shareholders in the Consolidated Statement of financial position.

Acquisitions or disposals of non-controlling interests that do not affect the control of the parent company of the subsidiary are represented as transactions with equity holders. The difference between the fair value of the amount paid or received and the change in non-controlling interests is directly included in equity.

Business combinations and Goodwill

Accounting for mergers of subsidiaries and businesses is carried out using the acquisition method. The consideration transferred in the business merger is measured at the fair value calculated as the sum of the amount of fair values of assets transferred by the group on the date of acquisition, or liabilities incurred assumed by the group from the previous owners of the acquired company and equity instruments issued by the group in exchange for control of the acquired company as well as any costs that can be directly related to the business merger process. Acquisition-related costs are generally recognized in profit or loss when incurred. Assets, liabilities and contingent liabilities that meet the conditions for recognition in accordance with IFRS 3: business consolidation, are recognized at fair value on the date of acquisition.

When the consideration transferred by the group in the process of business integration includes assets or liabilities resulting from the potential consideration arising under the agreement, the potential consideration is measured at fair value at the acquisition date and included as part of the transferred consideration in the business combination transactions. Changes in the fair value of a potential counterparty that qualify as adjustments for the measurement period are adjusted retroactively, with the corresponding adjustments credited to Goodwill. Adjustments to the measurement period are adjustments that result from the availability of additional information obtained during the "measurement period" (which should not exceed a year from the date of acquisition) about the facts and circumstances that existed at the date of acquisition.

The subsequent accounting for changes in the fair value of a potential non-qualifying counterparty as an adjustment in the measurement period depends on how the potential counterparty is classified. The

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potential consideration classified as equity is not measured at subsequent reporting dates and is accounted for its subsequent settlement within equity. A potential consideration classified as an asset or liability is remeasured on subsequent financial statement dates in accordance with IFRS 9 and IAS 37 provisions, liabilities and potential assets, as appropriate, with the corresponding gain or loss recognized in profit or loss.

Goodwill is measured as the increase in the amount of the transferred consideration, the amount of any non-controlling interests in the acquired company, and the fair value of the equity interest (if any) previously held by the acquired company in the acquired company above the net amounts at the acquisition date of the specific assets acquired and liabilities received. If, after revaluation, the net amounts at the date of purchase of the specific assets purchased and liabilities incurred exceed the total transferred price, the amount of any non-controlling interests in the acquired company, and the fair value of the equity share (if any) previously held by the acquirer in the acquired company, the increase is recognized directly in the income statement as a purchase profit from the transaction.

Non-controlling interests that are current ownership interests and entitle their owners to a proportionate share of the net assets of the enterprise in the event of liquidation can be measured initially either by fair value or by the proportionate share of non-controlling interests in the recognized amounts of the net specific liabilities of the acquired company. The basis for measurement is selected based on each individual transaction.

If the accounting for the business combination has not been completed by the end of the financial statement period in which the merger occurred, the group discloses interim amounts for the items whose accounting has not been completed. These temporary amounts are adjusted during the measurement period (See above), or additional assets or liabilities are recognized, in order for the new information obtained to reflect the facts and circumstances that existed at the date of acquisition, which, if known, would have affected the amounts recognized on that date.

When a business merger is completed in stages, the share of equity previously held by the group in the acquired company is remeasured at fair value on the date of acquisition (i.e., the date of control of the group) and the resulting profit or loss, if any, is recognized in profit or loss. Amounts resulting from shares in the company acquired before the acquisition date that were previously recognized in the other comprehensive income statement are reclassified in the income statement in the event that their treatment as such would be appropriate if that share were excluded.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated 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,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the date of the consolidated statement of financial position, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the consolidated statement of financial position.

All other assets are classified as non-current.

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 consolidated statement of financial position, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the consolidated statement of financial position.

The Group classifies all other liabilities as non-current.

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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 Group measures financial instruments, such as derivatives at fair value at each financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the assets or transfer the liabilities takes place either:

- In the principal market for the assets or liabilities, or
- In the absence of a principal market, in the most advantageous market for the assets or liabilities

The principal or the most advantageous market must be accessible by the Group.

The fair value of assets or liabilities is measured using the assumptions that market participants would use when pricing the assets or liability, assuming that market participants act in their best economic interest.

Financial assets

Initial recognition and measurement

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

The classification of debt financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Revenue from contracts with customers.

In order for a debt 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 Group'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 in order 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 Group commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

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- 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 and loss.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (“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 Group’s financial assets at amortized cost include trade and other receivables.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to consolidated statement of comprehensive income.

Financial assets at fair value through OCI (equity instruments)

Upon initial recognition, the Group may, on an instrument-by-instrument basis, make an irrevocable election to classify certain investments in equity instruments as measured at fair value through other comprehensive income, when such instruments meet the definition of equity under IAS 32, Financial Instruments: Presentation, provided that these investments are not held for trading.

The Group has elected this classification for certain investments in equity instruments for long-term holding purposes, in support of the Group’s investment/strategic objectives, in a manner that reflects the nature of these investments as strategic / long-term investments rather than investments held for trading, while reducing volatility in profit or loss arising from fair value changes that do not reflect the Group’s operating performance. Subsequent changes in the fair value of these investments are recognized in other comprehensive income.

Cumulative gains or losses recognized in other comprehensive income are not recycled to profit or loss upon derecognition and may only be reclassified within equity. Dividends are recognized in profit or loss when the right to receive them is established, unless the dividends clearly represent a recovery of part of the cost of the investment, in which case they are recognized in other comprehensive income. Equity instruments classified at fair value through other comprehensive income are also not subject to impairment testing.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognized as other income in the profit or loss when the right of payment has been established.

Derecognition

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 Group’s consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through consolidated statement of comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flow will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Group considers it a financial asset to be credit-impaired when contractual payments are 365 days past due. The use of the 365-day threshold is considered a practical indicator that receivables have reached a stage of significant increase in credit risk and that there is no reasonable expectation of recovery. Accordingly, such receivables are classified within the highest-risk category in the expected credit loss matrix, and their expected credit loss is measured at 100%, consistent with the requirements of IFRS 9, which permits the use of a matrix based on delinquency buckets supported by historical collection experience. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through consolidated statement of comprehensive income, 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 and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below: Financial liabilities at fair value through consolidated statement of comprehensive income include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through consolidated statement of comprehensive income. Gains or losses on liabilities held for trading

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are recognized in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through consolidated statement of comprehensive income are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Financial liabilities at amortized cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering 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 consolidated statement of comprehensive income.

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 books' values is recognized in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated 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.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the spot prevailing exchange rates of the functional currency on the date on which the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the spot prevailing exchange rates of the functional currency at the date of the Consolidated Statement of financial position. Differences resulting from the settlement of cash items are included in the Consolidated Statement of comprehensive income.

Property, plant and equipment

Projects under progress are stated at cost net of impairment loss, if any. Projects under progress include the cost of materials, building, construction and other costs directly attributed to delivering the assets to the location and preparing them to be able to operate in the way determined by the management. Project under progress is not depreciated.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replaced parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a comprehensive inspection is performed, its cost is recognized in the carrying amount as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, Assets on leased land (leasehold improvements) are depreciated over the lease term or on the shorter useful lives of the assets. The Depreciation ratios used as follows:

Fixed assets items	Depreciation ratios (%)
Buildings and constructions	3-10%
Machines and equipment	10-20%
Vehicles	20-25%
Fixtures and office equipment	20-25%

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Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the consolidated statement of comprehensive income when the asset is derecognized. The residual values, useful lives and depreciation methods for the assets are reviewed at the end of each fiscal year and adjusted prospectively whenever necessary.

Works in progress

Work in progress is stated at cost, and it includes construction costs, equipment and direct overhead costs. Work in progress that will be used by the Group is not depreciated until it is become ready for use and is become transferred to property and equipment.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets (excluding capitalized development costs) are not capitalized and expenditure is recognized in the consolidated statement income when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets 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 accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expenses on intangible assets with finite lives are recognized in the consolidated statement income in the expense category consistent with the function of the intangible assets.

The following is the amortization period for intangible assets with finite useful lives:

Description	Useful life
Computer programs and systems	10 years

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income. When disposed of the assets.

Goodwill

Goodwill resulting from the acquisition of operations is recorded at the cost when it arises on the date of acquisition of operations less the accumulated losses of impairment, if any.

For the purposes of reviewing goodwill impairment, goodwill is allocated to each of the cash-producing units (or group of cash-generating units) that are expected to benefit from the business combination.

The cash-generating unit to which goodwill is allocated is reviewed to determine the impairment value on an annual basis or more when there is an indication of impairment. If the recoverable value of the cash-generating unit is less than its book value, the impairment loss is allocated first to reducing the book value of any goodwill allocated to the unit and then to other assets in the unit in proportion and proportion based on the book value of each asset in the unit.

Any impairment loss of goodwill is recorded directly in the Consolidated Statement of comprehensive income. The loss of depreciation in the recorded value of goodwill is not reversed in subsequent periods and when the relevant cash-generating unit is disposed, the amount returned on goodwill is included when determining the profit or loss resulting from the disposal.

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Leases

The Group 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.

Group as a lessee

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

• Right-of-use assets

The Group 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 accumulated depreciation and impairment losses, adjusted for any re-measurement 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.

If ownership of the leased asset transfers to the Company at the end of the lease term, or if the cost reflects the exercise of the purchase option, depreciation is calculated using the estimated useful life of the asset. Right of use assets are subject to impairment. Refer to the accounting policies included in the "Impairment of Non-Financial Assets" paragraph.

• Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense (unless it's charged for production) in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if 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 re-measured if there is a modification, a change in the lease term, a change in the 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.

• Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plant and equipment (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 of 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.

• Borrowing costs

Borrowing costs are 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 as part of the cost of the asset. All other costs are expensed in the period in which they are due. Borrowing costs consist of interest costs and other costs that an entity incurs in connection with the borrowing of funds.

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Impairment of non-financial assets

The Group assesses at the date of preparing the financial statements whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset or CGU’s fair value, less costs of selling or its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate future cash inflows that are largely independent of those from other assets or Groups of assets. When the book value of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account- if available or an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts calculations, which are prepared separately for each of the Group’s Cash Generating Units (“CGUs”) to which the individual assets are allocated.

These budgets and forecast calculations generally cover a period of five years. To cover longer periods, a long-term growth rate is calculated and applied to project future cash flow after the fifth year. Impairment losses of continuing operations, including impairment of goods, are recognized in the consolidated statement of comprehensive income in expense category consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at the date of preparing each consolidated statement of financial position to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU’s recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. The reversal is limited so that the book value of the asset does not exceed its recoverable amount, nor exceed the book value that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income.

Inventories

Inventories are valued at the lower of cost and net realizable value. Inventories Costs are accounted as follows:

Raw materials, packaging and spare parts	Purchase cost on a weighted average basis
Finished goods and work in progress	cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity.

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

Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and in hand and cheques under collection convertible to know amounts of cash with original maturity of three months or less, which are not subject to risk of changes in value, if any.

Transactions with related parties

A related party is the person or entity associated with the Company that prepares its financial statements.

a) If the person or a member of his or her family is relevant to the company whose financial statements are prepared:

- Has joint control or control over the Company that prepares its financial statements.
- Has a material impact on the Company that prepares its financial statements.
- He is a member of the senior management of the Company, which prepares its financial statements.

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b) If the entity is related to the company whose financial statements are prepared if any of the following conditions are met:

- An entity and a company that prepares its financial statements are members of the same group.
- One of the two companies is an associate or joint venture of the other company (or an associate or joint venture of a member of a group in which the other company is a member).
- Both companies are joint ventures for the same third party.
- One of the two companies is a joint venture of a third company, and the other company is an associate of the third company.
- The Company is the post-employment benefit plan for employees of any of the companies that prepare their financial reports or a company related to the company that prepares its financial statements. If the company that prepares its financial statements is the same as those plans, the sponsors are also related to the company that prepares its financial statements.
- The company is controlled or controlled jointly by a person specified in paragraph (a)
- The person specified in paragraph (a) has a significant influence on the company or is a member of the senior management of the company.
- The Company or any member of a group of companies provides part of the services of senior management personnel of the company preparing its financial statements.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employee benefits obligations

• Short-term obligations

Obligations for wages and salaries, including non-monetary benefits, accumulated leave, travel costs, education allowance and furniture allowance, that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period covered by consolidated financial statements and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in consolidated statement of financial position.

• Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net liability recognized in the consolidated statement of financial position in respect of defined benefit post-employment plans is the present value of the projected defined benefit obligation (DBO) at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using the projected credit unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in employee benefit expense in the consolidated statement of comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur in consolidated statements of comprehensive income.

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Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of comprehensive income as past service costs.

Current and past service costs related to post-employment benefits are recognized immediately in the consolidated statement of comprehensive income while unwinding of the liability at discount rates used are recorded as financial cost. Any changes in the obligations due to actuarial valuation and estimations will be considered as rereasurement and recognized in the consolidated statement of comprehensive income. The actuarial valuation process takes into account the provisions of the Saudi Arabian Labor law as well as Group's policy.

Revenue from contracts with customers

Revenue is recognized from contracts with customers when control of the goods or services transfers to the customer and at an amount that reflects the price that the Group expects to receive in exchange for those goods or services.

Revenue is recognized when the Company satisfies its performance obligations in contracts with customers, in an amount that reflects the consideration the Company expects to receive in exchange for the goods or services. Specifically, the standard provides a five-step model for revenue recognition:

Step 1: Identify the contract(s) with the customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The following are the special considerations that must be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, volume rebates). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Transportation Services

Revenue from transportation services is recognized when control of the asset is transferred to the customer, which generally occurs upon delivery of the goods (at a point in time).

Storage Services

Revenue from storage services is recognized over time as the service is provided to the customer, in accordance with the performance obligations specified in the contract with the customer.

E-commerce Sales

Revenue from e-commerce sales conducted through the Company's website or partner platforms is recognized when control of the asset is transferred to the customer, which generally occurs upon delivery of the goods (at point in time).

