

Annual Report 2025

DIVERGING PATHS

UNITED VISION



بوان
Bawan

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Opinions and comments

Share your thoughts with us through any of the available channels



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www.bawan.com.sa

DIVERGING PATHS
METAL
WOOD
ELECTRICAL
PLASTIC
OIL & GAS
UNITED VISION



Across Metal, Wood, Electrical, Plastic, and Oil & Gas, BAWAN advances through distinct yet connected paths. Each sector contributes unique value and market strength, brought together by a united vision that integrates capabilities, strengthens resilience, and drives long-term growth.



01

GENERAL OVERVIEW

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Company Overview

BUILDING ON SOLID FOUNDATIONS

1980

Establishment

Bawan was established as a limited liability entity on Shawwal 09, 1400 corresponding to 20 August 1980. After the merger of the metal and wood industries sectors of Abdullatif & Mohammad Alfozan and Abdulkader Almuheidib & Sons General Trading Co.

2011

Conversion to Joint-Stock Company

Bawan converted to a Saudi joint-stock company. Formation in accordance with Ministerial resolution 420/Q on 20 November 2011.

2010

Acquiring the Electrical and Concrete Industries Sectors

Bawan acquired 85.5% equity share in both United Transformers Electric Company (UTEK) and United Technology of Electric Substations & Switchgears Company (USSG) (The electrical industries sector). Also, Bawan acquired 56.75% equity share in Bina Industrial Investment Holding Company (The concrete industries sector).

2013

Listing on Saudi Stock Exchange

Bawan is listed on the Saudi Stock Exchange (Tadawul) on 24 December 2013. Ticker No: 1302.

2014

Acquisition in the wood sector

Bawan Wood industries Co. acquired 100% equity share in Inma Pallets Co.

2015

Increase in Capital

As of 10 November 2015, Bawan General Assembly approved an increase in capital from SAR 500 million to SAR 600 million through the distribution of 20% bonus shares.

2019

Acquiring the Plastic Industries Sector

Bawan acquired 100% equity share in Arnon Plastic Industries Co.

2023

Exiting from the Concrete Industries

Bawan sold 100% of its equity share in Bina Industrial Investment Holding Co.

2024

Increase in the equity share in the Electric Industries Sector

Bawan acquired an additional 4.5% in both United Transformers Electric Company (UTEK) and United Technology of Electric Substations & Switchgears Company (USSG) to become an owner of 90% of the shares in both companies.

2025

Acquiring the Oil and Gas Industries Sector

Bawan completed the acquisition of 80% equity share in Petronash Holding Limited and agreed to acquire the rest of the 20% in 2027 or 2028.

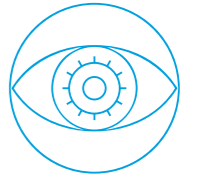
Since its founding, Bawan has made significant investments in the industrial sector. As a result, it has quickly emerged as one of the most significant local and regional industrial groups. Through its successful expansion plans, Bawan intends to further diversify and widen its investment base.

The Company is led by a distinguished team of senior specialists and experts in a variety of fields. They have applied their extensive knowledge and leadership in the industrial sector to develop a wide range of exceptional services and cutting-edge products that meet the highest international quality standards in support of infrastructure development projects in all commercial, residential, and industrial sectors both inside and outside the Kingdom.



VISION

Bawan strives to become the leading group in the Kingdom of Saudi Arabia and the Middle East in the capital goods sector.



MISSION

To enhance Bawan's customers loyalty by providing market- leading and innovative products and services, through its existing sectors and adding new sectors in the future.



2025 HIGHLIGHTS

Sales / Revenue

₹ 4.070 BN

▲ 35% Annual Growth



Operational Profit

₹ 235.5 MN

▲ 52% Annual Growth



Net Profit

₹ 218.3 MN

▲ 106% Annual Growth



Total Equity

₹ 1.127 MN

▲ 17% Annual Growth



Profit Per Share

₹ 3.64

▲ 106% Annual Growth

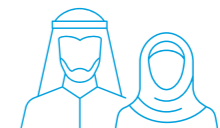


UNLOCKING INDUSTRIAL SYNERGIES

Bawan's integrated platform enhances efficiency and accelerates sustainable growth, translating disciplined execution into measurable value across our diversified portfolio

31%

Saudization Rate



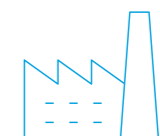
3332

Number of Employees



37

Number of factories





Bawan's strength isn't in any single industry, it's in the vision that connects them all. From Metal and Wood to Electrical, Plastic, and Oil & Gas, one unified strategy drives every decision.

UNITED VISION ACROSS DIVERGING PATHS

In the name of God, the Most Merciful, the Most Compassionate

The year 2025 marked an important milestone in Bawan's development as a diversified industrial group. The Company delivered strong operational and financial performance, supported by continued growth across its core sectors and the successful integration of Petronash following its acquisition in February 2025.

A key highlight of the year was the successful completion of the acquisition of Petronash Holding Limited, marking Bawan's entry into the oil and gas sector. This strategic step supports the Company's long-term objective of industrial diversification, expanding its presence in sectors that play a critical role in the Kingdom's economic development. The integration of this new business contributed positively to financial performance during the year and strengthened Bawan's ability to capture opportunities in high-growth industrial markets.

During the year, Bawan continued to advance its operations across its existing sectors, including plastics, electrical, metal, and wood industries. Improvements in sales volumes and pricing across several product lines contributed to stronger profitability and operational performance, reflecting the resilience of our diversified business model.

Bawan's strategy remains firmly aligned with the objectives of Saudi Arabia's Vision 2030, which continues to drive significant investment in infrastructure, manufacturing, and economic diversification. The Company is committed to supporting these national priorities by strengthening local industrial capabilities, expanding manufacturing capacity, and developing innovative products that meet the evolving needs of the market.

Alongside operational achievements, the Company maintained its commitment to strong corporate governance and transparency.

Throughout the year, Bawan continued to uphold high standards of accountability and disclosure while ensuring that its governance framework supports sustainable long-term growth.

As Saudi Arabia continues to advance the objectives of Vision 2030, Bawan remains committed to supporting the Kingdom's industrial development through continued investment, innovation, and strategic partnerships. Through its diversified industrial portfolio and expanding capabilities, the Company is well positioned to contribute to the next phase of the Kingdom's economic transformation.

On behalf of the Board of Directors, I would like to express our sincere appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister, for their leadership and for the continued progress and stability achieved by the Kingdom.

I also extend my gratitude to our shareholders for their continued confidence, our customers and partners for their trust, and our employees whose dedication and professionalism remain the foundation of Bawan's success.

Through continued industrial diversification, selective strategic acquisitions, and a commitment to operational excellence, Bawan remains focused on creating sustainable long-term value for its shareholders and supporting the Kingdom's economic development.

Mr. Fozan bin Mohammad Al-Fozan
Chairman of the Board of Directors



Last year's highlights reflect the united vision in action, with every sector moving differently but toward the same destination of innovation, sustainability, and lasting value.

STRENGTHENING PERFORMANCE THROUGH DIVERSIFICATION

The year 2025 represented a period of strong progress for Bawan as the Company continued to strengthen its operational performance and expand its industrial footprint across key sectors.

A major milestone during the year was the successful consolidation of the oil and gas sector following the acquisition of Petronash Holding Limited in February 2025. This strategic acquisition marked Bawan's entry into a highly important industrial segment and reflects our long-term strategy of industrial diversification, enabling the Company to expand into sectors that support the Kingdom's energy and industrial ecosystem. The integration of this business contributed positively to revenues and profitability during the year and strengthened Bawan's position as a diversified industrial group.

At the same time, our established sectors continued to deliver solid performance. The plastics and electrical industries benefited from increased sales volumes and improved pricing across several product categories, supporting stronger operational results and improved margins. These outcomes reflect continued demand for Bawan's products in infrastructure, construction, packaging materials, and industrial projects throughout Saudi Arabia and regional markets.

Operationally, we remained focused on improving efficiency, optimizing production processes, and strengthening supply chain management across our manufacturing facilities. These efforts have supported improving profitability while enabling the Company to continue investing in new capabilities and technologies that support long-term growth.

During the year, Bawan also maintained its commitment to strong governance and transparency. The Company continued to implement best practices in corporate governance while ensuring accurate and timely disclosure to the market and our stakeholders.

Looking ahead, Bawan is well-positioned to build on the momentum achieved in 2025. The integration of the oil and gas sector, combined with continued growth across our existing businesses, provides a strong foundation for further expansion. We will continue to focus on innovation, operational excellence, and disciplined investment as we pursue opportunities that support sustainable value creation and contribute to the broader industrial objectives of Saudi Arabia's Vision 2030.

I would like to express my sincere appreciation to our Board of Directors for their guidance, to our employees for their dedication and hard work, and to our customers and partners for their continued trust in Bawan.

Together, we remain committed to advancing Bawan's growth and strengthening its contribution to industrial development in the Kingdom of Saudi Arabia and beyond.

Mr. Zeyad bin Abdullatif Al-Barrak
Acting Chief Executive Officer

GUIDING THE ACTIVATION OF GROWTH

Through strategic leadership, Bawan activates sustainable growth



BOARD OF DIRECTORS



Fozan bin Mohammed Al-Fozan

Current Positions

- Chairman, Bawan Co.

Qualifications

- Bachelor's in Accounting (KSU, 1993)

Experience

- Over 28 years of executive and board management experience in numerous listed and unlisted joint-stock companies; He specializes in business administration and economics.

Behind every milestone stands a leadership team shaping strategy, guiding direction, and driving Bawan toward its next phase of progress

BOARD OF DIRECTORS



Raed bin Ibrahim Al-Mudaiheem

Current Positions

- Vice Chairman, Bawan Co.
- Board Member Masdar Building Materials

Previous Positions

- CEO- Masdar Building Materials
- Manager - Riyadh Water Operation and Maintenance Program

Qualifications

- Bachelor's in Electrical Engineering (KSU, 1986)
- Master's in Electrical Engineering (KSU, 1992)

Experience

- Over 31 years of extensive management experience in private and public sectors (water, energy, building materials); He is experienced in mergers, acquisitions, and strategy.



Khalid bin Abdul Rahman Al-Gowaiz

Current Positions

- Board Member, Bawan Co.
- Chairman of the Nomination and Remuneration Committee

Previous Positions

- Chief Executive Officer of Bin Ladin Group Global Holding Company
- Managing Director at ACWA Holding
- Chief Executive Officer at Astra Industrial Group
- General Manager of Corporate Banking Group in Central Region at Samba Group
- General Manager of Credit Group at Arab National Bank
- Director of the Financial and Administrative Affairs Sector at the National Company for Cooperative Insurance
- Head of loan team at the Saudi Industrial Development Fund

Qualifications

- Bachelor's in Urban Planning (University of Washington, 1980)

Experience

- Over 40 years of extensive executive and board experience and background in banking and industrial sectors; previously CEO of Bin Ladin Group and Managing Director at ACWA Holding.