Export Sales

Revenue from export sales is recognized when control over the asset is transferred to the customer, which generally occurs upon delivery of the goods (a point in time). This is based on the delivery terms agreed upon in export customer contracts, which typically require that shipping be carried out for delivery at the Company's premises by shipping companies or by an agent authorized by the customer. The ongoing obligations after delivery consist of the warranty provided in accordance with the Company's policy.

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Right of Return

When the contract with the customer grants the right to return goods within a specified period, the Company recognizes the right to return when requested by the customer, subject to the fulfillment of the contractual conditions. The Company estimates the expected sales amount to be returned based on historical experience or past data at the end of each financial reporting period. Based on historical experience, the nature of returns, and the nature of the Company's operations, this assessment did not result in any material obligations arising from returns.

Variable consideration

If the consideration agreed in the contract includes a variable amount, the Group estimates the amount of consideration to which it expects to be entitled, or the most likely amount, in exchange for transferring goods or providing services to the customer. Variable consideration is estimated based on the nature of the contract and future factors, and is included in revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with that consideration is subsequently resolved, in accordance with the requirements for constraining estimates of variable consideration under IFRS 15, Revenue from Contracts with Customers.

The Group's principal form of variable consideration is represented by target-based discounts that may be granted to certain customers upon achieving a specified annual sales target agreed upon before the beginning of the year. The Group estimates such discounts using the most likely amount method, based on the terms of the agreement, the Group's historical experience, and the level of target achievement. This estimate is updated as necessary to reflect the information available up to the reporting date. The effect of such discounts is recognized as a reduction of revenue in a manner consistent with the substance of the transaction and the terms of the contract.

Determination and Allocation of the Transaction Price

The Group determines the transaction price in its contracts with customers based on the consideration it expects to be entitled to in exchange for the promised goods or services, after taking into account any elements of variable consideration, if any. The Group's variable consideration includes, for example, discounts linked to the achievement of specified sales targets for certain customers (target-based discounts), which are calculated as an additional percentage of sales once the relevant conditions are met in accordance with the related contracts or commercial agreements.

Where variable consideration exists, management estimates the variable consideration using the method that best reflects the nature of the contract, including the most likely amount method where appropriate, while applying the constraint requirements on estimates of variable consideration, such that no variable consideration is recognized in revenue except to the extent that it is highly probable that a significant reversal in the amount of revenue recognized will not occur when the uncertainty associated with that consideration is subsequently resolved. This assessment is based on the historical experience of discount programs, the level of target achievement, the documented contractual terms, and any factors that may affect their fulfillment and is updated as necessary up to the reporting date.

Given the nature of the Group's contracts, most of them include a single performance obligation, namely the supply of goods. Accordingly, the transaction price is not normally allocated to more than one performance obligation. In cases where a commercial arrangement may include more than one element, the Group determines whether distinct performance obligations exist in accordance with the requirements of the standard and, where applicable, allocates the transaction price on the basis of standalone selling prices. Standalone selling prices are determined with reference to the prices at which the Group normally sells the same goods to customers under ordinary circumstances or to prices in recent similar transactions. Where directly observable prices are not available, appropriate alternative inputs are used.

The Group's contracts do not normally include a significant financing component due to the short period between the satisfaction of the performance obligation and collection. However, certain sales may include advance payments, such as export sales and certain project contracts, and amounts collected in advance are presented as contract liabilities until the performance obligation is satisfied. In addition, the Group does not have significant obligations relating to returns or refunds, based on the nature of its activities and its historical experience.

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Discounts

Some contracts with customers include discounts, rebates, price concessions, and incentives based on competitive conditions and market circumstances. Accordingly, revenue from sales is recognized based on the price specified in the contract or agreed with the customer, net of the applicable discounts for each customer. Historical experience is utilized to estimate and provide for such discounts, using the expected value method based on the terms of the contract.

The Group grants future volume discounts some customers if the quantity of products purchased during the year exceeds the threshold determined in the contract. Discounts are settled against amounts due to the customer. In order to estimate the variable consideration related to expected future volume discounts, the Group applies the most likely amount method for contracts with one limit for the quantity discount, and the expected value method for contracts with more than one threshold to obtain a quantity discount. The number of commercial discount thresholds in the contract mainly determines the method which best predicts the amount of variable consideration. The group then applies the requirements of the restricted estimates to the variable price and records a return obligation for expected future discounts on quantities.

Warranties

The Group provides warranties against manufacturing defects on its products. The warranty period varies depending on the nature of the product, ranging from five to seven years for certain products such as mattresses and foam, and being shorter for other products such as sanitary ware. These warranties are limited to providing assurance that the products comply with the agreed specifications and are free from manufacturing defects at the time of sale. They do not provide the customer with an additional service or an option to purchase an extended warranty separately. Accordingly, these warranties are classified as assurance-type warranties (quality warranties) and do not constitute a separate performance obligation under the requirements of IFRS 15, Revenue from Contracts with Customers. Therefore, no portion of the transaction price is allocated to them, and no deferred revenue is recognized in respect thereof. A warranty provision is recognized in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets, to cover the expected future costs associated with these obligations.

Expenses

All expenses, including operating expenses, general and administrative expenses and other expenses, are recognized in the consolidated statement of comprehensive income in the fiscal year in which such expenses were incurred.

Selling and distribution expenses are those expenses relating to sales, distribution and other incidental expenses, and all other expenses are classified as general and administrative expenses.

Significant Payment Terms

Payment terms in the Group's contracts with customers vary depending on the nature of the revenue and the sales channel. For the sale of goods, including e-commerce sales, invoices are generally issued upon shipment or delivery in accordance with the contract terms, and the usual payment terms are short and within normal commercial credit periods. Consideration for e-commerce sales is generally collected at the time the purchase is completed or prior to delivery through approved electronic payment methods. In export sales, collection is generally made in the form of advance payments or the full invoice amount before delivery, in accordance with the contractual terms agreed with the customer. In addition, certain project-related goods sales contracts include advance payments upon signing the contract, and revenue is recognized when the performance obligation is satisfied and the goods are delivered in accordance with the contract terms. Any amounts collected in advance are presented as contract liabilities until the related performance obligation is satisfied. For transportation services, invoices are generally issued upon rendering the service or upon delivery of the goods, depending on the contractual terms, and payment is due within short agreed periods. For storage services, invoices are issued on a periodic basis, monthly or in accordance with the agreed storage period, and payment is due in line with the billing cycle agreed with the customer. In general, the Group's contracts do not contain a significant financing component due to the short period between satisfaction of performance obligations and collection. The Group applies the practical expedient set out in paragraph 63 of IFRS 15 whenever, at contract inception, the period between the transfer of the promised good or service and the customer's payment is expected

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to be one year or less. Any variable consideration, such as trade discounts or volume discounts, is accounted for in accordance with the contractual terms and the requirements of the standard.

Significant Judgments in the Timing of Revenue Recognition and Methods of Measuring Progress

The Group applies significant judgment in assessing the point at which the customer obtains control of the promised goods or services, depending on the nature of each contract. For the sale of goods, including e-commerce and export sales, as well as transportation services, revenue is recognized at a point in time when control is transferred to the customer. In determining when control passes, management considers the relevant indicators of transfer of control, which include, for example, the Group's delivery of the goods or completion of the service in accordance with the contract terms, the transfer of the significant risks and rewards of ownership or responsibility for loss or damage in accordance with the delivery terms, the customer's acceptance of the goods or services where applicable, and the absence of the Group's continuing managerial involvement or ability to direct the use of the asset after delivery.

In export sales specifically, revenue is recognized when the agreed delivery terms with the customer are satisfied. Consideration is generally collected in the form of advance payments or the full invoice amount before delivery at the factory premises, and amounts collected in advance are presented as contract liabilities until the related performance obligation is satisfied.

For storage services, revenue is recognized over time, as the customer simultaneously receives and consumes the benefits of the service as the Group performs it. Progress toward complete satisfaction of the performance obligation is measured using the actual elapsed time / actual service period relative to the contract term or the agreed billing cycle. This method is considered by management to faithfully depict the extent of the service provided to the customer during the period. Management reviews these judgments and assumptions periodically to ensure that they remain consistent with the contractual terms and the nature of the operations.

Remaining Performance Obligations

The Group discloses the transaction price allocated to remaining performance obligations at the end of the reporting period in accordance with the requirements of IFRS 15, Revenue from Contracts with Customers, where such information is material. Given the nature of the Group's activities, performance obligations under most goods sales and transportation contracts are satisfied at a point in time or within a short period, and the original contract term is generally one year or less. Accordingly, the Group applies the practical expedient in paragraph (121) of the standard and does not disclose information relating to remaining performance obligations for contracts with an original expected duration of one year or less. As of December 31, 2025, the Group did not have any material remaining performance obligations that would require quantitative disclosure. In addition, the information not disclosed does not include material amounts of consideration excluded from the transaction price, including any constrained variable consideration, based on the nature of the Group's contracts and the requirements of the standard.

Zakat and tax

• Zakat

The Parent Company measures and recognizes zakat provision for each fiscal period in accordance with the Regulations of the zakat in the Kingdom of Saudi Arabia and on accruals basis. The Zakat provision is charged to the consolidated statement of comprehensive income under a separate line item. Any additional liabilities, if any, are credited in the same fiscal period in which the assessments are approved.

• Income tax

Regarding the subsidiary in Arab Republic of Egypt, income tax assets and liabilities for the current and previous periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in the Arab Republic of Egypt.

Deferred taxes are measured using the liability method on temporary differences between the tax bases of assets and liabilities and their book values in the financial statements at the statement of financial position date. Deferred tax liabilities are recognized for all taxable temporary differences, except in the following cases:

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- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, does not affect either the accounting profit or taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

- Deferred tax assets are recognized for all deductible temporary differences, unused tax discounts and unused tax losses, to the extent that these temporary differences can be deducted from taxable profits, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect either the accounting profit or taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The book value of deferred tax assets is reviewed at each date of preparing financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each date of preparing financial position and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For the subsidiary company in the Arab Republic of Egypt, deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at each date of preparing financial position.

Current and deferred tax related are recognized as revenue or expense in the consolidated statement of comprehensive income. Current and deferred tax related to transactions or events is directly recognized in the shareholders' equity. Deferred tax assets and tax liabilities are offset if a legally enforceable right exists to use current tax assets to settle current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

• **Value added tax (VAT)**

Expenses and assets are recognized net of the amount of VAT, except when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. When receivables and payables are stated with the amount of VAT included, the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Foreign currencies

The Group's consolidated financial statements are presented in SR, which is also the Parent Company's functional currency. Each entity in the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group elected to use profits and losses resulted from the direct method of combination, which is the method used to complete combination.

Transactions in foreign currencies are initially recorded by the Group's Companies at their respective functional currency prevailing rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are re-measured at the functional currency spot rate of exchange prevailing at the date of preparing consolidated statement of financial position.

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Differences arising on settlement or translation of monetary items are recognized in the consolidated statement of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investments of the subsidiary. These are transferred to the statement of comprehensive income until the net investment is disposed of. Then, they are recognized in the consolidated statement of comprehensive income. Tax charges and changes resulting from exchange differences on those monetary items are also recorded in consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the transactions. 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 re-measurement of non-monetary items measured at fair value are treated in line with the recognition of gain or loss on change in fair value in the item (differences from translation of items which are recognized at change in fair value in the consolidated statement of comprehensive income are treated the same way).

Group's Companies

On consolidation, the assets and liabilities of foreign operations (subsidiary Group) are translated into Saudi riyals (SR) at the rate of exchange prevailing at the date of preparing the consolidated financial statements and translation of the items in consolidated statement of comprehensive income at exchange rates prevailing at the dates of the transactions. The differences arising on the translation are directly recognized in consolidated statements of comprehensive income. On disposal of a foreign operation, the OCI component relating to that particular foreign operation is recognized in the consolidated statement of comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the fair value of assets and liabilities credited by book values arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate at the date of the consolidated financial statements.

Cash dividend and non-cash distribution to shareholders in the Parent Company

Cash or non-cash distributions to shareholders in the Parent Company are recognized as liabilities when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Regulations for Companies in KSA, a distribution is authorized when it is approved by the shareholders. The directly distributed amount is deducted from shareholders' equity and recognized as a liability. Board of Directors has the right to recognize interim dividends, provided that dividends will be approved by the next General Assembly.

Non-cash distributions, if any, are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity. Upon the distribution of non-cash assets, any difference between the book value of the liability and the book value of the assets distributed is recognized in the consolidated statement of comprehensive income.

Equity Reserves

The Group's equity includes a number of reserves. Each reserve is presented separately within equity in the statement of financial position, and disclosure is made of its nature, purpose, and any changes therein, in accordance with the requirements of IAS 1, Presentation of Financial Statements. The principal reserves include the following:

- 1.Foreign currency translation reserve:** This represents exchange differences arising from the translation of the financial statements of foreign operations into the presentation currency. It is reclassified to profit or loss upon disposal or liquidation of the foreign operation.
- 2.Fair value reserve for financial assets at fair value through other comprehensive income:** This represents the cumulative changes in the fair value of financial assets measured at fair value through other comprehensive income (equity instruments). These changes are not recycled to the statement of profit or loss, and the cumulative balance is reclassified within equity upon disposal.

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3. Remeasurement reserve for employee benefit obligations: This represents actuarial gains or losses arising from the remeasurement of employee benefit obligations. These are recognized in other comprehensive income and are not reclassified to the statement of profit or loss.

The Group discloses the movement in each reserve in the statement of changes in equity and the accompanying notes.

4. JUDGMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to exercise judgment and to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, as well as the accompanying disclosures in the consolidated financial statements and the determination of contingent liabilities at the reporting date. Uncertainty inherent in these judgments, estimates, and assumptions may result in outcomes that could require material adjustments to the book values of assets or liabilities in future periods. These judgments, estimates, and assumptions are based on prior experience and other relevant factors, including forward-looking expectations that management believes are reasonable under the prevailing circumstances. They are reviewed on an ongoing basis, and the effect of any revisions is recognized in the period in which the revision is made and in any future periods affected, as appropriate.

- **Judgements**

In applying the Group's accounting policies, management has exercised the following significant judgments, apart from those involving accounting estimates, which had the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue Recognition and Timing of Transfer of Control

Management exercises judgment in assessing the timing of satisfaction of performance obligations and determining whether revenue should be recognized at a point in time or overtime, based on the nature of the products or services provided and the terms of the contracts entered into with customers. This includes assessing when control of goods is transferred to the customer in goods sales activities, as well as determining whether services, such as storage services, are satisfied over time.

Determination of Variable Consideration

Management exercises judgment in evaluating contracts or commercial agreements that include target-based discounts for certain customers, in order to determine whether such discounts constitute variable consideration and to determine the most appropriate accounting treatment for estimating and recognizing them in accordance with the requirements of IFRS 15, Revenue from Contracts with Customers, taking into account the likelihood of achieving the agreed targets and the terms of the related agreement.

Determination of the Cash-Generating Unit for the Purpose of Impairment Testing of Assets

Management exercises judgment in determining the appropriate level at which non-financial assets are tested for impairment and whether such assets should be tested individually or as part of a cash-generating unit, based on the extent to which the asset or group of assets generates independent cash flows. In this context, the operating assets of the SIDC Ceramics Plant have been considered an independent cash-generating unit for impairment testing purposes.

Component parts of property, plant and equipment

The Group's assets, classified within property, plant and equipment, are depreciated on a straight-line basis over their economic useful lives. When determining the useful economic life of an asset, it is divided into significant component parts such that each significant component part is depreciated separately. Judgement is required in ascertaining the significant components of a larger asset, and while defining the significance of a component, management considers quantitative materiality of the component part as well as qualitative factors such as difference in useful life as compared to main asset, its pattern of depreciation, and its replacement cycle/maintenance schedule.

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

The Group 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.

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The Group has several lease contracts that include extension and termination options. The Group applies judgement 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 Group reassesses the lease term if 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).

Determination of control

Management has taken into account the accounting treatment and principles contained in IFRS 10 "consolidated financial statements" It determined that some of the facilities were controlled by SIDC. To determine the appropriate accounting treatment of the subsidiary, Management Applied Material judgements.

To determine the appropriate accounting treatment, management applied significant judgment in assessing the elements of control, including the ability to direct the relevant activities, exposure to variable returns, and the ability to use its power to affect those returns. If these judgments change, this may affect the scope of consolidation and the related accounting treatment.

These entities currently have consolidated assets and liabilities that affect the consolidated statement of financial position and the consolidated statement of comprehensive income.

The Group owns 50% of Emmdad Logistic Services Company "Emmdad", which is a limited liability company (subsidiary), and the number of board members of the other partner in this subsidiary exceeds the number of board members representing the Group, and it has been considered that the Group controls that subsidiary. The following are the main considerations and provisions applied by the management on the conclusion of the Group's control over the subsidiary:

- The partners assembly of the other partner in the subsidiary company (Emmdad) are members in the Board of Directors of Global Marketing Company for Sleeping Systems Limited (Sleep High).
- The contribution of the parent Company and its subsidiaries to the revenues of Emmdad logistic services company is 54% (December 31, 2024: 59%). As such, the Group concluded that it has the power and ability to influence variable returns and control.

• Significant Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of preparing the consolidated financial statements, that have a significant risk of causing material adjustments to the book values of assets and liabilities within the subsequent financial periods, are described below. The Group based its assumptions and estimates on parameters available on the date of preparing the consolidated financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Useful life of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant, and equipment for calculating depreciation. These estimates are determined after considering the expected use of the assets or natural wear and tears. Management is required to review residual value and useful lives on an annual basis and depreciation expense on a future basis if management believes that useful lives differ from past estimates.

b) Impairment of non-financial assets

Impairment exists when the book value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value, less costs of disposal and its value in use. The fair valueless costs of disposal are based on available data from binding sales of long-term transactions, conducted at arm's length for similar assets or observable market prices with less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the estimated budget for the next five years and do not include restructuring activities that the Group is not

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yet committed to or significant future investments that will enhance the asset performance of the CGU being tested. The recoverable amount is based on the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

c) Expected Credit Loss Allowance

The Group measures the loss allowance for trade receivables using an expected credit loss approach, with reference to historical default experience, analysis of the debtor's current financial position, customer-specific factors, general economic conditions, and forward-looking information at the reporting date. Trade receivable balances are reviewed at each reporting date to assess the extent to which a credit loss allowance should be recognized or adjusted.

d) Taxes and Zakat

Uncertainty arises in relation to the interpretation of tax and zakat regulations and the determination of the timing and amount of future taxable or zakat base profits or differences. The Group recognizes appropriate provisions based on its best estimate of the probable outcomes of assessments by the relevant authorities, taking into account prior experience, interpretations of the applicable regulations, and the circumstances specific to each entity. The recognition of deferred tax assets also requires judgment and estimation regarding the availability of future taxable profits against which deductible temporary differences and unused tax losses can be utilized.

e) Employee benefit obligations

The cost of defined benefit obligations regarding employee's end of service are determined using actuarial valuations. An actuarial valuation requires making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each annual reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the commission rates of corporate bonds in currencies consistent with the currencies of the post-employment defined obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the respective countries. Those mortality tables are subject to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the respective countries and future salary increases.

f) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recognized in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques, including the discounted cash flow model and other accepted valuation methods. The inputs to these models are obtained from observable markets where possible. Where this is not feasible, determining fair value requires a degree of judgment with respect to factors such as liquidity risk, credit risk, volatility, and assumptions relating to future performance. Changes in these assumptions may affect the disclosed fair value.

g) Leases - Estimating the incremental borrowing rate

When the interest rate implicit in the lease cannot be readily determined, the Group uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Accordingly, the incremental borrowing rate reflects "what the Group would have to pay," which requires estimation when observable rates are not available or when adjustments are needed to reflect the terms and conditions of the lease, for example, where the payment currency under the lease contracts

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differs from the Group's functional currency. The Group estimates the incremental borrowing rate using available observable inputs, such as prevailing market interest rates, and, where necessary, applies certain entity-specific estimates, such as the credit rating of the subsidiary.

h) Net Realizable Value of Inventory

Inventory is stated at the lower cost and net realizable value. Where inventory is slow-moving, obsolete, or damaged, management estimates the net realizable value based on expected selling prices, the condition of the inventory, turnover rates, and the costs necessary to complete the sale or use. Appropriate provisions are recognized based on management's best estimate at the reporting date.

i) Goodwill, Annual Goodwill Impairment Testing

Goodwill is tested for impairment at least annually, or more frequently when there are indicators of impairment, at the level of the group of cash-generating units to which the goodwill has been allocated. In determining value in use, management uses discounted cash flow models. The key assumptions used in this test include sales growth rates, profit margins, pre-tax discount rates, and expected future cash flows. Changes in these assumptions may lead to different impairment testing results.

Management believes that the judgments, estimates, and assumptions used in the preparation of these consolidated financial statements are appropriate and reasonable in light of the current circumstances; however, actual results may differ from those estimates and assumptions.

j) Warranty Provision

A warranty provision is recognized based on the best estimate of the expected future costs of settling warranty claims relating to manufacturing defects, taking into account historical claims experience, the nature of the products, actual claim rates, and the expected costs of addressing future claims. Actual results may differ from these estimates.

K) Estimate of Variable Consideration Related to Target-Based Discounts

The Group estimates the discounts expected to be granted to certain customers upon achievement of the agreed sales targets under the relevant commercial agreements. This estimate is based on customers' actual performance, past experience, and the probability of achieving the targets, and is updated periodically to reflect the information available up to the reporting date.

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5. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and equipment	Vehicles	Fixtures and Office equipment	Work in progress	Total
<u>Cost</u>						
Balance as of January 1, 2024	105,202,978	192,890,014	42,708,804	28,762,745	375,779	369,940,320
Additions during the year	484,375	84,184	1,575,956	301,196	547,052	2,992,763
Disposals during the year	-	(8,807,345)	(5,176,513)	(414,970)	-	(14,398,828)
Foreign currencies translation differences	(972,509)	(1,467,417)	(176,086)	(462,963)	-	(3,078,975)
Balance as of December 31, 2024	104,714,844	182,699,436	38,932,161	28,186,008	922,831	355,455,280
Additions during the year	-	59,505	8,247,996	76,056	1,015,227	9,398,784
Disposals during the year	-	(862,814)	(1,759,800)	(277,860)	-	(2,900,474)
Transfer during the year	1,142,060	-	-	-	(1,192,114)	(50,054)
Foreign currencies translation differences	119,347	150,797	17,759	59,221	-	347,124
Balance as of December 31, 2025	105,976,251	182,046,924	45,438,116	28,043,425	745,944	362,250,660
<u>Accumulated depreciation</u>						
Balance as of January 1, 2024	75,829,553	172,703,374	30,867,368	26,621,358	-	306,021,653
Depreciation of the year	1,470,807	2,961,763	2,281,889	366,381	-	7,080,840
Disposals during the year	-	(8,800,966)	(5,158,578)	(413,364)	-	(14,372,908)
Foreign currencies translation differences	(276,101)	(887,008)	(115,695)	(314,178)	-	(1,592,982)
Balance as of December 31, 2024	77,024,259	165,977,163	27,874,984	26,260,197	-	297,136,603
Depreciation of the year	1,700,779	2,625,139	2,544,778	443,617	-	7,314,313
Disposals during the year	-	(860,885)	(1,248,696)	(276,854)	-	(2,386,435)
Foreign currencies translation differences	35,496	96,300	14,223	37,053	-	183,072
Balance as of December 31, 2025	78,760,534	167,837,717	29,185,289	26,464,013	-	302,247,553
<u>Impairment of property, plant and equipment</u>						
(Note 5 - D)						
Balance as of January 1, 2024	10,812,475	7,990,179	217,863	77,772	374,948	19,473,237
Balance as of December 31, 2024	10,812,475	7,990,179	217,863	77,772	374,948	19,473,237
Charged during the year	-	1,013,255	-	-	-	1,013,255
Balance at 31 December, 2025	10,812,475	9,003,434	217,863	77,772	374,948	20,486,492
<u>Net book value</u>						
As of December 31, 2025	16,403,242	5,205,773	16,034,964	1,501,640	370,996	39,516,615
As of December 31, 2024	16,878,110	8,732,094	10,839,314	1,848,039	547,883	38,845,440

* The buildings and constructions category includes buildings constructed on lands leased from the Saudi Industrial Cities and Technology Zones Authority "MODON", with rental contract from 10 to 25 years.

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- a) As of December 31, 2025, property, plant and equipment include assets for which impairment losses have been recognized and which have also been fully depreciated but are still in use. The total cost of these assets amounted to SR 276 million (December 31, 2024: SR 259 million).
- b) The majority of the Group’s buildings are constructed on land leased from the Saudi Authority for Industrial Cities and Technology Zones (MODON) in Jeddah and from the Royal Commission in Jubail and Yanbu, under annual lease arrangements for varying terms that are renewable.
- c) The depreciation for the year was allocated in the consolidated statement of comprehensive income as follows:

	2025	2024
Cost of sales (Note 23)	5,606,473	5,542,445
Selling and distribution expenses (Note 24)	1,078,650	957,675
General and administrative expenses (Note 25)	629,190	580,720
	7,314,313	7,080,840

d) During the year ended December 31, 2025, the Group’s management performed an impairment test for the cash-generating unit relating to the SIDC Ceramics Plant, in light of the continued low operating levels and weak operating performance compared with planned levels, and the existence of indicators of impairment in accordance with the requirements of IAS 36, Impairment of Assets. The cash-generating unit represents the factory’s net operating assets, which constitute the smallest group of assets that generates cash inflows largely independent of those from other assets or groups of assets, and includes property, plant and equipment related to industrial activity, as well as assets directly associated with generating cash flows. The book value of the cash-generating unit before the impairment test was approximately SR 2 million. The recoverable amount of the cash-generating unit was determined based on the fair value of the assets and less costs of disposal. Based on the assessment, the recoverable amount of the cash-generating unit amounted to SR 985 thousand, which is lower than it carries amount. Accordingly, an impairment loss of SR 1 million was recognized and charged to the consolidated statement of comprehensive income under the line item “Impairment of non-financial assets.

No impairment loss was recognized during the year ended December 31, 2024.

6. GOODWILL

	2025	2024
Balance at 1 January	32,356,409	32,356,409
Impairment during the year	(32,356,409)	-
Balance at 31 December	-	32,356,409

Goodwill balance represents the excess of the cost of investment in International Marketing Company for Sleep Products Limited (a subsidiary) over the fair value of its identifiable net assets at the acquisition date.

In accordance with the requirements of IAS 36, Impairment of Assets, goodwill is tested annually for impairment, or more frequently if there are indicators that it may be impaired. The impairment test is performed at the level of the cash-generating unit (“CGU”) to which the goodwill relates. The goodwill has been fully allocated to the CGU associated with the operations of International Marketing Company for Sleep Products Limited, which represents the smallest group of assets that generates cash inflows that are largely independent from those of other assets or groups of assets within the Group.

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As at 31 December 2025, the Group's management performed an impairment test for goodwill by comparing the carrying amount of the CGU with its recoverable amount. The recoverable amount was determined based on value in use using a discounted cash flow model. The cash flow projections were based on management-approved financial budgets covering a five-year period (2026–2030), which reflect management's current estimates of revenue growth, profit margins and working capital requirements. Future cash flows were discounted using a discount rate of 14.39%, which reflects the Group's current estimate of the cost of capital and the risks specific to the relevant CGU.

The key assumptions used in the valuation model were as follows:

- Expected annual revenue growth rate during the forecast period: 8.5%
- Average expected gross profit margin during the forecast period: 37.4%
- Long-term terminal growth rate: 1.8%
- Discount rate used in determining the present value of cash flows: 14.39%

Based on the results of the impairment test, the recoverable amount of the CGU was lower than its carrying amount and, accordingly, an impairment loss on goodwill amounting to SAR 32.4 million was recognized as of 31 December 2025. The impairment loss was fully allocated against the goodwill balance, resulting in the goodwill balance being reduced to nil as of 31 December 2025.