BOARD OF DIRECTORS



Abdulkareem Ibrahim Al-Nafie

Current Positions

- Board Member, Bawan Co.
- Chairman of the Sustainability Committee

Previous Positions

- MD/Chief Executive Officer at Saudi Ceramic Co.
- General Manager - Saudi Industrial Development Fund

Qualifications

- Bachelor's in Accounting and Business Administration (Whitworth University, 1980)

Experience

- Over 40 years of experience in executive and board management in banking and industrial sectors; former Managing Director/CEO of Saudi Ceramic Company and GM of the Saudi Industrial Development Fund.



Mohammad bin Abdulaziz Al-Ageel

Current Positions

- Board Member, Bawan Co.
- Nomination and Remuneration Committee Member

Previous Positions

- Chief Operating Officer at Al Fozan Holding.
- Vice President of Investment at Al Fozan Holding.
- Senior Credit Advisor at the Saudi Industrial Development Fund (SIDF).

Qualifications

- Bachelor's in System Engineering (KFUPM, 1992)

Experience

- Over 30 years of extensive senior management experience, particularly in investment management and strategic planning; formerly COO of Al-Fozan Holding.

BOARD OF DIRECTORS



Abdullah Abdulrahman Al-Rowais

Current Positions

- Board Member, Bawan Co.
- Chairman of the Audit Committee

Previous Positions

- Chief Audit Executive of Internal Audit at Mobily Company
- Audit Director and Assistant Auditor General at Saudi Aramco
- Director of Internal Audit at the Saudi Arabian Monetary Authority

Qualifications

- Bachelor's in Accounting (KSU, 1992)
- Master's in Computer Science (University of Detroit Mercy, 1997)

Experience

- Over 28 years of experience at senior management levels; formerly Audit Director at Saudi Aramco and Director of Internal Audit at SAMA.



Faisal Majed Al-Muhaidib

Current Positions

- Board Member, Bawan Co.
- CEO, Masdar Building Materials

Previous Positions

- Al Muhaidib Group, Portfolio Manager – Levant
- General Manager, Masdar Technical Supplies Co.
- General Manager, Masdar Hardware Co.

Qualifications

- Bachelor's Degree in Economic & Finance – Tennessee State University – 2001
- Master's Degree in Business Administration – INSEAD Business School – 2017

Experience

- Significant executive management experience across multiple companies; extensive background in building and construction industries

BOARD OF DIRECTORS



Mohammed bin Ahmed Al-Baadi

Current Positions

- Board Member, Bawan Co.
- Managing Director – Madad Company Limited

Previous Positions

- Senior VP – AlRashid Company
- Senior Analyst – Saudi Industrial Development Fund

Qualifications

- Bachelor's of Science in Electrical Engineering (University of Miami, 1998)
- Master's of Science in Industrial Engineering (University of Miami, 2001)

Experience

- Significant management and executive experience in industrial financing and Oil and Gas industries



Abdulhameed Abdulaziz Al-Ohali

Current Positions

- Board Member, Bawan Co.

Previous Positions

- CEO – United Electronics Co. (Extra)
- CEO – Al-Fozan Metals Company
- General Manager – Al-Rajhi Industrial Group
- General Manager – Al Rajhi Cooperative Insurance Company

Qualifications

- Bachelor's in Industrial Engineering (KFUPM, 1978)

Experience

- Highly experienced in executive management in Metal and Plastic industries with background in insurance and retail sectors.

EXECUTIVE MANAGEMENT



Zeyad bin Abdullatif Al-Barrak

Current Positions

- CFO and Acting CEO of Bawan Company.
- Board Member at Emirates NBD Capital – Saudi Arabia; Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee.
- Board Member at Burgerizzer (Shatirah House Restaurant Co.); Chairman of the Audit Committee.
- Member of the Audit Committee at United Business Systems Co. Ltd. (UBSCO).

Previous Positions

- Chairman of the Board of Directors at Abdulkareem Holding.
- Managing Director of Princess Nourah bint Abdulrahman University Endowment Company.
- Managing Director of Provert Saudi Arabia.
- CEO of Jubail Energy Services Company (JESCO).
- CEO of Arabian Sealing Technology Co.
- CFO and IT Manager at ALUPCO.
- Credit Consultant at the Saudi Industrial Development Fund (SIDF).

Qualifications

- Bachelor's Degree in Economics and Financial Management – King Fahd University of Petroleum and Minerals (KFUPM).
- Credit Risk Management Program for Executives – JPMorgan, New York.
- High Performance Leadership Program – IMD Business School, Switzerland.
- Diploma in Board Governance – Institute of Directors (IoD), Londo

Experience

- A prominent executive leader in the industrial and investment sectors with over 25 years of experience in management, governance, strategy, corporate transformation, and finance. Throughout his career, he has led numerous companies and contributed significantly to enhancing their operational and financial efficiency.

EXECUTIVE MANAGEMENT



Abdullah Abduaziz Al-Rabiah

Current Positions

- MD and CEO of Metal and Wood Sector

Previous Positions

- Accounts analyst - Saudi Development Fund
- Budget Sr. Coordinator Eastern Region - AMAREC

Qualifications

- Bachelor Degree (Accounting), King Saud University, Riyadh.
- Post study Pro certificate, Citibank, NY.

Experience

- Extensive executive and board management experience with numerous companies. He is highly experienced in the field of business administration, strategic and financial planning.



Majed Mohammad Al-Solaim

Current Positions

- MD and CEO of Plastic Sector

Previous Positions

- Managing Director - Building Construction Co.
- Managing Director - RETAL Co.
- Vice President (Business Dev.) - Al Fozan Holding Co.
- CEO - Corrosion Prevention Industry Co.
- Deputy GM - Rashed Al Rashed Co.
- Sales Manager - Aluminium Products Co.

Qualifications

- Masters of Business Administration (MBA) - 2003
- Bachelor's Degree in Business Administration - 1997

Experience

- Over 15 years of experience in strategic and operational leadership; former Managing Director of Building Construction Co. and RETAL Co.

EXECUTIVE MANAGEMENT



Wael Ahmad Gad

Current Positions

- Chief Executive Officer of Electric Sector

Previous Positions

- Group CEO - Philips Lighting Saudi
- General Manager - Microsoft MMDS Saudi & Yemen
- EMEA Business Development Director - Electrolux

Qualifications

- Bachelor's Degree in Electrical Engineering - Alexandria University - 1992
- MBA in Management - Central Michigan University - 2007

Experience

- Experienced turnaround CEO; formerly Group CEO of Philips Lighting Saudi and General Manager at Microsoft MMDS Saudi & Yemen.



Mudunoori Srinivasa Raju

Current Positions

- Chief Executive Officer Petronash group

Previous Positions

- Director - Global Delivery, NetEnrich Technologies, India
- Program Director - GE Money, India
- Systems Manager - GE Money, USA
- Team Lead - United Healthcare, USA
- Sr. Systems Engineer - Siemens, USA
- Sr. Systems Officer - Bharat Petroleum, India

Qualifications

- Bachelor's Degree in Computer Science, India - 1989
- MBA - Indian Institute of Management - 2007

Experience

- 34 years of experience across Oil & Gas, IT, and Finance; held senior roles at GE Money (USA/India) and Siemens (USA).



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STRATEGY AND BUSINESS

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INTEGRATED PLANS ACTIVATING EXCELLENCE AND GROWTH

Bawan's strategy is built on clearly defined and approved standards that reflect the Company's core values while supporting sustainable growth in the dynamic Saudi market. Drawing on more than four decades of industrial experience, Bawan continues to strengthen its market presence locally and regionally while contributing to the successful implementation of the Kingdom's Vision 2030.

The Company's approach is grounded in disciplined governance and clear strategic direction. Bawan focuses on strengthening policies, implementing robust performance standards, utilizing effective measurement tools, and maintaining continuous feedback mechanisms. The practices enable the Company to identify opportunities for improvement and enhance operational performance, ensuring it remains well positioned for long-term growth.

STRATEGIC GOALS



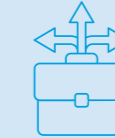
Perpetual operations refinement through a cost optimization budget and increased efficiency.



Strategic investment in novel products that leverage Bawan's potential and add diversity to the product range.



Robust client relationships that cultivate new partnerships and satisfy clients' needs while adhering to exacting quality standards.



Ongoing exploration of investment opportunities in the market, including that are dissimilar to those in which the company currently operates.



Product enhancement, focusing on raising quality standards for existing offerings.



Selective acquisition pursuit to augment the company's growth trajectory



Expansion of the product portfolio by adding contemporary items that cater to the demands of new target markets.

GROWTH FUELING TRANSFORMATION

Saudi Arabia's economy continued to demonstrate resilience in 2025, with non-oil sectors expanding by approximately 4.3%, according to estimates from the International Monetary Fund and World Bank, despite a decline in oil output. This performance reflects the ongoing progress of the Kingdom's economic transformation under Vision 2030.

In 2025, Saudi Arabia's economy is estimated to grow by approximately 1.3%, based on IMF projections, primarily supported by strong non-oil sector growth, which offsets the impact of continued oil production adjustments. Amid global economic challenges—including rising interest rates, inflationary pressures, geopolitical uncertainty, and oil market volatility—the Kingdom continues to demonstrate economic stability. The Saudi government has maintained its expansionary fiscal approach, prioritizing medium-term development and investment in strategic sectors.

This policy direction has supported growth across multiple economic indicators. Non-oil revenues increased, private investment rose by approximately 4–5%, private consumption expanded by approximately 2–3%, and credit to the private sector grew by approximately 10–12%, based on data from the Saudi Central Bank, reflecting continued expansion of private sector activity and improving economic diversification. These developments highlight the effectiveness of government initiatives designed to stimulate economic growth and strengthen the Kingdom's non-oil economy.

In light of this dynamic economic environment, Bawan Company continues to advance its operations in alignment with the Kingdom's long-term economic transformation. Guided by the vision of His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, Bawan remains committed to supporting Saudi Arabia's industrial development and contributing to the objectives of Vision 2030.

Market Overview and Vision 2030

Macroeconomic Report

The Kingdom is poised for continued growth. Data from the General Authority for Statistics (GASTAT) indicates that non-oil activities remain the primary driver of GDP growth, with consistent expansion across diversified sectors. The IMF has also outlined a stable trajectory for Saudi Arabia's economic transformation. The country's banking sector remains robust, well-capitalized, and profitable, demonstrating resilience against macroeconomic shocks and maintaining strong liquidity positions, as highlighted by S&P Global Ratings.

This positive outlook continues to be driven by the Kingdom's ambitious economic transformation agenda under Vision 2030, which aims to accelerate economic diversification and strengthen the role of the private sector. Government initiatives supporting housing development, infrastructure expansion, and new economic sectors have contributed to increased private investment and expanding credit to the private sector. While the IMF has adjusted its 2025 GDP growth projection to approximately 1–2% due to extended oil production adjustments, it maintains a medium-term growth outlook above 3%, supported by non-oil expansion.