Management also assessed whether there was any indication that additional impairment losses should be recognized on the other non-current assets associated with the relevant CGU and concluded that there was no indication that the carrying amounts of those assets exceeded their recoverable amounts as of 31 December 2025. Accordingly, no additional impairment losses were recognized other than the impairment loss relating to goodwill.

7. LEASE CONTRACTS

The Group as a lessee

The Group has lease contracts for several rental properties. These leases have terms ranging between 2 and 20 years. The Group's obligations under these contracts are secured by the lessor's ownership of these properties. Many lease contracts include contract extension and termination options and variable lease payments detailed below. Not all leases contain variable payments. A discount rate ranging between 4% and 6.78% was used in calculating the present value of future lease payment

The Group also has some contracts for properties with a minimum lease term of 12 months or less or of low value. The Group applies recognition exemptions for "short term leases" and "leases of low-value assets" to these assets.

The following are the book values of the right-of-use assets and lease-contract liabilities included during the year and the movement they have experienced during the year:

a) Right-of-use assets are represented as follows:

	2025	2024
Balance at 1 January	10,427,497	10,831,484
Additions during the year	5,340,334	4,200,413
Disposals during the year	-	(325,013)
Depreciation during the year	(4,475,503)	(4,284,737)
Impairment during the year	(662,647)	-
Foreign currency translation differences	60,872	23,450
Adjustment during the year	21,704	(18,100)
Balance at 31 December	10,712,257	10,427,497

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During the year ended on 31st December 2025, the Group performed an impairment test for the cash-generating unit relating to SIDC Ceramic Factory, which includes, among its assets, the right-of-use asset related to the factory land. As the recoverable amount was determined based on the expected future cash flows from the continuing use of the unit, it was measured on the basis of value in use in accordance with the requirements of IAS 36, Impairment of Assets. The test resulted in the recognition of an impairment loss allocated to the assets of the unit on a pro rata basis according to their carrying amounts, including an impairment loss on the right-of-use asset amounting to SAR 662,647, reducing its carrying amount from SAR 1,306,815 before impairment to SAR 644,168 as at 31 December 2025. No impairment loss was recognized on the right-of-use asset during the year ended 31 December 2024.

The Group recorded the interest expense in relation to the lease liabilities under "Finance cost" (Note 27) and recorded depreciation expense related to the right-of-use assets for the year ended 31 December as follows:

	2025	2024
Cost of sales (Note 23)	1,484,145	1,336,781
Selling and distribution expenses (Note 24)	2,237,087	2,358,501
General and administrative expenses (Note 25)	754,271	589,455
	4,475,503	4,284,737

b) lease liabilities are classified in the statement of financial position as follows:

	2025	2024
1 January	9,986,531	10,151,040
Additions during the year	5,340,334	4,200,413
Disposal during the year	-	(308,609)
Interest on lease liabilities (Note 27)	603,361	506,891
Payments during the year	(5,161,535)	(4,398,235)
Transfer to accrued expenses	-	(261,225)
Foreign currency translation differences	71,297	22,658
Adjustment	5,054	73,598
Balance As of 31 December,	10,845,042	9,986,531
Less: current portion	(3,016,681)	(3,221,939)
Non- current portion	7,828,361	6,764,592

The following table shows future payments related to lease contracts:

	2025	2024
Within one year	2,686,448	3,071,494
Between one and five years	5,330,065	5,477,553
More than 5 years	2,828,529	1,437,484
Total lease liabilities	10,845,042	9,986,531

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8. INTANGIBLE ASSETS

Intangible assets consist of software and computer systems, and the movement on them during the year is summarized as follows:

	<u>Computer Software</u>
Net book value as of January 1, 2024	70,969
Amortization during the year (Note 25)	<u>(36,330)</u>
Net book value as of December 31, 2024	34,639
Net book value as of January 1, 2025	34,639
Transfer from work in progress during the year	50,054
Amortization during the year (Note 25)	<u>(15,560)</u>
Net book value as of December 31, 2025	<u>69,133</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item consists of the following:

	<u>2025</u>	<u>2024 (restated)</u>
• <u>Arabian Industrial Fiber Company (Ibn Rushd)</u> <u>(Note 9 - A)</u>		
Cost	132,900,000	132,900,000
Less: Fair value reserve for investment	(132,900,000)	<u>(132,900,000)</u>
Fair Value	<u>-</u>	<u>-</u>
• <u>Warehouses & Support Services Company</u> <u>(Note 9 - B)</u>		
Cost	5,250,000	5,250,000
Less: Fair value reserve for investment	(4,268,030)	<u>(2,260,585)</u>
Fair Value	<u>981,970</u>	<u>2,989,415</u>
• <u>Investment in priced local securities portfolio</u> <u>(Note 9 - C)</u>		
Fair Value	<u>18,465,129</u>	<u>26,631,050</u>
	<u>19,447,099</u>	<u>29,620,465</u>

a) As of 31 December 2025, the balance of financial assets at fair value through other comprehensive income related to the Arabian Industrial Fibers Company (Ibn Rushd) - a limited liability company – was nil (2024: nil). The Group classified its investment in Ibn Rushd as equity instruments measured at fair value through other comprehensive income at initial recognition. This classification was made for the purpose of holding the investment for the long term to support the Group’s strategic and investment objectives and not for trading,. The application of this classification continues in line with the Group’s policies and long-term investment objectives. Management reviews the fair value of the investment periodically.

In late 2019, Ibn Rushd decided to restructure its factories and recorded an impairment provision on its machinery and equipment of SR 2.8 billion. The Group assessed the impact of this event on its investment in Ibn Rushd, which represented 1.56% of the company’s share capital, with a nominal value of SR 132.9 million and a netbook value recognized by the Group of SR 66.5 million. The Group had

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previously recorded an impairment provision on its investment in Ibn Rushd in prior years of SR 66.4 million.

It was determined, based on the results of the valuation studies, that the invested interest was adversely affected as a result of this event, leading to a full impairment of the value of the invested interest to nil, after the Group's management decided to recognize an impairment provision for the remaining balance of the net book value amounting to SR 66.5 million. This provision reflects the impact of such decline, and accordingly, the netbook value of this investment in the Group's books became nil as of December 31, 2019.

At the end of 2023, the Group conducted a study and assessment of its interest in Ibn Rushd and its financial results for the last three years. The events and financial results confirmed the continued deterioration in performance, the incurrence of losses, and a decline in value. The Group considered this decline to be permanent and continuing and regarded it as actual realized losses. The Group also prepared the necessary studies and consultations for the accounting treatment by engaging an external advisor to provide a technical opinion on this accounting treatment in accordance with International Financial Reporting Standard (IFRS) 9, Financial Instruments. The advisor concluded that there was nothing to prevent the transfer of the fair value change reserve and its closure within the "accumulated losses" line item, having determined that the standard permits the transfer of the cumulative change in fair value, whether gains or losses, within equity items, while retaining the contractual and legal ownership rights related to the equity interest in Ibn Rushd Company without cancellation, sale, or transfer, in accordance with the Company's amended Articles of Association.

Accordingly, the Group became further convinced of the appropriateness of transferring the fair value reserve related to its investment in Ibn Rushd, amounting to SR 132.9 million, to accumulated losses, as presented in the consolidated financial statements for the year ended December 31, 2023.

At the end of 2024, the Group assessed the status of Ibn Rushd Company and its financial results for the last three years. The events and financial results confirmed the continued deterioration in performance, the incurrence of losses, and a decline in value. Accordingly, no change occurred in the balance of this investment in the Group's books, which remained nil, as presented in the consolidated financial statements for the year ended December 31, 2024.

The Group received a notification from the Capital Market Authority dated 26 Safar 1446H (corresponding to June 22, 2025), stating a violation due to the Group's non-compliance with paragraph (5.7.1) of Appendix (B) and paragraph (5.7.5) of IFRS 9, Financial Instruments. This was as a result of transferring the cumulative fair value reserve related to investments classified at fair value through other comprehensive income (Ibn Rushd) to accumulated losses before derecognition of the asset.

The notification also stated that the Group did not comply with sub-paragraph (b) of paragraph (11A) of IFRS 7, Financial Instruments: Disclosures, for failing to disclose the reason for electing to present the investment at fair value through other comprehensive income. It further stated non-compliance with sub-paragraph (e) of paragraph (11A) of the same standard for failing to disclose the reason for transferring the cumulative loss related to the investment to accumulated losses. The notification also required the Group to take the necessary actions to correct the financial statements for the period ended December 31, 2025.

It should also be noted that the Saudi Organization for Chartered and Professional Accountants (SOCPA) issued Interpretive Opinion No. (172) dated 9 Shawwal 1446H (corresponding to April 7, 2025), which stated that the fair value reserve of financial assets measured at fair value through other comprehensive income may not be reclassified to profit or loss. Rather, it may be transferred to any other account within

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equity, subject to the relevant regulatory requirements. Accordingly, transferring such reserve before derecognition of the related asset is not consistent with those requirements.

On 15 Rabi' Al-Awwal 1447H (corresponding to September 7, 2025), the Group published its financial results for the six-month period ended June 30, 2025. The condensed interim consolidated financial statements included a paragraph on the basis for the qualified conclusion in the independent auditor's report, relating to the transfer of the fair value reserve to accumulated losses before derecognition of the asset.

The Company conducted a study to explore the options available under International Financial Reporting Standards for accounting treatment, and management believes that there is no alternative treatment that complies with the requirements of the standards. In addition, the option to exit the investment remained unavailable as of the date of the financial statements, which prevented the actual disposal of the investment from being considered as a basis for an alternative accounting treatment.

Accordingly, on November 23, 2025, the Group announced on the "Tadawul" platform the correction of the accounting treatment by reinstating the balance of the fair value reserve within equity and restating the financial statements to adjust the comparative figures for 2023 and 2024 upon preparation of the financial statements for the year ended December 31, 2025 (Note 29). The financial impact of this correction is limited to a reclassification within equity, through the transfer of SR 132.9 million from accumulated losses back to the fair value reserve account, with no impact on operating activities, cash flows, assets, or liabilities. The resulting effect is also non-distributable, as it arises from an accounting reclassification rather than realized operating profits.

At the end of 2025, the Group studied and assessed its interest in Ibn Rushd and its financial results for the last three years, and prepared a fair value measurement study for its interest in Ibn Rushd Company in accordance with IFRS 9 and IFRS 13, using the income approach within Level 3 measurements, assuming a discount rate of 17.22% and a terminal growth rate of 3%, with projections extending through 2030. The study confirmed that there continues to be no value that can be recognized. Accordingly, no change occurred in the balance of the investment as of December 31, 2025. Management reviews the fair value of the investment on a periodic basis.

- b) As of December 31, 2025, the balance of financial assets at fair value through other comprehensive income comprised the Group's investment in Warehouses and Support Services Company (Closed Joint Stock Company) - "Warehouses", amounting to SR 981 thousand (2024: SR 3.0 million). The Group classified its investment in Warehouses, upon initial recognition, as an equity instrument measured at fair value through other comprehensive income for long-term holding purposes in support of the Group's investment and strategic objectives and not for trading. This classification continued to be applied in line with the Group's policies and long-term investment objectives.

The Group subscribed to 500,000 shares of Warehouses at a cost of SR 5 million (SR 5.25 million including share premium), representing 1.92% of the company's share capital of SR 260 million. As of 31 December 2022, the company's accumulated losses amounted to SR 139.3 million, representing 53.6% of the paid-up capital. Accordingly, the extraordinary general assembly of the company, in its meeting held on 2 November 2023, approved a capital restructuring to reduce the share capital by 50% to offset a significant portion of the accumulated losses, which involved canceling 13 million ordinary shares, resulting in a new share capital of SR 130 million, divided into 13 million ordinary shares with a nominal value of SR 10 per share. Following the capital reduction, the Group's holding amounted to 250,000 shares with a nominal value of SR 2.5 million, representing 1.92% of the share capital, and the Group's ownership percentage in Warehouses was not affected by the capital reduction.

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At the end of 2025, the Group assessed the status of Warehouses and Support Services Company and its financial results for the last three years. It also prepared a fair value measurement study of the Group's interest in Warehouses and Support Services Company as of December 31, 2025, based on the classification of the investment as an equity instrument at fair value through other comprehensive income in accordance with IFRS 9, Financial Instruments, and in line with the fair value measurement requirements of IFRS 13, Fair Value Measurement. The income approach was used as the primary valuation method within Level 3 measurements, as the measurement was based on significant unobservable inputs. Among the key assumptions adopted in the study were a discount rate of 14.9% , 6.5% is the revenue rate and a terminal growth rate of 1.8%, with operating and financial projections extending through 2030. The study also considered the nature of the ownership interest as a non-controlling minority interest in an unlisted company and accordingly applied a discount for lack of control of 16.8% and a discount for lack of marketability of 10.2%.

Based on the valuation results, the fair value of the Group's interest in Al Makhazen and Supporting Services Company as of 31 December 2025 amounted to SAR 1 million, compared to SAR 3 million as at 31 December 2024. This represented a decrease of SR 2 million in the book value of the invested interest compared with the balance recorded in the Group's books as of December 31, 2024. The Group recognized the fair value of the investment and recorded the valuation difference within other comprehensive income and within the fair value reserve for investments, bringing the balance of the investment recorded in the Group's books to SR 1 million as of December 31, 2025 (Note 9-d).

These estimates are based on management's assumptions regarding the Company's future performance, and actual results may differ from those estimates.

- c) Financial assets at fair value through other comprehensive income include equity securities held in a portfolio designated for investment in shares of banks and other joint-stock companies listed on the Saudi Stock Exchange, which are not held for trading. Upon initial recognition, the Group made an irrevocable election to present changes in fair value in other comprehensive income rather than in profit or loss, as the Group considers these strategic investments to be of greater significance. The Group maintains this portfolio with a locally licensed financial brokerage company in the Kingdom of Saudi Arabia. These investments were measured at fair value as of December 31, 2025 and December 31, 2024, based on the closing prices at the end of trading on the statement of financial position date.

The movement on investment in a local securities portfolio priced during the year is as follows:

	2025	2024 (restated)
Balance as at January 1	26,631,050	53,917,849
Unrealized gain / (loss) recognized through profit or loss (Note 9-d)	3,276,276	(13,741,593)
Disposals during the year	(11,442,197)	(12,300,576)
Additions during the year	-	16,705
Foreign currency translation	-	(1,261,335)
Balance as at December 31	18,465,129	26,631,050

- d) The following represents the movement in the fair value reserve of investments during the year:

	2025	2024(restated)	2023(restated)
Balance as at January 1	(137,110,764)	(124,572,748)	(130,865,504)
Unrealized gains / (losses) during the year – investment in a securities portfolio (Note 9-c)	3,276,276	(13,741,593)	9,139,430
Unrealized gains / (losses) during the year – Al Makhazen and Support Services Company (Note 9-b)	(2,007,445)	1,203,577	(2,846,674)

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Net unrealized gains / (losses) during the year	1,268,831	(12,538,016)	6,292,756
Realized (losses) / gains during the year	(7,247,769)	13,942,164	2,880,271
Reclassification of realized losses / gains from financial assets at fair value through other comprehensive income to retained earnings	7,247,769	(13,942,164)	(2,880,271)
	(135,841,933)	(137,110,764)	(124,572,748)

10. INVENTORY

	2025	2024
Raw materials	10,472,066	12,655,214
Finished goods and accessories	31,301,764	21,692,612
Spare parts	3,490,677	3,502,828
Work in progress	1,927,740	1,879,068
	47,192,247	39,729,722
Inventories impairment	(18,854,419)	(3,995,835)
	28,337,828	35,733,887
Goods in transit	312,281	739,850
	28,650,109	36,473,737

The Movement of inventories impairment during the year is as follows:

	2025	2024
Balance at the beginning of the year	3,995,835	-
Provision for the year (Note 26)	19,758,745	3,995,835
Written-off during the year	(4,900,161)	-
	18,854,419	3,995,835

11. PREPAID EXPENSES AND OTHER DEBIT BALANCES

	2025	2024
Advances to suppliers	1,189,796	1,727,743
Prepaid expenses	2,325,597	1,562,041
Due from employees	289,519	347,578
Cash insurance against documentary credits (Note 31)	560,402	200,285
VAT	1,746,921	1,152,879
Others	411,680	372,635
Total	6,523,915	5,363,161
Impairment	(146,103)	(203,091)
Balance as at December 31	6,377,812	5,160,070
Less: non-current portion	(802,500)	(502,500)
	5,575,312	4,657,570

Impairment movement is as follows:

	2025	2024
Balance as at January 1	203,091	277,982
(Reverse) / charge during the year (Note 26)	(57,002)	(28,336)
Written-off during the year	-	(40,798)
Foreign currency translation	14	(5,757)
	146,103	203,091

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12. TRADE RECEIVABLES

	<u>2025</u>	<u>2024</u>
Trade receivables	21,621,096	25,839,439
Provision for expected credit losses	(871,672)	(733,209)
Net trade receivables	20,749,424	25,106,230

Movement in the allowance for expected credit losses on trade receivables during the year is as follows:

	<u>2025</u>	<u>2024</u>
Balance as at January 1	733,209	615,827
Charge / (reversal of allowance) during the year (Note 26)	130,173	376,087
Written-off during the year	-	(220,408)
foreign currency translation	8,290	(38,297)
Balance as at December 31	871,672	733,209

The aging of trade receivables as at the reporting date is as follows:

As of December 31, 2025

	1–90	91–180	181–270	271–365	More	
	days	days	days	days	than 365	Total
Expected Credit Loss Rate	0.64%	3.86%	12.76%	42.40%	57.68%	4.03%
Carrying Amount (SAR)	13,266,84	5,961,169	1,790,956	127,693	474,434	21,621,096
Expected Credit Loss (SAR)	85,167	230,128	228,575	54,136	273,666	871,672

As of December 31, 2024

	1–90	91–180	181–270	271–365	More than	
	days	days	days	days	365 days	Total
Expected Credit Loss Rate	0.24%	2.42%	15.46%	42.20%	54.22%	2.84%
Carrying Amount (SAR)	21,169,996	2,534,875	1,138,910	794,721	200,937	25,839,439
Expected Credit Loss (SAR)	51,525	61,283	176,049	335,396	108,956	733,209

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments represent a portfolio dedicated to investing in the shares of banks and other joint stock companies listed on the Saudi Stock Exchange and the Egyptian Stock Exchange for trading purposes. The Group maintains this portfolio with a financial brokerage company licensed in the Kingdom of Saudi Arabia. Investments in securities held for trading are recognized at fair value based on closing prices at the end of the trading day as at the reporting date. The movement in investments during the year is as follows:

	<u>2025</u>	<u>2024</u>
Balance at 1 January	-	3,987,304
Unrealized loss	-	-
Realized gain during the year	-	1,544,478
Additions during the year	-	286,821
Foreign currency translation	-	(865,818)
Disposals during the year	-	(4,952,785)
Balance at 31 December	-	-

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14. CASH AND CASH EQUIVALENTS

	2025	2024
Cash at bank	103,543,101	1,110,926
Cash on hand	10,383	194,617
Deposits at bank	-	375,600
	103,553,484	1,681,143

15. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Group's subsidiary in the Arab Republic of Egypt upon conversion into Saudi Riyals for the purpose of preparing the consolidated financial statements, in accordance with the requirements of International Accounting Standard (IAS) 21, 'The Effects of Changes in Foreign Exchange Rates'. The movement in the reserve during the years 2025 and 2024 was affected by changes in the exchange rate of the Egyptian Pound against the Saudi Riyal. The Egyptian Pound appreciated by an average of 6% during 2025 (2024: depreciated by 64%) against the Saudi Riyal, based on official exchange rate data issued by the Central Bank of Egypt.

The following is the movement on the foreign currency translation reserve during the year:

	2025	2024
Balance at 1 January	(52,169,860)	(45,146,685)
Change in foreign currency translation reserve	584,794	(7,023,175)
Balance at December 31	(51,585,066)	(52,169,860)

16. NON-CONTROLLING INTEREST

Non-controlling interests arise from one of the Group's subsidiaries (Emdad Support Services Company) and represents the amounts before intragroup eliminations:

	2025	2024
Non-current assets	16,475,861	11,500,426
Current assets	12,430,542	8,857,517
Non-current liabilities	11,194,418	3,598,519
Current liabilities	5,647,973	6,826,251
Equity of the company's shareholders	6,032,006	4,966,588
non-controlling interest	6,032,006	4,966,585
Revenue	27,874,433	25,044,792
Expenses	(25,748,085)	(22,278,055)
Profit of the year	2,126,348	2,766,737
Net profit attributable to:		
Company shareholders	1,063,174	1,383,369
non-controlling interest	1,063,174	1,383,368
Total comprehensive income attributable to:		
Company shareholders	1,065,421	1,288,074
non-controlling interest	1,065,421	1,288,073
Total comprehensive income for the year	2,130,842	2,576,148
Cash flows		
Cash flows from operating activities	8,460,360	4,055,336
Cash flows from investing activities	(7,032,444)	(1,503,793)
Cash flows from financing activities	4,811,658	(3,939,490)

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17. EMPLOYEE BENEFIT OBLIGATIONS

	2025	2024
Balance at January 1	19,780,262	17,495,810
Current service cost	1,901,252	1,811,255
Financing costs	946,752	754,829
Paid during the year	(2,393,960)	(2,173,536)
Actuarial loss recorded during the year	105,781	1,891,904
Balance at 31 December	20,340,087	19,780,262
Advance Payments	(2,523,771)	(2,798,967)
	17,816,316	16,981,295

The principle actuarial assumptions used in the calculation of the employees' current defined benefit obligations are as follows:

	2025	2024
Discount rate	%4.75	%5.1
Salary increase rate	%4	%4
Defined Benefit Plan Commitment Period (Years)	4.44	4.14

The effect of the value of the defined benefit obligation was presented on one of the actuarial assumptions that has a reasonable change rate, with the fixed rate to all other variable elements as follows:

	2025	2024
Discount rate +0.5%	19,121,190	19,718,075
Discount rate -0.5%	20,892,361	20,551,136
Salary increases +0.5%	20,990,212	20,602,998
Salary increases -0.5%	19,015,573	19,664,510

The above sensitivity analysis is based on a method that shows the impact on the defined benefit obligation as a result of reasonable changes in key assumptions that occur at the end of the financial reporting period. Sensitivity analysis is based on the change in the main assumption with all other assumptions remaining constant. Sensitivity analysis may not be representative of the actual change in the specific benefit obligation as changes in assumptions are unlikely to occur in isolation.

The following are the payments that are expected in future years in connection with the Defined Benefit Program:

	2025	2024
During the next 12 months (the period of the next annual financial report)	6,273,150	6,960,934
Between 2 to 5 years	7,976,179	7,767,192
Between 6 to 10 years	5,813,127	5,858,848

18. ZAKAT AND INCOME TAX

a) Zakat and income tax provision as reported in the Group's statement of financial position is as follows:

	2025	2024
Zakat provision (Note D below)	2,838,064	3,118,969
Income tax provision (Note F below)	-	-
	2,838,064	3,118,969

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- b) Zakat liabilities were calculated based on the consolidated financial statements of the Group except (Emdad Support Services Company), while tax was calculated based on standalone financial statements of the Subsidiary Company:

Zakat base	2025	2024
Non-current assets	70,547,604	111,786,950
Non-current liabilities	33,609,366	26,713,355
Shareholders' equity	78,724,007	104,757,182
Net loss before zakat and income tax	(86,628,733)	(15,639,871)

- c) Zakat charged to the consolidated statement of comprehensive income:

	2025	2024
Charge during the year	1,387,054	168,227
	1,387,054	168,227

- d) Movement in zakat provision during the year is as follows:

	2025	2024
Balance at the beginning of the year	3,118,969	4,652,774
Charge during the year	1,387,054	168,227
Paid during the year	(1,667,959)	(1,702,032)
Balance at the end of the year (Note A)	2,838,064	3,118,969

- e) Tax charged to the consolidated statement of comprehensive income:

	2025	2024
Current income tax	-	(291,403)
Deferred income tax	(20,038)	5,549
	(20,038)	(285,854)

- f) Movement in income tax provision during the year consists of the following:

	2025	2024
Balance at the beginning of the year	-	1,363,026
Charge during the year (Note E)	(20,038)	(285,854)
Paid during the year	-	(1,077,172)
Utilized during the year	19,606	-
Translation differences	432	-
Balance at the end of the year (Note A)	-	-

Zakat and tax position

Saudi Industrial Development Co. "SIDC"

Zakat return:

The Company, together with its branch and subsidiaries (International Company for Marketing of Bedding Supplies, SIDC Commercial Investment Company, and SIDC Investment Projects Company), submits its consolidated financial statements and unified Zakat return to the Zakat, Tax and Customs Authority ("ZATCA") effective from December 31, 2015.

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For the year 2021:

- The Company submitted its financial statements and unified Zakat return for the year 2021 and settled the Zakat due thereon, and obtained the Zakat certificate on July 4, 2021.
- ZATCA requested additional information for the year 2021 on June 22, 2023 to review and examine the unified Zakat return.
- ZATCA issued a preliminary assessment for the year 2021 of SAR 1,965,719.42.
- The Company submitted a request to ZATCA to apply the provisions of the Zakat Regulations issued under Ministerial Resolution No. (1007). Subsequently, ZATCA requested additional information to reassess and examine the unified Zakat return and the preliminary assessment for the year 2021 in accordance with the said regulations.
- ZATCA issued a notice of completion of examination in accordance with the provisions of the Zakat Regulations issued under Ministerial Resolution No. (1007) on December 31, 2025, confirming that, based on the review results and examination status, no adjustments were required to the Zakat return submitted by the Company. Accordingly, the Company's Zakat position has been finalized up to December 31, 2021

For the year 2022:

- The Company submitted its financial statements and unified Zakat return for the year 2022 and settled the Zakat due thereon, and obtained the Zakat certificate on July 13, 2023.
- ZATCA requested additional information for the year 2021 on August 7, 2023 to review and examine the unified Zakat return.
- ZATCA issued a preliminary assessment for the year 2022 amounting to SAR 1,456,841.20.
- The Company submitted a request to ZATCA to apply the provisions of the Zakat Regulations issued under Ministerial Resolution No. (1007). Subsequently, ZATCA requested additional information to reassess and examine the unified Zakat return and the preliminary assessment for the year 2022 in accordance with the said regulations.
- ZATCA issued a notice of completion of examination in accordance with the provisions of the Zakat Regulations issued under Ministerial Resolution No. (1007) on January 4, 2025, confirming that, based on the review results and examination status, no adjustments were required to the Zakat return submitted by the Company. Accordingly, the Company's Zakat position has been finalized up to December 31, 2022.

For the year 2023

- The Company submitted its financial statements and unified Zakat return for the year 2023 and settled the Zakat due thereon, and obtained the Zakat certificate on May 5, 2024.
- ZATCA requested additional information for the year 2021 on June 2, 2024 to review and examine the unified Zakat return.
- The Company submitted a request to ZATCA to apply the provisions of the Zakat Regulations issued under Ministerial Resolution No. (1007). Subsequently, ZATCA requested additional information to reassess and examine the unified Zakat return and the preliminary assessment for the year 2023 in accordance with the said regulations.
- ZATCA issued a notice of completion of examination in accordance with the provisions of the Zakat Regulations issued under Ministerial Resolution No. (1007) on December 31, 2025, confirming that, based on the review results and examination status, no adjustments were required to the Zakat return submitted by the Company. Accordingly, the Company's Zakat position has been finalized up to December 31, 2023.