Non-oil sector growth

4.3%

Interest rates

4.25%

Overall economic growth

1.3%

Inflation rate

2%

Vision 2030 underscores Saudi Arabia's commitment to diversifying its economy and reducing reliance on hydrocarbon revenues. As part of this transformation, the Kingdom continues to expand investment in tourism, entertainment, and international sporting events, supporting broader economic diversification. These initiatives stimulate demand across infrastructure development, construction, logistics, and service sectors, contributing to sustained growth in the non-oil economy.

Oil markets remain influenced by global demand conditions and supply management decisions led by OPEC. Market outlooks suggest oil prices are likely to remain in a moderate range, generally below \$80 per barrel, reflecting ongoing global demand uncertainties and supply adjustments.

Saudi Arabia has maintained relatively low inflation compared to global averages, with inflation remaining around 1.5–2.0%, according to GASTAT and IMF estimates. This reflects effective government measures aimed at stabilizing prices and supporting economic resilience.

The construction sector continues to expand, supported by large-scale investments in infrastructure, housing, and mega-projects under Vision 2030. Industry estimates indicate growth of approximately 4–6% annually, with strong project pipelines extending through the decade, supported by government and sovereign-backed investment programs.

In line with global monetary trends, the Saudi Central Bank (SAMA) has adjusted interest rates in alignment with the U.S. Federal Reserve, reflecting the riyal's peg to the U.S. dollar. Policy rates remain in the range of approximately 4.25%, supporting financial stability while balancing inflation control and economic growth.

According to GASTAT, Saudi Arabia continues to see improvements in labor market indicators, with unemployment among Saudi nationals declining to approximately 7%, alongside sustained participation of Saudi women in the workforce at approximately 35–36%, reflecting progress toward Vision 2030 targets.

The World Bank projects Saudi Arabia's growth to strengthen over the medium term to approximately 4–5%, supported by continued non-oil expansion and a gradual normalization of oil production levels.

Bawan Company, in alignment with Saudi Vision 2030, continues to support and collaborate with various government and private sectors in the Kingdom. The Company is committed to contributing to infrastructure and sustainable development while emphasizing its strategy to deliver high-level products to serve both local and key export markets.

Risk Management

STRATEGIC RISK PREPAREDNESS

Bawan recognizes the challenges ahead and is actively addressing potential market volatility. The company has devised strategic plans to anticipate risks, formulate action steps, and maintain a diverse range of products and services across various markets. Recently, Bawan has added a new oil and gas sector to its portfolio, further enhancing its investment diversification and reducing risk exposure. The Company continues to focus on growing its presence in the industrial and construction sectors while seeking opportunities to enhance its existing product lineup. In a highly competitive economic landscape, effective risk management has been a top priority throughout the year.

Business Risk

Business risk refers to the potential vulnerabilities that can undermine an organization's profitability or even lead to its collapse. Numerous factors contribute to these risks, but fundamentally, any element that hampers an organization's ability to achieve its goals qualifies as a business risk.

Amid fluctuating energy prices, there is an intensified focus on executing strategies that enhance operational efficiencies and rationalize costs. This proactive approach aims to mitigate risks and protect the company's profit margins.

The volatility in raw material costs can lead to overspending on storage. By implementing forward-thinking strategies, the Company ensures that it purchases only what is necessary.

Each purchase order from the customer triggers the procurement of raw materials, streamlining inventory management. This keeps inventory lean and operations efficient, significantly minimizing risk in this area.

Currency Risk

Currency risk, also known as exchange-rate risk, arises from fluctuations in the value of one currency compared to another.

To mitigate this risk, it is advisable to establish the exchange rate in advance. Before importing goods, negotiate a fixed exchange rate with suppliers for any products, equipment, or materials purchased from abroad. For exporting goods, the Company requires all clients to pay in US dollars to reduce the impact of currency fluctuations, considering the peg of the Saudi riyal to the US dollar.

Strategic Risks

Strategic risks arise from poor business decisions. To mitigate these risks, the Company is working to diversify its client base by attracting new consumers both locally and internationally. This diversification aims to reduce reliance on a few key clients and spread the company's sales income across a broader range of customers.

The organization is expanding into additional markets to achieve a more varied customer base. Furthermore, Bawan is increasing its revenue streams to lessen the impact of potential market downturns caused by political, economic, and security challenges.

Inventory Risk

Inventory risk refers to the potential losses a business might face due to inventory depreciation or an inability to sell its products. To mitigate this risk, Bawan is increasing the number of major raw material suppliers through effective materials management and procurement.

This strategy helps reduce the likelihood of production interruptions, price increases due to reliance on a single supplier, and inefficient spending.

Bawan has implemented technical controls to ensure that all new suppliers are pre-qualified, which guarantees high-quality materials, timely delivery, competitive pricing, and business continuity. Furthermore, the organization is focused on enhancing profits while reducing costs associated with production inputs and operational expenses. By accurately assessing the needs of raw material suppliers, Bawan is expanding its manufacturing capabilities and exploring new market opportunities.

Compliance Risk

Companies that fail to comply with established laws and regulations face severe consequences, including reputational risks, substantial financial losses, legal penalties, and the possibility of losing assets. Recognizing these risks, our organization prioritizes meeting all regulatory requirements and use a proactive risk base compliance program to monitor and prioritize high risks area to build better controlling mechanisms to mitigate such risks.

Credit Risk

Credit risk is the possibility of debt default. To ensure the best possible rates and thus minimize mandatory debt repayments, the Company engages several banking institutions when determining various Islamic financing options and makes full use of all available sources, reducing credit risk for them.

Insurance Risk

Insurance risk is the risk that the insurance provider assumes in compliance with the terms of the policies.

To ensure that the Company, its assets, and its stakeholders are not in danger, the Company regularly examines and updates its insurance contracts and ensures that the policies included therein comply with its requirements.

Operational Risk

Operational risk refers to the potential loss that can arise from improper or malfunctioning operations, personnel, or internal systems. To mitigate these risks, the organization has implemented ongoing

professional development programs and encourages the technical department to actively participate in international conferences and exhibitions. This approach ensures the adoption of the latest, most effective technologies and facilitates knowledge transfer.

To minimize service interruptions, the organization has established maintenance departments staffed with highly qualified and specialized personnel. These departments also maintain a stock of critical spare parts for production lines, ensuring minimal disruption or downtime in case of a breakdown.

The Company continues to produce, store, sell, and develop its most popular flagship products as needed, ensuring that it can meet obligations during unexpected disruptions in production lines.

Moreover, the primary manufacturing processes undergo regular scheduled maintenance and preventative checks, all in accordance with the specifications provided by machine manufacturers. This proactive maintenance strategy aims to predict and address potential issues before they occur, thereby reducing the risk of future failures.

Finally, to prevent delivery delays and their potential negative consequences, the company operates its own fleet of delivery trucks and has established agreements with external logistics companies. This dual approach ensures prompt delivery of goods, even if the company's vehicles are unavailable.

Risk Management Practices

Bawan continues to strengthen its enterprise risk management practices by enhancing internal controls, monitoring key risk indicators, and promoting a risk-aware culture across its operations. Risk assessments are periodically reviewed to ensure that emerging risks are identified and addressed in a timely manner.

Through disciplined governance, strategic oversight, and continuous monitoring, Bawan seeks to ensure that risks are effectively managed while supporting the Company's long-term growth and value creation.

Factory Locations

OUR OPERATIONS ACROSS MULTIPLE LOCATIONS

- Riyadh
- Dammam
- Jeddah
- Yanbu
- Jubail
- Rabigh
- Kamis Mushait
- Kuwait
- Ras Al Khaimah
- Dubai
- Abu Dhabi
- Doha
- Chennai



OIL & GAS INDUSTRIES

THE ENGINE OF ENERGY



In 2024, Bawan Company took a strategic step toward expanding its business portfolio into the oil and gas sector by signing a Sale and Purchase Agreement to acquire Petronash Holding Limited, a UAE-based engineering firm specializing in advanced oil and gas solutions. The landmark deal, valued at \$175 million (approximately SAR 656 million), marked a significant milestone in Bawan's long-term growth strategy, reinforcing its commitment to diversification and industrial innovation.

While the agreement was signed in October 2024, the legal transfer of shares was completed on 13 February 2025. Bawan acquired an 80% stake in Petronash for an upfront cash consideration of USD 80 million, with an additional USD 60 million earn-out payable over three tranches linked to EBITDA targets. The remaining 20% is agreed to be acquired in 2027 or 2028.

With this acquisition, Bawan enhances its ability to deliver specialized and integrated solutions to the oil and gas industry, aligning with its vision of becoming a key player in the energy sector. Petronash's expertise and established reputation in engineering and manufacturing state-of-the-art oilfield equipment allows Bawan to leverage cutting-edge technologies and expand its offerings to a broader market.

Bawan's Oil and Gas Industries Sector, under Petronash, focuses on delivering critical equipment and solutions tailored to the demands of the energy sector. The main product categories include:

- Modular Wellhead Packages (MWP).
- Wellhead Control Panels (WHCP)
- Chemical Injection Systems (CIS)
- Process Equipment (PE)

This acquisition is a key milestone in Bawan's expansion strategy, reinforcing its presence in the energy sector and positioning the company as a trusted supplier of cutting-edge solutions for oil and gas operations. The deal also highlights Bawan's ability to capitalize on high-value opportunities, aligning with Saudi Arabia's Vision 2030 initiatives aimed at enhancing local industrial capabilities and boosting economic diversification.

Through this strategic acquisition, Bawan continues to reinforce its commitment to innovation, diversification, and long-term sustainability. The integration of Petronash's capabilities into Bawan's industrial ecosystem enhances its competitive edge and opens new avenues for expansion in international markets.

By investing in high-value industrial solutions and fostering strong partnerships with global energy leaders, Bawan is well-positioned to drive future growth and strengthen its footprint in the oil and gas industry. This expansion marks a pivotal moment in Bawan's journey, setting the stage for sustained success and long-term value creation for its stakeholders.

\$175M

Oil & Gas Expansion

Future Outlook

EXPANDING INTO OIL & GAS MARKETS

The future outlook for Bawan Industries' oil and gas sector is highly promising, driven by strategic acquisitions and major contracts, with the Kingdom's focus on industrial expansion under Vision 2030.

Bawan's acquisition of Petronash marks a significant milestone, giving the Company a strong foothold in the oil and gas engineering sector. This move positions Bawan to capitalize on the growing demand for specialized oilfield and gas equipment and engineered solutions in Saudi Arabia and the wider GCC region. Additionally, it demonstrates Bawan's ability to compete for and win high-value projects in this critical industry.