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For the year 2024

- The Company submitted its draft financial statements and unified Zakat return for the year 2024 and settled the Zakat due thereon and obtained the Zakat certificate on April 30, 2025.
- ZATCA requested additional information for the year 2024 on July 15, 2025 to review and examine the unified Zakat return.
- ZATCA issued a notice of completion of examination in accordance with the provisions of the Zakat Regulations issued under Ministerial Resolution No. (1007) on February 26, 2026, confirming that, based on the review results and examination status, no adjustments were required to the Zakat return submitted by the Company. Accordingly, the Company's Zakat position has been finalized up to December 31, 2024.

For the year 2025

The Company is in the process of submitting its consolidated financial statements, unified Zakat return, separate financial statements, and Zakat returns (information returns) for its subsidiaries for the year 2025 to ZATCA within the prescribed statutory deadlines.

Value added tax

The Company and its branch file value added tax (VAT) returns.

- ZATCA issued a final assessment notification for the results of the audit procedures based on the filed tax returns (VAT) for the year 2024 on June 23, 2025, whereby all of the Company's obligations were settled. Accordingly, the Company's tax position has been finalized up to December 31, 2024.

Withholding Tax

The Company and its branch file withholding tax returns.

- ZATCA issued a notice of completion of examination on February 26, 2026, confirming that, based on the review results and examination status, no adjustments were required to the tax returns submitted by the Company, its branch, and its subsidiaries. Accordingly, the Company's tax position has been finalized up to December 31, 2024, following the settlement and payment of all amounts due to ZATCA.

Global Company for Marketing Sleep Products Ltd. "Sleep High"

Zakat return:

The Company submits its separate financial statements and Zakat return (information return) together with the consolidated financial statements and unified Zakat return of Saudi Industrial Development Company ("SIDC") to ZATCA.

For the year 2025

The Company is in the process of submitting its separate financial statements and Zakat return (information return) for the year 2025 to ZATCA within the prescribed statutory deadlines.

Value added tax (VAT):

- ZATCA issued a final assessment notification for the results of the audit procedures based on the filed tax return (VAT) for the month of September 2020 on September 30, 2021, whereby all of the Company's obligations were settled. Accordingly, the Company's tax position has been finalized up to September 30, 2020.
- The Company is compliant with the submission of monthly VAT returns and the settlement of VAT due based on those returns.

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Withholding Tax

ZATCA issued a notice of completion of examination on February 26, 2026, confirming that, based on the review results and examination status, no adjustments were required to the tax returns submitted by the Company, its branch, and its subsidiaries. Accordingly, the Company's tax position has been finalized up to December 31, 2024, following the settlement and payment of all amounts due to ZATCA.

SIDC Commercial Investment Company

Zakat return:

The Company submits its separate financial statements and Zakat return (information return) together with the consolidated financial statements and unified Zakat return of Saudi Industrial Development Company ("SIDC") to ZATCA.

For the year 2025

The Company is in the process of submitting its separate financial statements and Zakat return (information return) for the year 2025 to ZATCA within the prescribed statutory deadlines.

SIDC Projects Investment Company

Zakat return:

The Company submits its separate financial statements and Zakat return (information return) together with the consolidated financial statements and unified Zakat return of Saudi Industrial Development Company ("SIDC") to ZATCA.

For the year 2025

The Company is in the process of submitting its separate financial statements and Zakat return (information return) for the year 2025 to ZATCA within the prescribed statutory deadlines.

Emdad Support Services Company

Zakat return:

For the year 2021:

The Company finalized its Zakat position up to the end of the fiscal year 2021 after settling and paying all amounts due to ZATCA on August 7, 2024, based on the review results and examination status in accordance with the Zakat assessment notification issued by ZATCA.

For the year 2022:

The Company submitted its financial statements and Zakat return for the year 2022 and settled the Zakat due thereon, and obtained the Zakat certificate on July 9, 2023.

For the year 2023:

The Company submitted its financial statements and Zakat return for the year 2023 and settled the Zakat due thereon, and obtained the Zakat certificate on May 8, 2024.

For the year 2024:

The Company submitted its financial statements and Zakat return for the year 2024 and settled the Zakat due thereon, and obtained the Zakat certificate on May 6, 2025.

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For the year 2025:

The Company is in the process of submitting its financial statements and Zakat return for the year 2025 to ZATCA within the prescribed statutory deadlines.

Value added tax

- ZATCA issued a final assessment notification for the results of the audit procedures based on the filed tax return (VAT) for the second quarter of 2025 (for the period from April 1, 2025 to June 30, 2025) on October 30, 2025, whereby all of the Company's obligations were settled. Accordingly, the Company's tax position has been finalized up to June 30, 2026.
- The Company is compliant with the submission of quarterly VAT returns and the settlement of VAT due based on those returns.

Global Company for Marketing Sleep Products Ltd. "Sleep High-Egypt"

Corporate Income Tax

- According to the tax card, operations and tax exemption began on 1 January 2009. The exemption lasted 10 years, ending 31 December 2018.
- The Company is compliant with the submission of annual tax returns within the prescribed deadlines and the settlement of tax due based on those returns.
- The Company was notified of a tax inspection for the year 2009; however, no tax inspection has been conducted up to the date of issuance of the financial statements for the year 2025.

VAT

- The Company finalized its tax position up to December 31, 2017 after settling and paying all amounts due to the Egyptian Tax Authority in accordance with the tax inspection report, official assessment forms, and payment notices.
- The Company is compliant with the submission of monthly VAT returns and the settlement of VAT due based on those returns.

Payroll Tax

- The Company finalized its tax position up to December 31, 2021 after settling and paying all amounts due to the Egyptian Tax Authority in accordance with the tax inspection report, official assessment forms, and payment notices.
- The Company is compliant with the submission of monthly, quarterly, and annual payroll tax returns and the settlement of tax due based on those returns.

Stamp Duty

- The Company finalized its tax position up to June 30, 2006 after settling and paying all amounts due to the Egyptian Tax Authority in accordance with the tax inspection report, official assessment forms, and payment notices.
- No tax inspection has been conducted, and no tax claims have been received by the Company for the period from July 1, 2006 to December 31, 2025, up to the date of issuance of the financial statements for the year 2025.

Real Estate Tax

- The Company finalized its tax position up to December 31, 2021 after settling and paying all amounts due to the Egyptian Tax Authority in accordance with the tax assessment issued by the Authority and payment notices.

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- The Company is exempt from real estate tax for the period from 2022 to 2025 pursuant to Minister of Finance Resolution No. 61 of 2022 and the subsequent extension of the resolution.

19. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2025	2024
Accrued Expenses	2,853,190	2,447,714
Employees' accruals	2,868,192	2,622,067
Contract Liabilities	2,198,896	1,934,558
Board of Directors and Related Committees' Fees Payable (Note 33)	1,450,000	1,998,751
Accrued taxes	930,202	2,455,440
Provision for legal claims	527,028	403,718
Provision for warranty*	393,732	429,017
Advances from Customers	186,977	871,659
Others	800,774	798,957
	12,208,991	13,961,881

*The provision for product warranties arises from the Group's legal obligation to repair or replace products that exhibit manufacturing defects during the warranty period granted to customers. The provision is measured based on historical experience of claim rates and actual costs incurred in prior periods, as well as management's best estimate of expected future costs, and this provision is reviewed at the end of each reporting period and adjusted as necessary. This obligation is expected to be settled within the Group's normal operating cycle.

20. SUBSCRIPTION SURPLUS

The subscription surplus balance as of 31 December 2025 amounted to SAR 9,010,549 (2024: SAR 6,942,595), representing amounts due to shareholders arising from subscription differences, fractional shares, and rights issues, which have not been claimed by shareholders up to the date of the consolidated financial statements. The subscription surplus balance is detailed as follows:

- An amount of SAR 6,350,898 represents outstanding balances since the share allocation process carried out in 1992, which has not been claimed by shareholders to date.
- During 2024, an amount of SAR 852,440 arose from the Company's capital reduction (settlement of fractional shares). An amount of SAR 260,978 was paid to shareholders, leaving a balance of SAR 591,462 as at December 31, 2024, after taking into account settlements made during 2025 relating to outstanding balances.
- During 2025, an amount of SAR 8,949,649 arose from the Company's capital increase (compensation for fractional shares and rights issues). An amount of SAR 6,881,460 was paid to shareholders, leaving a balance of SAR 2,068,189 as at December 31, 2025.

21. CREDIT FACILITIES

The group's credit facilities are as follows:

a) Global Company for Marketing Sleep Products Ltd. "Sleep High" (Subsidiary):

- During the second quarter of 2023, the subsidiary entered into a margin trading facility agreement with Derayah Financial Company ("Derayah") for an amount of SAR 21.5 million to finance the subsidiary's working capital requirements, in consideration of an annual subscription fee of 9%, payable on a monthly basis. The agreement is open-ended, and the subsidiary has the right to settle the outstanding balance at any time it deems appropriate. The proceeds from the margin trading facility were utilized to settle the previous Murabaha facility, with the remaining amount deposited

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into the subsidiary's investment portfolio account. The subsidiary has also agreed to pledge all assets held in its portfolios with Derayah in favor of Derayah as collateral for the granted facilities, and such assets may not be sold, pledged, or otherwise utilized for any other purpose without Derayah's prior written consent for as long as the facilities remain outstanding or in effect. The subsidiary has also acknowledged that Derayah has a lien over these assets as security for the amounts due, in addition to a promissory note issued in its name. The facility has no fixed maturity date, and the subsidiary may settle the outstanding balance at any time it deems appropriate. In accordance with the signed agreement, there is no specified termination date, as it has been effective since April 17, 2023, and may be terminated by either party upon five days' written notice, given that the subscription fees are payable on a monthly basis.

- During the third quarter of 2024, the subsidiary repaid SAR 5 million of the Murabaha facility, resulting in an outstanding balance of SAR 16.5 million as at the end of 2024.
- During November 2025, the subsidiary repaid SAR 3.4 million of the Murabaha facility, resulting in an outstanding balance of SAR 13.1 million as at the end of November 2025
- During December 2025, the subsidiary fully repaid the remaining balance of the margin trading facility amounting to SAR 13.1 million, using proceeds from the capital increase of Saudi Industrial Development Company (SIDC). Accordingly, no outstanding balance remained under this facility as at the end of the financial year 2025.
- During the third quarter of 2024, the subsidiary entered into an agreement with Sukuk Capital Company to establish a program for the issuance of Sharia-compliant Murabaha sukuk (debt instruments) with a total value of SAR 10 million to finance the Company's working capital. The program comprises Murabaha contracts of SAR 1 million each, with a nominal profit margin of 13.96%, whereby the principal and profit are repayable on a monthly basis over a period of 24 months. As security for these facilities, the subsidiary issued a promissory note in favor of Sukuk Capital Company. In addition, the parent company, Saudi Industrial Development Company ("SIDC"), issued a promissory note as guarantor of the subsidiary, and a member of the Board of Directors (Eng. Bandar Abdullah Ibrahim Al-Humaidi) also issued a promissory note in favor of Sukuk Capital Company as a guarantor. The first Murabaha installment fell due on October 22, 2024.
- As of December 31, 2024, the utilized amount under the sukuk issuance program amounted to SAR 6 million out of the total program, through Murabaha contracts of SAR 1 million each. During 2024, the subsidiary repaid SAR 400 thousand of the principal amount, resulting in an outstanding balance of SAR 5.6 million as at December 31, 2024.
- During the first quarter of 2025, the subsidiary utilized an additional amount of SAR 4 million under the sukuk issuance program, bringing the total utilized amount to SAR 10 million as at March 31, 2025, out of the total program, through Murabaha contracts of SAR 1 million each.
- During 2024, the subsidiary repaid SAR 4.2 million of the Murabaha facility, resulting in an outstanding balance of SAR 5.4 million as at December 2025.
- During December 2025, the subsidiary made an early repayment of the entire remaining balance under the sukuk issuance program amounting to SAR 5.4 million, using proceeds from the capital increase of Saudi Industrial Development Company ("SIDC"). Accordingly, no outstanding balance remained under this program as at December 31, 2025.

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- During the fourth quarter of 2024, the subsidiary entered into a Sharia-compliant credit facilities agreement with Riyad Bank with a maximum facility limit of SAR 9 million to finance its working capital requirements. During 2025, the subsidiary utilized SAR 5.7 million under the facility through multiple Murabaha contracts with varying amounts, at profit rates comprising prevailing market financing costs plus the Bank's margin, with an average repayment tenor of approximately six months. As security for these facilities, the subsidiary issued a promissory note in favor of Riyad Bank, and the parent company, Saudi Industrial Development Company ("SIDC"), also issued a promissory note as guarantor of the subsidiary.
- During 2025, the subsidiary repaid SAR 3.4 million of the financing utilized during the year, of which SAR 3.1 million was funded from the proceeds of the capital increase of Saudi Industrial Development Company ("SIDC"), resulting in an outstanding balance of SAR 2.3 million as at December 31, 2025.

b) Arabian Co. For Manufacturing Sponges & Springs Mattresses Ltd. (Sleep High Egypt)
(Subsidiary)

During the third quarter of 2024, the subsidiary entered into a short-term credit facilities agreement with the Commercial International Bank (CIB) in the Arab Republic of Egypt for EGP 10 million (equivalent to SAR 754 thousand) to finance its working capital requirements, at an annual interest rate of 11% applicable to cash facilities and not to letters of credit, in line with the Ministry of Finance's initiative to support industrial and agricultural activities. The facility has a tenor of one year from the date of signing and is utilized to open letters of credit for local and international suppliers, subject to the Company providing a cash margin of 15% of the value of such letters of credit. The Bank issues the letters of credit as a guarantee to suppliers to enable the supply process, with settlement due 90 days from the date of utilization for shipment of goods. Upon maturity, the Company settles the letters of credit from its own funds with the Bank, without such letters of credit being treated as loans and without any interest being charged. In the event that the Company is unable to settle the letters of credit from its own funds, the Bank settles the amounts on behalf of the Company, and such amounts are then recognized as a loan subject to the agreed annual interest rate under the facility agreement. As security for these facilities, the subsidiary ("Sleep High") issued a promissory note in favor of CIB. As of December 31, 2025, the utilized amount under the facility amounted to EGP 8.7 million (equivalent to SAR 687 thousand).

c) Emdad Support Services Company

During the second quarter of 2024, the subsidiary entered into an agreement with Dinar Investment Company to establish a program for the issuance of Sharia-compliant Murabaha sukuk (debt instruments) with a total value of SAR 10 million to finance the subsidiary's working capital requirements. The program comprises Murabaha contracts of SAR 1 million each, with an annual profit margin of 10.5%, whereby the principal and profit are repayable on a semi-annual basis over a period of 24 months. As security for this financing, the subsidiary issued a promissory note in favor of Dinar Investment Company. In addition, promissory notes were issued by the partners of the subsidiary, including the Global Company for Marketing Sleep Products Ltd. (a subsidiary) and Road Storm Trading and Contracting Company (a related party), as well as personal promissory notes issued by the partners of Road Storm Trading and Contracting Company, namely Mr. Ibrahim bin Abdullah Al-Humaidi (a related party) and Mr. Ahmed bin Abdullah Al-Kunhal (a related party).