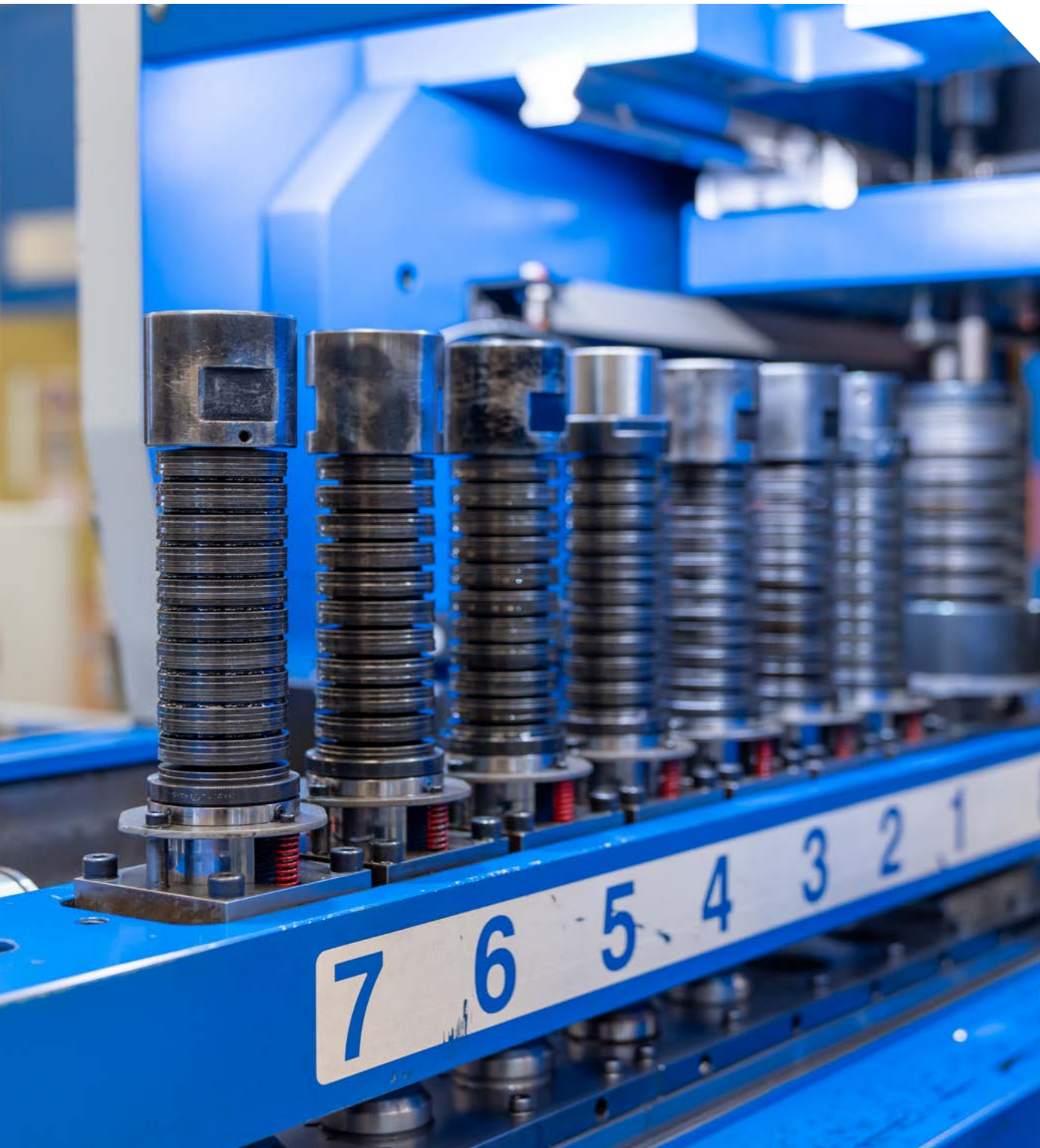
Looking ahead, Bawan's new oil and gas sector is expected to grow steadily, supported by continued investment in technology, infrastructure, adjacent industries and markets and workforce development. As Saudi Arabia increases its investment in energy projects especially in the gas sector, opportunities for expansion in both upstream, midstream and downstream oil and gas sectors will further strengthen Bawan's market position.

While challenges such as fluctuating global oil prices and supply chain disruptions remain, Bawan's strategic partnerships and diversification into high value industrial manufacturing mitigate risks and ensure long-term sustainability. By focusing on innovation, operational efficiency, and industry-leading solutions, Bawan's oil and gas sector is set to become a key revenue driver in the company's overall portfolio, reinforcing its leadership in the region's industrial landscape.



ELECTRICAL INDUSTRIES

THE CURRENT OF INNOVATION



Bawan electrical sector subsidiaries, United Transformers Electric Company (UTEC) and United Technology of Electric Substations & Switchgears Company (USSG) are at the forefront of the electrical market in the Kingdom of Saudi Arabia and the broader Middle East region.

During the past few years, several strategic partnerships were formed with Schneider Electric and several global players to localize and transfer know-how into the kingdom several strategic products and solutions such as modular prefabricated data centers, Smart Ring Main Units (RMUs), Low Voltage Switchgears and Medium Voltage Switchgear. This is in addition to several cutting-edge monitoring, control, and automation solutions.

All of this was successfully implemented with a strong focus on local talent, know-how transfer, and the development of local suppliers, fully aligned with the Kingdom's Vision 2030. The sector's companies received several awards related to Local Content Development & Operational Excellence.

Such achievements reflect the Company's commitment to innovation, market leadership, and industrial growth. By fostering talent and stimulating creativity, Bawan electrical has built a strong competitive edge in the industry.

The main products of Bawan's Electrical Industries Sector include:

- Oil-filled electrical distribution transformers with capacities up to 10 MVA, up to 36 kV.
- Dry-type transformers
- Special Type transformers
- Electrical substations
- Low-voltage switchgears
- Low-voltage distribution panels
- Medium-voltage switchgears
- Electrical e-houses
- Modular prefabricated data centers.
- Transformers bushings
- Products conforming to IEC and ANSI international specifications

In 2025, Bawan continues its a strategic expansion initiative to build a high-voltage transformer factory, with an initial phase investment of SAR 80 million, underscoring its commitment to market leadership and innovation. Despite industry-wide challenges, the

sector reported revenues of SAR 854 million in 2025 with a 32% growth over 2024, reflecting ongoing efforts to adapt to economic fluctuations.

One of the primary tenets of Bawan's values is sustainability, which the company continuously strives to uphold through waste management, recycling, and energy-saving initiatives that comply with national and international regulations. Bawan's electrical sector continues to develop and implement strategies aimed at entering new markets. In 2025, the sector issued its first sustainability report, marking an important milestone in its commitment to the Kingdom's Vision 2030 sustainability goals.

₪ 854M

Sector revenue (2025)

₪ 80M

High-voltage transformer factory investment

DRIVING PROGRESS IN ELECTRICAL INDUSTRIES

The future outlook for Bawan's electrical sector is promising, supported by strategic investments, market expansion, and the ongoing infrastructure development in Saudi Arabia.

Saudi Arabia's Vision 2030 industrial drive is fueling demand for electrical products, creating growth opportunities for Bawan to expand its market share as a leading electrical solutions supplier.

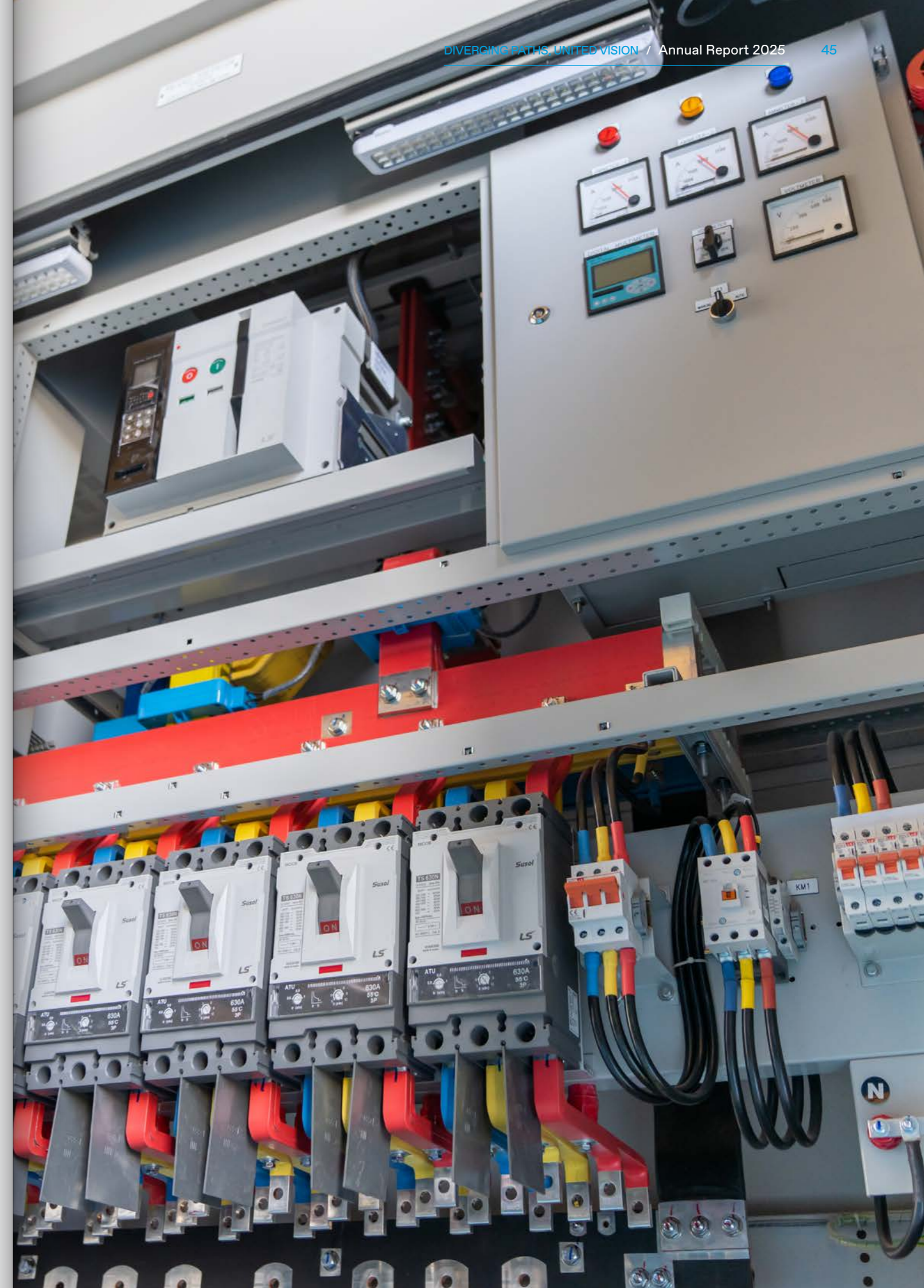
Bawan's recently approved high-voltage transformer factory diversifies its product portfolio and positions it at the forefront of advanced electrical solutions, reinforcing its long-term competitive edge in the energy sector.

Strategic partnerships and an expanding customer base provide revenue stability for Bawan's electrical sector, cementing its reputation as a reliable industry supplier.

However, risks remain — including global energy price fluctuations, supply chain disruptions, and growing international competition in Saudi Arabia. Bawan addresses these through product differentiation and cost-effective manufacturing.

Investment in Saudi workforce development further strengthens the company's adaptability and innovation capacity, aligning with national employment objectives.

Overall, Bawan's electrical sector is well-positioned for sustained growth, leveraging strategic partnerships, technological advancement, and sustainability commitments to succeed in both regional and global markets.



Business Overview

PLASTIC INDUSTRIES

THE VERSATILITY OF CREATION



Arnon Plastic Industries, part of Bawan Company, produces foam, plastic and paper products in Saudi Arabia. They delivered strong results in 2025, boosting revenues through higher sales volumes and market expansion.

With its headquarters in Dammam, Arnon, a member of Bawan Company, operates 5 state-of-the-art factories across the Eastern Province, Central Region, and Western Region of Saudi Arabia, serving clients across the GCC and beyond, including Qatar, Kuwait, Oman, Morocco, Jordan, Egypt, Iraq, UAE. Equipped with cutting-edge technology and a skilled workforce, it delivers customer-focused products.

The products of the plastic industries sector include:

- Polyethylene Foam (PE Foam): Rolls are produced in Dammam and Jeddah to serve the industrial, construction, and building materials sectors.
- Polystyrene Foam (PS Foam): Packaging materials are produced in Dammam, and Jeddah to serve the restaurant, agricultural, bakery, supermarket, and poultry sectors.
- Polyethylene terephthalate (PET), polypropylene (PP), and high-impact polystyrene (HIPS): These are packaging solutions produced in Dammam and Riyadh to serve the dairy industry, , and food packaging industries, such as restaurants, agricultural establishments, bakeries, supermarkets, and poultry.
- High-density polyethylene (HDPE): Inflatable packaging produced in Riyadh to serve the dairy industry.
- Extruded polystyrene (XPS) (foam insulation): These are thermal insulation panels produced in Jeddah for the building sector.
- XLPE. (insulation product for buildings):
- Closed cell cross-linked polyethylene In Dammam.
- Paper packaging products In Riyadh.

In 2025, Bawan's plastics sector delivered strong results, boosting revenues through higher sales volumes and market expansion. Despite challenges in other sectors, its resilience helped stabilize the company's financial performance. The sector witnessed significant growth, particularly following the recent investment in tableware products, cups, paper, and insulation products, which led to improved efficiency rates after capturing a larger market share.

The Company is dedicated to exceeding customer expectations by thoroughly analyzing their needs, fostering a culture of continuous development, localizing the principle that "quality is everyone's responsibility," and adhering to ISO 9001:2015 requirements for quality management. In recognition of these efforts, Bawan's plastics sector has obtained several significant quality management certifications, including:

- ISO 9001 Llyods 2015: Quality Management System.
- SASO Achievement: SASO Quality Mark Certification for XPS Products by Scale (ASTM57-2014 8).
- UL Certificate for XPS Thermal Insulation Products According to UL 723 Concerning Surface Combustion of Insulation Plates.
- ISO 22000-2018 Certificate for Food Safety Management System
- EDP – Environment Product deceleration for XPS.
- HPD – health Product deceleration for XPS.

These efforts position Bawan's plastics sector as a key driver of the company's overall success, reinforcing its market leadership and long-term sustainability.

ISO 9001:2015

Quality Management

ISO 22000:2018

Food Safety

Future Outlook

POWERING INNOVATION IN PLASTIC INDUSTRIES

The future outlook for Bawan's plastics sector is highly positive, driven by increased demand, strategic partnerships and continuous innovation.

Bawan's plastics sector has shown resilience and adaptability, playing a crucial role in stabilizing the company's financial performance. With higher sales volumes and revenue growth in 2025, the sector is expected to maintain this upward trajectory as Saudi Arabia continues its growth in the F&B sector and invests in industrial expansion and infrastructure development. The Company's diverse product offerings across different industries (F&B packaging, building and construction) ensure a broad market reach, reducing dependency on any single sector.

Additionally, Bawan's plastics sector is committed to quality and compliance with international standards, such as ISO 9001 and SASO, which will reinforce its competitive advantage. With a focus on sustainability, the company's efforts in recycling, waste management, and energy-efficient production will align with global trends, enhancing its market positioning.

Looking ahead, the plastics sector will likely see further expansion, increased efficiency rate through innovation, and expanding into new markets through strategic partnerships. With the rising demand for specialized plastic solutions in industrial, food packaging, and insulation markets, Bawan's plastic sector is well-positioned to capture growth opportunities locally and internationally. Sales volumes and profit margins are expected to rise, supported by customer retention strategies, new product performance, new markets, and operational efficiency improvements.

While challenges such as fluctuating raw material prices and global economic shifts remain, Bawan's strategic approach ensures that the plastics sector remains a key driver of its long-term success.



WOOD INDUSTRIES

THE WISDOM OF NATURE



Bawan remains committed to reinforcing its position in the wood sector by enhancing product mix, expanding its customer base, improving marketing effectiveness, and optimizing the utilization of the production capacity

Bawan Wood Industries Company is a leading player in the regional wood industry, operating 12 factories across Saudi Arabia, Kuwait, and the UAE through key subsidiaries like Bawan Wood Industries, United Wood & Metal Products, and Inma Pallets. The Group offers a wide range of high-quality wood products, from wooden packaging material and doors to decorative panels. Despite challenges in 2025—such as reduced demand, Int'l. Commodities and pricing pressures—Bawan adapted with strategic diversification, operational efficiency, and a continued focus on innovation, solidifying its position as a resilient industry leader.

- Bawan Wood Industries Company, to which Al-Raya Wood Works Companies (Kuwait) and (UAE) and Inma Pallets Co. are affiliated.
- United Wood & Metal Products Co. Ltd.,
- United Lines Logistics Services Co.

The 12 wood products factories are located in the Kingdom of Saudi Arabia, Kuwait, and the United Arab Emirates. They are among the most significant and prominent businesses in the wood industries sector both locally and regionally, producing a wide range of products, including:

- Wooden packing materials of all kinds, such as wooden pallets, packing boxes, skids, cable rollers, etc.
- Wooden doors & joinery
- Solid wood doors
- Lockers
- Accessories
- Fire-rated doors
- Decorative wooden products
- Melamine panels for the furniture industry.
- Wooden panels for cladding wood.

In 2025, the wood sector faced lower demand and falling prices, impacting revenue. However, strategic production adjustments, quality focus, and market diversification helped stabilize & support company operations.

By maintaining market share and improving efficiency, Bawan is set for future growth, reinforcing its industry leadership. The company remains committed to attracting top talent and upholding strict quality standards. Its client-centric approach has earned prestigious accreditations and certifications, further solidifying its reputation for excellence, earning several prestigious accreditations and certifications, including:

- ISO Certificate (BSI)
- SABIC Certificate of Excellence in Performance
- Award and shield of His Highness the Amir of the State of Kuwait for distinguished companies at the state level
- BS Certificate (IFC)
- American UL Certificates (UL)
- Forest Stewardship Council (FSC)

ISO (BSI)

Quality certification

UL

American safety certification

FSC

Sustainability certification

Future Outlook

CRAFTING EXCELLENCE IN WOOD INDUSTRIES

The future outlook for Bawan's wood industry sector is optimistic. Despite recent market challenges, there are growth opportunities.

In 2025, the wood industry sector faced difficulties due to a decline in demand from the petrochemical industry and lower average selling prices, which impacted overall revenue. However, Bawan's strategic adaptability—adjusting production strategies, exploring new markets, and diversifying product offerings—positioning it well for recovery and future expansion.

Additionally, quality certifications and industry recognition strengthen Bawan's market credibility, making it an attractive choice for customers in the packaging, construction, and manufacturing sectors. Expanding partnerships and targeting new industries could help mitigate the effects of fluctuating demand in specific sectors, such as petrochemicals.

Looking ahead, Bawan remains committed to reinforcing its position in the wood sector by enhancing product innovation, expanding its customer base, improving marketing effectiveness, and optimizing the utilization of its production capacity. While 2025 presented market challenges, the company's proactive strategies and commitment to excellence ensure it remains a leading force in the regional wood industry sector.



Business Overview

METAL INDUSTRIES

THE FOUNDATION OF STRENGTH



The success of Bawan Metal Industries Company (BMIC) can be attributed to its emphasis on performance-oriented management that encourages and develops talented individuals throughout the company.

One of the most significant businesses in the Kingdom of Saudi Arabia in the metal sector, Bawan's Metal Industries Company (BMIC) is entirely owned by Bawan Company. The company operates out of its headquarters in Riyadh and has four factories: Khamis Mushait, Dammam, and Jeddah. These factories produce a variety of high-quality metal products through the following sections:

- Rebar Section
- Epoxy Coating
- Drawn Bars
- Wiremesh
- Metalwork (cut & bend)

Bawan Metal Industries has adhered to a strict quality management policy & full compliance with SASO standards to give its products a competitive edge and secure a large market share in Saudi Arabia. As a result, the company has been able to obtain several international certificates in quality management, including SASO and ISO certification.

In 2025, the company faced many economic challenges, including. Severe competition, market fluctuations, and a drop in average selling prices, which negatively impacted the top and bottom line on the sector results. However, despite these financial pressures, Bawan Metal Industries remains steadfast in maintaining its market position in the sector.

The success of BMIC can be attributed to its emphasis on performance-oriented management, which fosters and develops talent across the organization. The company employs 350 qualified professionals, all skilled in executing its strategic vision.

In alignment with Vision 2030, BMIC continues to implement environmental governance and sustainable development strategies established by the Company. The Company has successfully fostered a corporate culture that prioritizes ethical business practices and sustainable initiatives

SASO

Saudi standards compliance

ISO

International quality certification

Future Outlook

CONTINUOUS EVOLUTION IN METAL INDUSTRIES

The future outlook for Bawan Metal Industries Company is promising, driven by the Saudi Vision 2030, Expo 2030, and the World Cup 2034 projects.

Despite market challenges, the company has demonstrated resilience and adaptability, positioning itself for long-term growth.

Financially, while revenue and profits experienced declines in 2025, BMIC remains well-positioned for recovery and expansion. Investments in operational efficiencies will help mitigate cost pressures and improve margins.

Looking ahead, Vision 2030 initiatives and Saudi Arabia's focus on industrial expansion will continue to create opportunities for Bawan. The company's commitment to sustainable development, ethical business practices, and environmental governance aligns well with global and national priorities, making it an attractive partner for future contracts and collaborations.

By focusing on expanding market share, securing strategic partnerships, and enhancing operational efficiencies, BMIC is on track to become one of the leading metal factories in the Middle East. While short-term economic fluctuations may pose challenges, its long-term strategic direction ensures steady growth, increased competitiveness, and sustained industry leadership.