As at the second quarter of 2025, the utilized amount under the sukuk issuance program amounted to SAR 4 million out of the total program, through Murabaha contracts of SAR 1 million each. During December 2025, the subsidiary made an early repayment of the entire outstanding balance of SAR 4 million, and accordingly, no outstanding balance remained under this program as of December 31, 2025.

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During the second quarter of 2025, the subsidiary entered into a Sharia-compliant financing agreement with the Social Development Bank for an amount of SAR 10 million to finance the Company's capital expansion. The facility carries a nominal annual profit rate of 5%, with principal and profit repayable on a quarterly basis over a period of 60 months. The Murabaha facility is granted by a government entity, and the conditions associated with government grants have been met. Accordingly, the difference between the fair value of the Murabaha and its carrying amount (representing the present value of the discounted cash flows using the effective interest rate) is recognized as deferred income (government grant) and amortized over the term of the Murabaha. The term of the agreement is five years, with principal repayments in equal quarterly installments commencing after a grace period of six months from the date of receipt of the first drawdown. The total finance profit amounting to SAR 2.5 million will be paid over the term of the facility. As security for this financing, the subsidiary issued a promissory note in favor of the Social Development Bank. In addition, joint and several guarantees were provided by the partners of the subsidiary, including the Global Company for Marketing Sleep Products Ltd. (a subsidiary) and Road Storm Trading and Contracting Company (a related party), as well as personal guarantees and undertakings issued by the partners of Road Storm Trading and Contracting Company, namely Mr. Ibrahim bin Abdullah Al-Humaidi (a related party) and Mr. Ahmed bin Abdullah Al-Kunhal (a related party).

The following is a breakdown of credit facilities as of December 31:

	<u>2025</u>	<u>2024</u>
Credit facilities	11,399,396	22,048,492
Less: current portion	4,561,107	19,346,316
Non-current portion	6,838,289	2,702,176

The movement of the government grant during the year is as follows:

	<u>2025</u>	<u>2024</u>
Balance as of January 1,	-	-
Recognized during the year	1,235,920	-
Deferred revenue amortized during the year	(124,177)	-
Balance as of December 31,	1,111,743	-
Less: current portion	247,184	-
Non-current portion	864,559	-

22. SEGMENT INFORMATION

The sector is an essential part of the Group that provides certain products or services (business sector) or provides products or services in a certain economic environment (geographical sector) whose profits and losses differ from those of other sectors. The geographical sector is linked to the provision of products or services in a specific economic environment subject to risks and returns different from those related to employment sectors in economic environments.

The Group's primary segment reporting format is based on business segments. These segments are managed separately according to the nature of the economic activities they undertake. The performance of these segments is evaluated and decisions regarding the allocation of resources are made based on internal reports that are regularly presented to executive management and the Group's chief operating decision maker (CODM). The Group operates in the following main operating segments:

- Mattress and sponge sector, includes the production and sale of sponges with various pressures and structures of mattresses, beds and all their accessories.

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- Sanitary ware sector, includes the production and sale of sanitary ware, wall tiles, ceramic flooring and acrylic bathtubs.
- Transportations consist of transport goods and equipment.
- Investments in dedicated portfolios focusing on shares of banks and other publicly listed companies on the Saudi stock exchange, as well as investments in shares of other companies.
- Other sectors.

The following is the distribution of the activity of the company and its subsidiaries after excluding the impact of transactions between the group's companies according to the operational and geographical sectors that are the main business sectors of the group:

Operating Segment

Descriptions	Mattresses and sponges	Sanitary ware	Transportation	Financial investments	Other Segments	Total
December 31, 2025						
Total assets	62,283,420	19,803,892	26,538,713	19,447,099	101,002,809	229,075,933
Total liabilities	37,009,277	14,963,002	16,842,391	-	15,461,140	84,275,810
Net revenue *	80,878,746	5,460,121	12,472,070	-	-	98,810,937
Depreciation and Amortization	6,822,455	592,668	3,227,678	-	1,162,575	11,805,376
Finance revenue	3,910	-	-	-	-	3,910
Finance cost	2,944,342	60,062	1,055,085	-	34,277	4,093,766
(Loss) / profit attributable to shareholders for the year	(23,878,532)	(20,225,174)	1,063,174	686,074	(46,704,465)	(89,058,923)

Descriptions	Mattresses and sponges	Sanitary ware	Transportation	Financial investments	Other Segments	Total
December 31, 2025						
Total assets	71,893,734	26,392,055	13,769,394	29,620,465	38,029,982	179,705,630
Total liabilities	61,830,458	17,672,657	10,424,771	-	11,053,737	100,981,623
Net revenue *	119,699,125	7,858,048	10,112,793	-	-	137,669,966
Depreciation and amortization	7,019,322	585,351	2,869,057	-	808,060	11,281,790
Finance revenue	62,874	-	-	-	-	62,874
Finance cost	2,431,768	73,050	66,462	-	13,569	2,584,849
(Loss) / profit attributable to shareholders for the year	(2,544,731)	(5,134,176)	1,383,368	2,297,494	(12,907,567)	(16,905,612)

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Geographic Information

Descriptions	Kingdom of Saudi Arabia	Arab Republic of Egypt	Total
December 31, 2025			
Total assets	215,434,077	13,641,856	229,075,933
Total liabilities	78,659,636	5,616,174	84,275,810
Net revenue *	83,927,860	14,883,077	98,810,937
(Loss) / profit attributable to shareholders for the year	(86,738,178)	(2,320,745)	(89,058,923)
December 31, 2024			
Total assets	164,144,283	15,561,347	179,705,630
Total liabilities	95,181,909	5,799,714	100,981,623
Net revenue	118,211,222	19,458,744	137,669,966
(Loss) / profit attributable to shareholders for the year	(14,499,146)	(2,406,466)	(16,905,612)

* The following net of revenue for the year ended December 31:

	2025	2024
Mattresses and sponges	80,878,746	119,699,125
Sanitary ware	5,460,121	7,858,048
Transportation	12,472,070	10,112,793
Financial investments	-	-
Other Segments	-	-
	98,810,937	137,669,966

Disaggregation of revenue by source and timing of recognition:

Description	2025	2024	Timing of revenue recognition
Sale of goods	80,453,160	120,682,090	At a point in time (upon delivery)
Transportation services	12,472,070	10,112,793	At a point in time (upon delivery)
E-commerce sales	5,387,972	6,363,780	At a point in time (upon delivery)
Export sales	497,735	511,303	At a point in time (upon delivery in accordance with the agreed delivery terms)
Storage Services	-	-	Over time (during the service period)
Total	98,810,937	137,669,966	

The revenues presented for each operating segment represent revenues from external customers only, after eliminating all intercompany transactions between the Group's companies and segments, including transportation, storage, and other services provided internally among Group entities, for the purpose of preparing the consolidated financial statements. The segment information presented does not include revenue from inter-segment transactions, as such revenue is not included in the measure of segment results used in the internal reports reviewed by the chief operating decision maker.

Zakat expense is neither measured nor presented on a segment basis within the information regularly reviewed by the chief operating decision maker, as Zakat is accounted for at the Group level in accordance with the applicable statutory basis and the approved Zakat returns. For further details, refer to (Note18).

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23. COST OF REVENUE

	2025	2024
Consumables and spare parts	46,053,318	67,348,098
Salaries, wages and benefits	16,875,664	17,553,801
Depreciation of property, plant and equipment (Note 5)	5,606,473	5,542,445
Fuel and transportation	8,108,744	6,380,013
Repair and maintenance	1,558,573	2,253,368
Utilities and communications	1,726,623	1,970,671
Depreciation of right to use assets (Note 7)	1,484,145	1,336,781
Other	3,916,515	4,707,117
	85,330,055	107,092,294

24. SELLING AND DISTRIBUTION EXPENSES

	2025	2024
Salaries, wages and benefits	7,991,419	8,495,948
Advertising	1,385,964	2,887,767
Depreciation of right to use assets (Note 7)	2,237,087	2,358,501
Depreciation of property, plant and equipment (Note 5)	1,078,650	957,675
Subscriptions and licenses fees	97,865	340,138
Maintenance	56,881	221,080
Utilities	228,073	242,956
Other	1,965,462	1,922,222
	15,041,401	17,426,287

25. GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Salaries, wages and benefits	16,637,654	17,714,111
Remuneration of board of directors' members and other related committees (Note 32)	5,084,263	4,429,998
Professional fees and consulting	1,768,623	1,751,448
License and subscription fees	2,466,464	1,725,906
Depreciation of property, plant and equipment (Note 5)	629,190	580,720
Depreciation of right to use assets (Note 7)	754,271	589,455
Travel & hospitality	182,186	446,548
Repair and maintenance	160,611	328,894
Utilities	639,862	656,285
Amortization of intangible assets (Note 8)	15,560	36,330
Other	2,637,173	2,071,996
	30,975,857	30,331,691

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26. Impairment Of Current Assets

	2025	2024
Inventory impairment (Note 10)	19,758,745	3,995,835
Impairment of trade receivables (Note 12)	130,173	376,087
(Reversal) impairment of prepaid expenses and other debit balances (Note 11)	(57,002)	(28,336)
	19,831,916	4,343,586

27. FINANCE COSTS

	2025	2024
Finance cost on lease liabilities (Note 7)	603,361	506,891
Finance cost of credit facilities	3,490,405	2,077,958
	4,093,766	2,584,849

28. OTHER INCOME

	2025	2024
Bad debts collected during the year	445,351	559,387
Scrap sales	947,078	2,618,743
Reversal of provision	-	2,286,531
Foreign currency differences	32,702	(1,333,850)
Gain from sale of property, plant and equipment	774,798	480,740
Write-off of credit facilities	-	119,897
Human Resources Fund support	238,358	469,116
Other Revenue	741,275	970,812
	3,179,562	6,171,376

29. Comparative figures and prior year adjustments

During the year ended 31 December 2023, the Group transferred the balance of the fair value reserve relating to financial assets at fair value through other comprehensive income associated with Arabian Industrial Fibers Company – Ibn Rushd, amounting to SAR 132.9 million as at the date of transfer, to retained earnings / (accumulated losses) within equity prior to the derecognition of the related asset. The correction of this accounting treatment was subsequently made retrospectively during the year ended 31 December 2025 in accordance with the requirements of IAS 8, through the reclassification of the fair value reserve relating to financial assets at fair value through other comprehensive income within equity and the adjustment of retained earnings / (accumulated losses). There was no impact on operating activities, profit or loss, total comprehensive income, earnings per share, cash flows, assets or liabilities. In addition, the effect on retained earnings is not distributable as cash dividends, as it represents a reclassification arising from the correction of an accounting treatment rather than realized operating profits, and does not affect the Company's operating performance results. The financial statements have been restated to revise the comparative figures for 2023 and 2024, as shown below:

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Impact on the consolidated statement of financial position as at December 31, 2023 and January 1, 2024 is as follows:

	<u>Balance before adjustment</u>	<u>Adjustments</u>	<u>Balance after adjustment</u>
Fair value reserve of investments	8,327,252	(132,900,000)	(124,572,748)
Accumulated losses	(267,662,464)	132,900,000	(134,762,464)

Impact on the consolidated statement of financial position as at December 31, 2024 is as follows:

	<u>Balance before adjustment</u>	<u>Adjustments</u>	<u>Balance after adjustment</u>
Fair value reserve of investments	(4,210,764)	(132,900,000)	(137,110,764)
Accumulated losses	(5,625,912)	132,900,000	127,274,088

30. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Ordinary shares issued for cash are included in the weighted average number of shares from the date the consideration becomes receivable. Comparative figures are restated when a bonus element exists in a rights issue.

The following are the net operating loss and the details of the shares used in calculating the basic and diluted operation earnings per share:

	<u>2025</u>	<u>2024</u>
Loss from operations	(86,400,603)	(21,523,892)
Weighted average number of shares during the year (share)	18,382,514	17,072,005
Basic and diluted share per share (SAR)	(4.70)	(1.26)

The following are the net loss and details of the shares used in calculating the basic and diluted earnings per share:

	<u>2025</u>	<u>2024</u>
Net loss for the year	(89,058,923)	(16,905,612)
Weighted average number of shares during the year (share)	18,382,514	17,072,005
Basic and diluted share per share (SAR)	(4.84)	(0.99)

During the year ended 31 December 2024, the Company's share capital was reduced by SAR 265 million to offset accumulated losses. As a result, 26.5 million ordinary shares were cancelled, representing a reduction of 0.6625 share for each existing share. Consequently, the share capital after the reduction amounted to SAR 135 million, divided into 13.5 million shares with a nominal value of SAR 10 per share as of 31 December 2024. The weighted average number of shares was accordingly adjusted for the purpose of calculating earnings per share for the year ended 31 December 2024.

On 6 November 2025, the Extraordinary General Assembly approved the Board of Directors' recommendation to increase the Company's share capital through a rights issue. A total of 16.5 million ordinary shares were issued at a nominal value of SAR 10 per share and an issue price of SAR 10 per share, resulting in an increase of SAR 165 million in share capital. Accordingly, the Company's share capital after the increase amounted to SAR 300 million, divided into 30 million ordinary shares.