Sustainability

SUSTAINABLE PRACTICES IN MANUFACTURING

Bawan is committed to preserving natural resources and protecting biodiversity to ensure that future generations can continue to benefit from a healthy and sustainable environment. Inspired by His Highness Crown Prince Mohammed bin Salman's 2030 vision for the Kingdom of Saudi Arabia, Bawan aims to create positive and long-term value for all stakeholders and the planet through its policies, strategies, and governance. The company strives to integrate a culture of excellence that aligns with the Kingdom's vision, emphasizing the balanced achievement of social, economic, and environmental goals.

With over 40 years of experience in the building, industrial, and capital goods sectors, Bawan offers an integrated portfolio of cutting-edge engineering solutions and essential industrial goods tailored to meet the needs of clients in Saudi Arabia, the Gulf Cooperation Council (GCC), and broader regional and international markets. The Company's corporate strategy is rooted in its vision to become the leading manufacturing group in the Kingdom of Saudi Arabia and the Middle East in the capital goods sector. Bawan's proactive investment strategy focuses on product quality, expanding its portfolio, and selectively investing in novel products and acquisitions that enhance its competitive advantage and market position.

This section summarizes Bawan's sustainability approach, with more details available in the Company's published Sustainability Reports. Bawan has issued its 2024 Sustainability Report, which presents the Company's Environmental, Social, and Governance (ESG) performance and key developments during the year, in line with international ESG disclosure practices. An in-depth Sustainability Report for 2025 that details our ongoing commitment and initiatives in Environmental, Social, and Governance (ESG) practices is forthcoming.



Our Sustainability Approach

We are committed to fostering an ESG culture that aligns with our vision. As a responsible manufacturer of capital goods, we aim to fully integrate ESG considerations into decision-making, business practices, and performance evaluations across all levels of the organization. We focus on building capacity and raising awareness among staff to support our ESG initiatives. We recognize that robust ESG governance and compliance are essential for building trust and enhancing our reputation as a responsible business.

Our sustainability approach is grounded in collaboration, innovation, and risk management, aiming to create long-term value by incorporating ESG considerations into our investment decisions and business practices. We have developed a sustainability framework comprising of four pillars: governance, environment, products, and society. These pillars are aligned with our 16 material topics, Saudi Vision 2030 and the United Nations Sustainable Development Goals (UN SDGs), reflecting our commitment to sustainability. This framework guides our efforts to reduce our environmental footprint, enhance social impact, and deliver sustainable products while upholding ethical governance principles.

Framework 1

GOVERNANCE PRACTICES

Effective governance is crucial for our sustained success. It directs us to operate with integrity, transparency, accountability, and responsibility across all activities. Bawan is dedicated to upholding the highest standards of corporate governance, supported by a rigorous approach to risk management.

Our governance framework and practices ensure comprehensive compliance with local and international regulations while consistently improving business performance. Additionally, we align our initiatives with the United Nations Sustainable Development Goals (UN SDGs) and Saudi Vision 2030, contributing to the Kingdom's social and economic progress.

Priorities of Bawan's Governance Practices

Code of Conduct

Bawan maintains high integrity, ethics, and transparency standards in all business activities. Our Code of Conduct guides ethical behavior for employees, subsidiaries, and affiliates.



Board of Directors

Bawan's Board of Directors provides strategic vision and oversight, guiding the company towards its corporate goals. The Board consists of members with diverse expertise, ensuring governance and contributing to global sustainability efforts. It is supported by the Audit Committee and the Nomination & Remuneration Committee. The Board has nine members, six of whom are independent, which represents 67% of the total.

Sustainability Committee Governance

In 2025, Bawan further strengthened its governance framework by establishing a Board-level Sustainability Committee responsible for overseeing the Company's sustainability strategy, ESG priorities, and related initiatives. The Committee's Working Charter was formally approved during 2025, reinforcing structured oversight of sustainability matters across the Group. In addition, Bawan's General Assembly approved the Company's Corporate Social Responsibility (CSR) Policy in 2025, establishing a formal framework for managing and implementing community initiatives aligned with the Company's values and national development priorities.

Data Privacy and Cybersecurity

At Bawan, data security and privacy are prioritized. Collaborations with providers help implement cybersecurity measures across subsidiaries.

Financial Performance

The capital goods sector plays a significant role in Saudi Arabia's economy and Vision 2030, with companies such as Bawan contributing to GDP growth, job creation, and economic diversification. Bawan's activities align with Vision 2030's objectives of enhancing local industries, boosting competitiveness, and fostering innovation. In 2025, Bawan reported revenue of SAR 4,070 million and a net profit of SAR 218.3 million, reflecting strong operational efficiency.

Framework 2

ENVIRONMENTAL MANAGEMENT

Bawan manages its environmental impact at the subsidiary level, with USSG Electrical, Metal, and Wood Sectors implementing environmental management systems (EMS) and achieving ISO14001 certification.

This ensures compliance with regulations and standards of the Saudi Authority for Industrial Cities and Technology Zones (MODON) and the National Center for Environmental Compliance. Supported by external consultants, these subsidiaries follow policies and procedures that adhere to environmental standards. Likewise, Arnon's facilities comply with MODON environmental certification requirements, reflecting sustainability practices across Bawan's operations.

Bawan's Priorities for Environmental Management

Energy Management and Greenhouse Gas Emissions

Bawan addresses climate change by reducing greenhouse gas (GHG) emissions and enhancing energy efficiency across its subsidiaries.

Water Management

Bawan is dedicated to optimizing water usage across operations by utilizing groundwater and a reverse osmosis (RO) plant. Subsidiaries contribute to these objectives with systems that reduce and recycle water.

Waste Management

Bawan prioritizes effective waste management across its subsidiaries. Certified contractors categorize and handle waste streams, ensuring proper disposal of hazardous and non-hazardous waste.

Biodiversity

Bawan is dedicated to protecting biodiversity and adheres to local environmental regulations to minimize the impact of its operations.



Framework 3

INNOVATIVE AND SAFE PRODUCTS

Responsible and sustainable products are essential to Bawan's continued development and reputation as a key player in Saudi Arabia's capital goods sector. By continuously improving products that meet quality and safety standards, Bawan creates value for customers, shareholders, and society. This effort supports Saudi Vision 2030's goal of diversifying the economy and fostering innovation.

Bawan's Priorities for Innovative and Safe Products

Product Quality and Safety

Bawan's subsidiaries adhere to the highest standards of product quality and safety, ensuring compliance with international certifications and alignment with industry best practices. Across all sectors, Bawan continuously invests in innovation, advanced systems, and procedures to guarantee product reliability and environmental responsibility.

Product Design and Lifecycle Management

Our sectors integrate environmental and social considerations into product design, aiming to minimize negative impacts and maximize benefits throughout the product lifecycle. This aligns with circular economy and eco-design principles, reducing waste, enhancing resource efficiency, and creating long-term value for stakeholders.

Research, Development, Technology, and Innovation

We invest in research and development (R&D) to create new products, enhance existing ones, and improve production processes. Our R&D roadmap, updated regularly, aligns with market needs and reinforces our commitment to adding value for customers, shareholders, employees, and society.

Responsible Customer Relations and Satisfaction

We prioritize high-quality products and services to enhance brand value, customer loyalty, and market reputation. We operate transparently, address concerns promptly, and ensure customer satisfaction.

Supply Chain Management and Responsible Procurement

Bawan incorporates environmental and social criteria across sourcing, production, and distribution to create a sustainable supply chain. This approach strengthens Bawan's competitiveness and profitability while delivering benefits to both society and the environment.



Framework 4

SOCIETAL IMPACT



Bawan considers its employees as a crucial asset, acknowledging that success relies on their skills, engagement, and well-being. The company is dedicated to maintaining a safe and rewarding work environment that promotes diversity, inclusion, and empowerment. Additionally, Bawan engages in the social development of the communities where it operates, in alignment with Saudi Vision 2030 and the UN Sustainable Development Goals.

Impact Priorities for the Bawan Community

Talent Attraction, Retention, and Development

At Bawan, we prioritize attracting and retaining top talent, recognizing its importance for growth. To support and motivate our employees, we offer competitive compensation, benefits, and opportunities for professional development. Bawan is committed to resolving grievances through formal reporting channels and informal feedback processes, ensuring accountability and effective resolutions.

Diversity and Inclusion

Bawan regards diversity and inclusion as strategic advantages, acknowledging the significance of various perspectives and experiences. We cultivate a culture where every individual is respected and empowered to contribute.

Saudization

Bawan is dedicated to supporting Saudi Vision 2030 and recognizes the crucial contribution of Saudi nationals in its realization. We provide career opportunities and professional development to strengthen the skills and competencies of our Saudi employees. Bawan has attracted a growing number of Saudi professionals to join its workforce, with the number of Saudi employees working for the company reaching 853 employees as of 31 December 2025.

Employee Health and Wellbeing

Bawan prioritizes health and safety through systems established by its subsidiaries that adhere to Saudi regulations and international standards, including regular risk assessments and audits for continuous improvement.

Social Development and Community Engagement

Bawan plays a pivotal role in supporting the social development and community engagement objectives of Saudi Vision 2030. Through various initiatives, the company addresses the needs of stakeholders and the broader community while strengthening its reputation and long-term sustainability.

By investing in communities, Bawan contributes to the long-term success of both the company and the broader society. Recognizing the need to realign these initiatives more closely with corporate objectives and amplify their societal and environmental contributions, Bawan allocates 1% of its net profits annually to CSR initiatives.

The Company's Corporate Social Responsibility (CSR) Policy was formally approved by the General Assembly in 2025, providing a structured framework to guide community investments and ensure that initiatives deliver measurable social impact aligned with the Company's values and strategic priorities.

Social Responsibility

BEYOND BUSINESS

BAWAN'S 2025 SOCIAL IMPACT

Recognizing its important role in social responsibility, Bawan approved several initiatives during 2025 by supporting various non-profit organizations, represented by the following:

Organization Name	Initiative	Support Amount	Impact
Saudi Food Bank Association (Eta'am)	Initiative aimed at benefiting from and reducing food waste	100,000 SAR	Covers 50,000 full meals 20,000 Families
Ehsan	Educational devices for needy students	100,000 SAR	Covering the approximate needs of 50 beneficiaries.
King Salman Humanitarian Aid and Relief Center	Well drilling	100,000 SAR	Contributes to drilling 8 wells benefiting around 20,000 people
Health Endowments Association	White Water (Eye Surgery) Operations	100,000 SAR	Performing eye surgeries for 28 individuals.
Al-Baraka Charity Association	Remote Tutoring Classes	80,000 SAR	Providing tutoring support for 70 students with special needs for one academic year, covering languages, skills development, aptitude and achievement test preparation, and more
Industrial Exporters Association	Exporters Academy	100,000 SAR	It covers the preparation and implementation of training and qualification programs for 20 individuals.

For more details on Bawan's corporate social responsibility (CSR) practices, please refer to the 2024 Sustainability Report or the upcoming 2025 Report, which will be published following the annual report release.