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31. OBLIGATIONS AND CONTINGENT LIABILITIES

The most important contingent liabilities of the group are as follows:

- A final judgment was issued by the Court of Appeal in Case No. (2798) in 1434H in favor of the Saudi Industrial Development Company “SIDC” (the “plaintiff”) against Juhayna Trading, Industry and Contracting Co. Ltd. (the “defendant”), obliging the defendant to pay the plaintiff a total amount of approximately SAR 15.2 million. A judgment was also issued by the Court of First Instance requesting an interpretation of the judgment in the same case (Case No. 2798), holding both Juhayna Trading, Industry and Contracting Co. Ltd. and Abbas bin Ali bin Ahmed Abdul-Jawad jointly liable for the amounts awarded in favor of SIDC. The Court of Appeal subsequently annulled the judgment by accepting the request for interpretation and reissued its ruling rejecting the request for interpretation. A petition for cassation against the interpretation ruling has been submitted and was rejected. An application for execution of the judgment has been submitted to the Execution Court in Jeddah against Juhayna, registered under number (3901242395) dated 10/11/1439H, and Decisions No. (34) and (46) have been issued against Juhayna and its branches. Based on the above facts, the execution procedures and attempts to collect the amount are still ongoing by the Execution Court, and any amounts collected will be recognized directly upon collection.
- As of 31 December 2025, the cash margin paid for the issuance of documentary letters of credit amounted to SAR 560,402 (2024: SAR 200,285) (Note 11).

	2025	2024
Letters of credit	2,784,746	-
Letters of Guarantee	142,450	200,285
Less: Cash Margin	(560,402)	(200,285)
	2,366,794	-

32. RISK MANAGEMENT

The group's exposure to risks and its approach to managing these risks are described below:

a) Credit risk

Credit risk represents the accounting loss that will be recognized at the date of the financial position if the other parties do not comply with the contract. The group applies policies to limit its exposure to credit risks. The maximum exposure to credit risk in the history of the financial position is as follows:

	December 31, 2025	December 31, 2024
Other current assets (excluding prepaid expenses)	3,249,715	3,095,529
Trade receivables	20,749,424	25,106,230
Cash and cash equivalents	103,553,484	1,681,143
Total financial assets	127,552,623	29,882,902

Credit risk is the risk that one of the parties to a financial instrument may not be able to fulfill a contractual obligation, causing a financial loss to the other party. The financial assets that significantly expose the group to credit risks are mainly commercial receivables, other receivables, cash and cash equivalent.

The group applies the simplified model contained in the accounting policies to realize the expected credit losses over the life of the instrument for all commercial receivables, as these items do not have a material financing factor. When measuring the expected credit losses, commercial receivables were assessed on an aggregate basis, respectively, and were classified based on the characteristics of common credit risks and the expiration period of the maturity date.

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An analysis of the fall in value at the date of each financial report is carried out using a matrix intended for measuring expected credit losses. The allowance rates are based on the expiry period for different customer segment categories with similar loss patterns (i.e. by geographic region, Service Type and customer type). The calculation shows the probable weighted results and reasonable and substantiated information that is available at the reporting date regarding past events, current conditions and forecasts regarding future economic conditions.

Commercial receivables are written off (that is, derecognized) when there is no reasonable expectation of their recovery. Failure to make payment within 365 days from the date of the invoice and the inability to make an alternative payment arrangement - among other things - with the group is an indication of an unreasonable expectation of recovery, and is therefore considered as a credit impairment.

The ageing of trade receivables and related party balances as at the reporting date is as follows:

	2025	2024
1-90 days	13,266,844	21,169,996
91-180 days	5,961,169	2,534,875
181-270 days	1,790,956	1,138,910
271-365 days	127,693	794,721
More than 365 days	474,434	200,937
Deduction:	21,621,096	25,839,439
Expected credit losses	(871,672)	(733,209)
Trade receivables – Net	20,749,424	25,106,230

Financial instruments - Cash and cash equivalents

The group's bank balances, measured at amortized cost, are considered low-risk, so that the group's bank balances are deposited in financial institutions with a good credit rating and no current history of default.

The maximum exposure of the group to credit risks arising from the default or non-payment of the counterparty is limited by the book value of commercial receivables, other receivables, cash and cash equivalent.

b) Fair value or interest rate risks

Fair value is the value received for the sale of an asset or paid for the transfer of an obligation in a regular transaction between market participants on the measurement date. The consolidated financial statements are prepared on the historical cost basis excluding financial investments which are measured at fair value and employee benefit liability, the value of which is estimated actuarially. Differences may arise between the estimates of book value and fair values, as management believes that the fair values of the group's assets and liabilities do not differ significantly from fair values.

Interest rate risk arises from the possibility that fluctuating interest rates will affect future profitability. The group is exposed to interest rate risks on its interest-bearing assets and liabilities, including loans and bank facilities. Management works to reduce interest rate risks by monitoring the fluctuation of interest rates.

c) Currency risk

Some of the group's items appear in foreign currencies, which exposes the company to the risks of fluctuating prices of these currencies. The group may from time to time enter into forward exchange contracts to manage the risks of currency fluctuations and their requirements, which are mainly related to the import of certain items in foreign currencies.

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The table below contains an analysis of the impact of a decrease or increase in the exchange rate of the Egyptian pound against the Saudi Riyal from the levels applied on December 31, 2025 and December 31, 2024, with other variables remaining fixed in equity. It is expected that the effect of the increase or decrease in foreign currency will be equal to and opposite to the effect of the increase shown:

Currency	Exchange rate change %	Impact on (Loss) profit for the year		Impact on equity for the Year	
		2025	2024	2025	2024
Egyptian pound	10%	(232,075)	(240,647)	802,568	976,163

See (Note 15) regarding the decline in the exchange rate of the Egyptian pound against the Saudi Riyal.

d) Commission rate risk

Commission rate risk is represented by the risk of fluctuations in the value of financial instruments as a result of changes in the prevailing market commission rates on the group's financial position and cash flows. The existing facilities consist of arrangements with Riyadh Bank and the Social Development Bank, and accordingly, the Group's management believes there is no risk of changes in commission rates since the existing facilities are linked to a fixed interest rate. (Note 21)

e) Liquidity risk

It is a risk that the group will not be able to secure the necessary liquidity to meet obligations related to financial instruments. Liquidity risks may result from the inability to sell a financial asset quickly and at a value close to its fair value. Liquidity is managed through periodic monitoring to ensure sufficient liquidity is available to meet any future obligations. The contractual accruals of financial liabilities at the end of the fiscal year are as follows. The amounts are presented in total, not deducted and include estimated interest payments.

	Book value	Number of order or Less than one year	from 1 year to 5 years	More than 5 years
December 31, 2025				
Non-derivative financial liabilities				
Credit facilities	11,399,396	4,561,107	6,838,289	-
Lease liabilities	10,845,042	3,016,681	7,828,361	-
Trade payables and other creditors	30,992,859	30,992,859	-	-
	53,237,297	38,570,647	14,666,650	-
December 31, 2024				
Non-derivative financial liabilities				
Credit facilities	22,048,492	19,346,316	2,702,176	-
Lease liabilities	9,986,531	3,221,939	6,764,592	-
Trade payables and other creditors	38,638,448	38,638,448	-	-
	70,673,471	61,206,703	9,466,768	-

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f) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the instrument, its source, or factors affecting all instruments traded in the market. The group is exposed to price risks in relation to equity ownership in relation to investments held by the group and classified as financial assets at fair value in the statement of financial position. The group is diversifying its investment portfolio in order to manage the price risks resulting from its investments in equity shares.

g) Capital Management

The Group's objective in managing capital is to ensure the long-term continuity of its business operations, maximize returns to shareholders, and maintain the confidence of investors, creditors, and the market at large. The Group's capital management policy is focused on maintaining a strong capital structure that supports sustainable growth and achieves efficiency in the cost of capital. The Board of Directors' policy is to maintain an adequate capital base to balance funding requirements and the Group's financial stability. The Board monitors capital performance indicators, including the return on capital employed, and reviews the levels of dividends distributed to shareholders, within the broader framework of the Group's capital management strategy. The Group reviews its capital structure periodically and makes appropriate adjustments in response to changes in economic conditions and strategic business objectives. There were no changes in the Group's approach to capital management during the financial year ended. Furthermore, the Group and its subsidiaries are not subject to any externally imposed capital requirements.

The group, like other companies operating in the industry, conducts capital control on the basis of the indebtedness ratio. This ratio is calculated by dividing net debt by total adjusted equity. The group's indebtedness ratio at the end of the financial year is as follows:

	<u>2025</u>	<u>2024</u>
Credit facilities	11,399,396	22,048,492
Cash and cash equivalents	(103,553,484)	(1,681,143)
Net debt	-	20,367,349
Total equity	144,800,123	78,724,007
Indebtedness ratio	-	26%

h) Fair value measurement

Fair value is the amount by which an asset is sold, or an obligation is repaid in a regular transaction that takes place between market parties as at the measurement date.

The group's financial assets consist of cash and cash equivalent, trade receivables, receivables and other current assets and financial assets at fair value and its financial liabilities consist of trade payables, other current liabilities, credit facilities and leasing obligations.

These financial assets and liabilities were measured at amortized cost and there were no financial instruments or amounts of the group that were measured at fair value except financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Financial assets for which fair values have been measured and whose fair values have been disclosed in the consolidated financial statements are classified in the fair value hierarchy range shown below based on the data of the lower level that is material to the measurement of fair values as a whole:

- The first level: current (unadjusted) prices in active markets for similar assets or liabilities.
- The second level: valuation methods in which the minimum amount of data is essential to measure the fair value significantly directly or indirectly are observable.
- The third level: valuation methods in which the minimum amount of data is essential to measure fair value is unobservable.

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The table below shows the book values and fair values of financial assets and financial liabilities including their levels in the fair value sequence. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount reasonably approximates fair value:

<u>December 31, 2025</u>	Book value		Fair value			Total
	Amortized cost	Fair value	Level (1)	Level (2)	Level (3)	
<u>Financial assets</u>						
Cash and cash equivalents	103,553,484	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	19,447,099	18,465,129	-	981,970	19,447,099
Other current assets (excluding prepaid expenses)	3,249,715	-	-	-	-	-
Trade receivables	20,749,424	-	-	-	-	-
	127,552,623	19,447,099	18,465,129	-	981,970	19,447,099
<u>Financial liabilities</u>						
Trade payables	18,783,868	-	-	-	-	-
Accrued expenses and other current liabilities	12,208,991	-	-	-	-	-
Credit facilities	11,399,396	-	-	-	-	-
Lease liabilities	10,845,042	-	-	-	-	-
	53,237,297	-	-	-	-	-
<u>December 31, 2024</u>	Book value		Fair value			Total
	Amortized cost	Fair value	Level (1)	Level (2)	Level (3)	
<u>Financial assets</u>						
Cash and cash equivalents	1,681,143	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	29,620,465	26,631,050	-	2,989,415	29,620,465
Financial assets at fair value through profit or loss	-	-	-	-	-	-
Other current assets (excluding prepaid expenses)	3,095,529	-	-	-	-	-
Trade receivables	25,106,230	-	-	-	-	-
	29,882,902	29,620,465	26,631,050	-	2,989,415	29,620,465
<u>Financial liabilities</u>						
Trade payables	24,676,567	-	-	-	-	-
Accrued expenses and other current liabilities	13,961,881	-	-	-	-	-
Credit facilities	22,048,492	-	-	-	-	-
Lease liabilities	9,986,531	-	-	-	-	-
	70,673,471	-	-	-	-	-

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33. TRANSACTIONS WITH RELATED PARTIES

The Group has transacted through the normal course of its operations, with related parties. These parties include the partners and the general manager. The transactions with related parties were conducted at estimated prices and under payment terms approved by the Group's management. The following is an analysis of this item:

Due to a related Party

Related party	Nature of relationship	Nature of transaction	Volume of transaction for the year ended December 31		Balance as of December, 31	
			2025	2024	2025	2024
Road Storm Trading and Contracting Company	Associate Company (non - controlling interest)	Financing	5,460,000	3,000,000	-	3,000,000
		Payments	(8,460,000)	-		
					-	3,000,000

During 2025, the subsidiary obtained financing from the sister company, amounting to SAR 2.76 million during the first and second quarters and repaid such financing during the second quarter of 2025. Thereafter, during the third and fourth quarters, the subsidiary obtained additional financing from the sister company amounting to SAR 2.7 million and repaid the full financing balance (which included the opening financing balance at the beginning of the year) amounting to SAR 5.7 million during the fourth quarter of 2025. Accordingly, the financing balance became nil as of 31 December 2025.

Director and Senior Executives' Remuneration

The senior management of the group consists of the senior executive employees in the management and board members who have the authority and responsibility to plan, direct, and oversee the group's activities. Compensation for senior executive management and the board of directors has been recorded as an expense during the year as follows:

Description	nature of the transaction	Relationship	Amount	
			2025	2024
Senior management	Salaries and compensation	Parent company	3,665,407	3,679,985
		Subsidiaries	680,000	680,000
	End-of-service benefits	Parent company	137,950	124,725
		Subsidiaries	56,667	56,667
The board of directors and related committees	Remuneration, benefits and allowances for attending meetings	Parent company	2,154,982	1,424,641
		Subsidiaries	1,535,988	1,774,854

As of December 31, 2025, the remuneration of the board of directors and related committees payable (Note 19) amounted to SAR 1.45 million (December 31, 2024 amounted to SAR 2 million).

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34. SUBSEQUENT EVENTS

No events have occurred after 31 December 2025 and before the date of approval of these consolidated financial statements that would have a material impact on these consolidated financial statements.

35. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The issuance of the Consolidated Financial Statements of the group for the year ended December 31, 2025 was approved by the resolution of the board of Directors dated 12 Shawwal 1447H (corresponding to 31 March, 2026).