03

CORPORATE GOVERNANCE

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Company Performance During 2025

Our performance

In 2025, Bawan reported a net profit of SAR 218.3 million, representing a strong increase of 106% compared to 2024. This growth was primarily driven by the initial consolidation of revenues and net profit from the newly acquired oil and gas industries sector, in addition to improved performance across the electrical and plastic industries.

The company also maintained a solid financial position, with total shareholders' equity (after deducting non-controlling interests) rising to SAR 1.09 billion in 2025, reflecting a 17% year-on-year increase.

Earnings per share increased significantly from SAR 1.77 in 2024 to SAR 3.64 in 2025, supported by higher profitability and operational performance.

Bawan continued to demonstrate resilience by implementing strategic initiatives to enhance efficiency and optimize costs, helping to mitigate external economic pressures. A key milestone during the year was the successful completion and integration of the oil and gas sector acquisition, positioning the company for sustained growth in a high-demand industry with strong long-term potential.

Approved Accounting Standards

The financial statements of Bawan Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB) as adopted by the Kingdom of Saudi Arabia and other relevant pronouncements approved by the Saudi Organization for Certified Public Accountants (IASB).

Description	2025	2024	2023	2022	2021
Non-current assets	1,262,773	736,567	726,475	754,823	741,357
Current assets	2,547,586	1,861,331	1,437,535	1,528,223	1,461,395
Total assets	3,810,359	2,597,898	2,164,010	2,283,046	2,202,752
Equity attributable to owners	1,090,040	928,786	919,928	863,489	739,513
Non-controlling interests	36,738	32,684	40,890	66,143	50,389
Total equity	1,126,778	961,470	960,818	929,632	789,902
Non-current liabilities	827,436	566,127	200,671	185,901	183,425
Current liabilities	1,856,145	1,070,301	1,002,521	1,167,513	1,229,425
Total liabilities	2,683,581	1,636,428	1,203,192	1,353,414	1,412,850

Non-current assets increased by 71% in 2025 compared to 2024, driven by the consolidation of assets from the newly acquired oil and gas industries sector during the year 2025 an increase in the property, plant and equipment by 14% and an increase in intangible assets due to the fair value valuation of the acquired company assets. Current assets saw a significant rise of 37% in 2025, reflecting an increase in Trade receivables and consolidation the trade receivables and contract assets related to the acquisition of Petronash.

Equity attributable to owners grew by 17% in 2025, maintaining stability despite market challenges, also non-controlling interests increased by 12%, leading to an overall marginal increase in total equity of 17% year-over-year.

In 2025, non-current liabilities surged by 46%, primarily due to an increased long-term loan obtained with the expansion into the oil and gas sector and the consolidation of the oil and gas liabilities into the group financial results. Meanwhile, current liabilities increased by 73%, driven by a rise in trade payables by 33%, and increase in contract liabilities by 107%. As a result, total liabilities grew by 64% compared to 2024.

Equity and Net Book Value Per Share (Last Five Years)

The following chart compares total assets to total liabilities for the last five years (in thousands Saudi riyals).

The net book value per share over the past five years is detailed in the table below:

(in thousands Saudi riyals)

Year	Total Equity Attributable to Owners (SAR)	Net Book Value per Share (SAR)	YoY Change	Change (%)	Status of Change
2025	1,090,040	18.17	2.69	17%	Increase
2024	928,786	15.48	0.15	0.98%	Increase
2023	919,928	15.33	0.94	6.50%	Increase
2022	863,489	14.39	2.07	16.80%	Increase
2021	739,513	12.32	0.78	6.80%	Increase

Profit & Loss Summary (Last Five Years)

The following table shows the consolidated statement of profit or loss and other comprehensive income for the last five years: (in thousands Saudi riyals):

Description	2025	2024	2023	2022	2021
Revenue	4,069,650	3,020,204	3,351,813	3,364,258	3,227,410
Cost of Revenue	(3,515,307)	(2,651,233)	(2,966,079)	(2,960,151)	(2,801,938)
Gross Profit	554,343	368,971	385,734	404,107	425,472
Selling & Distribution Expenses	(89,657)	(103,241)	(99,041)	(89,528)	(86,429)
General & Admin Expenses	(215,480)	(109,054)	(104,917)	(94,406)	(128,585)
Expected Credit Loss and other allowances	(13,695)	(1,584)	(4,646)	(12,813)	(16,560)
Gain on Disposal of Investments	2,233	3,486	10,396	5,724	4,063
Bargain purchase gain on acquisition	126,452	-	-	-	-
Fair Value Gain on Investments	-	2	44	(2,266)	-
Other Income	1,824	6,114	11,715	335	12,166
Profit Before Finance Costs & Tax	366,020	164,694	199,285	211,153	210,127
Finance Costs	(112,711)	(37,257)	(38,903)	(29,371)	(18,840)
Profit Before Zakat & Tax	253,309	127,437	160,382	181,782	191,287
Zakat & Tax	(47,304)	(15,631)	(12,807)	(19,864)	(19,111)
Profit from Continuing Operations	206,005	111,806	147,575	161,918	172,176
Loss from Discontinued Operations	-	-	(2,485)	16,194	(2,112)
Total Profit for the Year	206,005	111,806	145,090	178,112	170,064
Other Comprehensive Income (Loss)					
Re-measurement Gain / (Loss) of Employee Defined Benefit Liabilities	(10,008)	796	(1,725)	16,418	(1,476)
Exchange Differences from Converting Currencies	(2,606)	-	-	-	-
Foreign currency translation reserve released on disposal of a foreign subsidiary	-	-	-	-	2,167
Total Comprehensive Income for the Year	193,391	112,602	143,365	194,530	170,755
Profit Attributable to Company Owners	218,299	106,032	136,040	162,850	170,342
Profit Attributable to Non-controlling Interest	(12,294)	5,774	9,050	15,262	(278)
Total Comprehensive Income Attributable to Company Owners	206,999	106,773	134,439	174,976	172,994
Total Comprehensive Income Attributable to Non-controlling Interest	(13,608)	5,829	8,926	19,554	(2,239)
Earnings Per Share (Basic & Diluted)	3.64	1.77	2.27	2.71	2.84

The following table reflects the change in revenues over the last five years: (in thousands Saudi riyals):

Year	Revenue (SAR)	YoY Change (SAR)	Change (%)	Status of Change
2025	4,069,650	1,049,446	35%	Increase
2024	3,020,204	(331,609)	-9.89%	Decrease
2023	3,351,813	(12,445)	-0.37%	Decrease
2022	3,364,258	136,848	4.24%	Increase
2021	3,227,410	804,125	33.18%	Increase

Revenue Breakdown by Sector (2025 vs. 2024)

Sector	2025 Revenue (SAR)	2024 Revenue (SAR)
Metal & Wood Industries	1,809,077	1,995,414
Plastic Industries	404,376	377,668
Electrical Industries	854,122	647,122
Oil and Gas Industries	1,002,075	-
Total	4,069,650	3,020,204

Revenue Breakdown by Market

Year	Revenue from Domestic Markets (in thousands SAR)	Revenue (%)	Revenue from Global Markets (in thousands SAR)	Revenue (%)
2025	3,753,435	92.2%	316,215	7.8%
2024	2,823,869	93.5%	196,335	6.5%
2023	3,189,088	95.1%	162,725	4.9%
2022	3,250,004	96.6%	114,254	3.4%

The table below shows the revenue by the geographical location of incorporation of the subsidiaries for the past three years:

Year	Saudi Arabia (in thousands SAR)	UAE (in thousands SAR)	Kuwait (in thousands SAR)	Qatar	India
2025	3,829,224	155,462	22,177	54,358	8,429
2024	2,990,032	9,606	20,566	-	-
2023	3,320,324	10,595	20,894	-	-
2022	3,328,012	17,797	18,449	-	-

Sector Comparison of Assets, Liabilities, Revenue, and Profit (2025 vs. 2024) (in thousands Saudi riyals):

Sector	2025 Assets	2024 Assets	2025 Liabilities	2024 Liabilities	2025 Revenue	2024 Revenue	2025 Profit (Loss)	2024 Profit (Loss)
Metal & Wood	785,452	918,688	385,310	453,227	1,809,077	1,995,414	35,653	55,592
Plastic	679,876	631,341	431,255	384,687	404,376	377,668	22,853	24,148
Electrical	640,771	602,172	367,353	386,598	854,122	647,122	61,537	51,867
Oil and Gas	1,673,606	-	833,973	-	1,002,075	-	159,454	-

Year-over-Year Analysis of Operating Results (2025 vs. 2024)

Description	2025	2024	Change (in thousands SAR)	Change (%)
Revenue	4,069,650	3,020,204	1,049,446	35%
Cost of Revenue	(3,515,307)	(2,686,308)	828,999	31%
Gross Profit	554,343	333,896	220,447	66%
Operational Expenses	(305,137)	(177,220)	127,917	72%
Expected Credit Loss and other allowances	(13,695)	(1,584)	12,111	765%
Operating Profit (Loss)	235,511	155,092	90,419	52%

The increase in revenue and gross profit in 2025 was driven by starting the consolidation of results from the newly acquired oil and gas industries sector during the year 2025, in addition to the increase in revenues and gross profit in the electrical and plastic industries sectors.

Key Financial Indicators (2025 vs. 2024)

Financial Indicator	2025	2024	Change (%)
Return on Assets	5.4%	4.3%	25.58%
Return on Revenue	5.1%	3.7%	36.67%
Return on Shareholders' Equity	18.9%	12.0%	57.0%
Net Profit Growth Rate	84%	-22%	481.82%
Earnings per Share (SAR)	3.64	1.77	105.65%

The increase in net profit is primarily attributed to starting the recognition of revenues and net profit from the newly acquired oil and gas industries sector during the year 2025, in addition to the increase in revenues and net profit in the electrical and plastic industries sectors.

Bawan has shown growth by expanding its portfolio into the oil and gas sector, expanding its product offering in the plastics and electrical segments, which helped boost sales.

Summary of Consolidated Statement of Cash Flows (2025 vs. 2024)

Description	2025	2024	Change (in thousands SAR)
Cash flows from (used in) operations	160,288	134,960	25,328
Net cash used in investing activities	(301,895)	-106,836	195,059
Net cash flows from financing activities	(197,715)	365,201	-562,916
Net increase (decrease) in cash and cash equivalents	(339,322)	393,325	-732,647
Cash and cash equivalents, as of the beginning of the year	30,543	31,588	-1,045
Cash and cash equivalents, at year-end	82,936	30,543	52,393

Bawan remains committed to optimizing its financial and operational efficiency. The company's resilience in overcoming economic and industry challenges has set it up for sustainable growth in the years ahead.

Its strategic initiatives focus on tackling economic and industry obstacles while promoting sustainable growth through market expansion, integration of new business sectors, and the optimization of core business areas.

A statement of the value of statutory payments paid or payable for zakat, taxes, or any other fees or dues that have not been settled as of the end of the year 2025

Description	Amount Paid (in thousands SAR)	Amount Due (in thousands SAR)
Zakat and Income Tax	58,675	35,341
Social Insurance Contributions (GOSI)	14,577	1,287
VAT Payments	268,610	19,182
Other Government Fees and Levies	6,074	516

Investments and Employee Reserves

The following table shows the reserves that were established for the benefit of the employees the last three years:

Description	2025	2024	2023
End of Service Benefits Provision	706	2,038	2,307
Annual Incentive Provision	1,156	2,446	2,321

Total Debt

The following table outlines the total debt used by the Group as current and non-current installments for 2025: (in thousands Saudi riyals)

Type of financing	Current installments	Non-current installments	Total
Short term loans	770,585	-	770,585
Long term loans	51,557	469,065	520,622
Total debts	822,142	469,065	1,291,207

The following table shows the total used debt by each business sector for 2025: (in thousands Saudi riyals)

Sector	Short term loans	Long term loans	Net Saudi Industrial Development Fund loans	Total
Metal and wood industries	0	0	0	0
Electrical industries	85,001	22,750	0	107,751
Plastic industries	223,745	60,133	72,235	356,113
Oil and Gas Industries	461,837	0	0	461,837
Headquarters	0	365,502	0	365,502
Accrued financing cost	10,747	3,154	0	13,901
Total	781,330	451,539	72,235	1,305,105

Short-term loans

The Group has secured bank facilities ("facilities") in the form of short-term loans, Islamic Murabaha, forward exchange contracts, letters of credit, and guarantees. These facilities bear interest at the prevailing market rates and are guaranteed by promissory notes and guarantees from the Group's companies.

The following table shows the movement of amounts due to banks and lenders for 2025: (in thousands Saudi riyals)

Category	Value
Lender	Alawal Saudi Bank, Banque Saudi Fransi, Bank Albilad, Riyad Bank, Gulf International Bank, Arab Bank, Saudi National Bank
Type of financing	Sale on credit, Islamic Tayseer facilities, Islamic Tawarruq, and Murabaha
Amount due as of 31/12/2025	770,585
Borrowings of disposal group classified as held for sale	0
Financing used	1,967,646
Reclassified to long-term loans	0
Accrued financing cost	10,747
Paid	(2,067,706)
Balance as of 31/12/2025	781,332

Bank Loans

The Group has secured bank loans from domestic banks, repayable through quarterly or semi-annual installments. These loans bear interest at the prevailing market rates and are guaranteed by promissory notes and guarantees from the Group's companies.

The following table lists the lenders of the loans for 2025: (in thousands Saudi riyals)

Lender	Type of financing	Financing original amount	Financing term	Paid as of 31/12/2025	Balance due as of 31/12/2025
Saudi National Bank	Islamic Tawarruq	82,000	Six years	(21,867)	60,133
Saudi Awwal Bank	Islamic Tawarruq	27,300	Four years	(4,550)	22,750
Saudi Awwal Bank	Islamic Tawarruq	442,550	Seven years	(77,048)	365,502
Total		551,850		(103,465)	448,386

Subsidiaries

Equity and Debt Instrument Activities

The Company and its subsidiaries, as well as any subsidiaries of those subsidiaries, have not issued or granted any convertible debt instruments, contractual securities, subscription warrants, or similar rights in 2025. Additionally, the Company will not engage in the redemption, purchase, or cancellation of any redeemable debt instruments. There will also be no conversion or subscription rights associated with any such convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the Company or its subsidiaries.

Details of shares and debt instruments issued by subsidiaries

Bawan Metal Industries Company: is a one-person company (limited liability). Its capital consists of 50,000,000 Cash shares, each valued at SAR 100.00 Bawan Company owns all shares, representing 100% of Bawan Metals Company's capital of SAR 50,000,000. Saudi Riyals, and no debt instruments are issued from it.

Bawan Engineering Industries Company (Limited Liability): has a total capital of SAR 50,000,000, consisting of 500,000 cash shares, each valued at SAR 100.00. Bawan Company owns all of these shares, representing 100% of Bawan Engineering Company's capital. Additionally, no debt instruments have been issued by the company.

Bawan Wood Industries Company (Limited Liability): has a total capital consisting of 500,000 cash shares, with each share valued at 100.00 Saudi riyals. The company owns 475,000 A shares, representing 95% of its capital, which amounts to 50,000,000 Saudi riyals. Additionally, Bawan Wood Industries does not issue any debt instruments.

United Wood and Metal Products Company Limited (Limited Liability Company): has a total capital consisting of 25,680 cash shares, each valued at SAR 1,000.00. Bawan Company holds 24,396 shares, which represent 95% of United Wood and Metal Products Company's capital of SAR 25,680,000. The company does not issue any debt instruments.

Arnon Plastic Industries Company: is a single-person limited liability company, with a capital composed of 450,000 cash shares. Each share is valued at SAR 100.00. Bawan Company owns all of the shares, representing 100% of Arnon's total capital, which amounts to SAR 45,000,000. The company does not issue any debt instruments.

Petronash Holdings SPV Limited (Limited Liability Company): has a share capital of 100 cash shares, each with a nominal value of USD 1. Bawan holds an 80% ownership stake in Petronash Holdings SPV Limited.

Point Activities and Strategy

Bawan Group is a public joint stock company registered in the Kingdom of Saudi Arabia since 9 Shawwal 1400 AH, corresponding to 20 August 1980, under Commercial Register No. 1010033032. Its capital is SAR 600 million, divided into 60 million shares worth SAR 10 per share.

Thanks to its diversification strategy across multiple industrial sectors, Bawan Company has successfully established consistent cash flow and reduced the impact of economic fluctuations on its business, products, and markets through its investments in metal, wood, electric, plastics, and, most recently, oil and gas, following its acquisition of Petronash Holdings Limited. The group is committed to expanding its investments in industrial activities to support the industrial and construction sectors, ultimately enhancing its current operations to achieve optimal economic and investment diversification and effective risk distribution.

Bawan Company employs an integrated strategy to strengthen its leading position in local and regional markets. This strategy focuses on improving relationships with partners and customers by developing high-quality, innovative products and services, while also meeting the increasing demand from both local and international customers by boosting production capacity.

In pursuit of greater investment returns, Bawan Company is working to strengthen its existing strategic partnerships and invest in new factories, companies, and projects. The group aims to expand its geographical presence in targeted markets and invest in industrial sectors with high growth potential that can yield significant returns with lower risks.

Bawan Company adheres to a policy of diversifying its operational and investment activities, which contributes to strengthening its business organization within five strategic sectors: metal, wood, electric, plastic and oil and gas. The Group operates a comprehensive portfolio of modern factories located in several strategic locations, including Riyadh, Jeddah, Dammam, Jubail, Yanbu, Rabigh, Khamis Mushait, Kuwait, the United Arab Emirates, Qatar, as well as in India. Through these facilities, Bawan delivers high-quality products that meet customer expectations in both local and international markets.

Bawan strategy seeks to achieve a set of main objectives, which include:

- Expanding the group's product range and continuously improving its quality to ensure excellence and leadership.
- Deepen and strengthen relationships with existing customers by accurately understanding and meeting their needs, while adhering to the highest quality standards.
- Launching new products and entering carefully selected new markets in Saudi Arabia and the Middle East region.
- Continue working to improve internal operations by rationalizing costs and enhancing operational efficiency.
- Investing in developing new products to increase the value of the Group's business and exploiting its competitive advantages to enrich its product range.
- Continuously seeking new investment opportunities in sectors that are consistent with or different from the group's current sectors, with the aim of achieving economic and investment diversification.

Affiliates

Bawan owns a number of subsidiaries with varying percentages. The table below shows the Company's subsidiaries, their ownership percentages, their capitals and nature of business: (Saudi Riyals)

Company Name	Legal Entity	Capital	Actual ownership of shares (%)
Bawan Metal Industries Company	One-person company (limited liability)	50,000,000	100%
Bawan Engineering Industries Company	Limited Liability Company	50,000,000	100%
Bawan Wood Industries Company	Limited Liability Company	50,000,000	95%
United Wood and Metal Products Company Limited	Limited Liability Company	25,680,000	95%
Arnon Plastic Industries Company	One-person company (limited liability)	45,000,000	100%
Petronash Holdings	Special Purpose Vehicle (Limited Liability Company)*	USD 100	80%

Bawan Metal Industries a one-person company (limited liability)

Registered in the Commercial Register in Dammam, Kingdom of Saudi Arabia, the Company was established on Sha'ban 12, 1416 H, with a capital of fifty million (50,000,000) riyals. It holds a prominent position in the metal industries, engaging in activities such as the manufacture of rebar, bending and forming, rebar coil cutting, and the production of rebar mesh, steel cable ducts, sheet metal coils, and flat bar coil cutting. Additionally, the Company specializes in the epoxy coating of rebar and the production of various products. The Company targets key markets within the Kingdom of Saudi Arabia and operates several factories in vital areas, such as Riyadh, Jeddah, and Dammam.

Bawan Engineering Industries Company (Limited Liability)

Bawan Engineering Company is registered in the Commercial Register in Riyadh, Kingdom of Saudi Arabia, as of 08/29/1431 H, with a capital of fifty million (50,000,000) Saudi Riyals. The company's primary business involves the manufacture and development of electrical transformers, substations, and switchgear, along with the marketing and distribution of these products both within and outside the Kingdom of Saudi Arabia. Bawan Engineering's main market is Saudi Arabia, though it also exports some of its products to the Middle East and Africa.

Bawan Engineering Industries Company has ownership stakes in the following companies

- **United Electrical Transformers Company (UTEC):** Bawan Engineering owns 90% of UTEC. This company specializes in the manufacture and production of oil-filled electrical distribution transformers with capacities up to 3150 kVA, high voltages up to 36 kV, and pole-mounted distribution transformers with capacities up to 500 kVA.kVA.
- **United Technology Company for Electrical Stations and Switchgears (USSG):** Bawan Engineering also owns 90% of this company, which specializes in the manufacture and production of electrical substations, low-voltage distribution panels, and medium-voltage switchgear.

Bawan Wood Industries Company (Limited Liability Company)

Registered in the Commercial Register in Dammam, Kingdom of Saudi Arabia, on 25 June 1993 (6/25/1413 H), Bawan Wood Industries Company has a capital of fifty million (50,000,000) Saudi Riyals. The company primarily produces wooden pallets, wooden boxes, crates, laminated plywood panels, medium—and high-density boards, flooring andreels. While The Company main market is Saudi Arabia, some of its subsidiaries operate in the United Arab Emirates and Kuwait.

BWIC has a significant presence in various markets both within and outside the Kingdom of Saudi Arabia. The company serves its customers through multiple factories located in different geographical areas, including Riyadh, Dammam, Jeddah, Jubail, Yanbu, and Rabigh.

Bawan Wood Industries also owns several subsidiaries

- **Inma Pallets Limited Company (Inma Pallets):** A limited liability company based in Jubail & Yanbu, Saudi Arabia. Inma specializes in wooden pallet making. It is 100% owned by BWIC.
- **Al Raya Wood Works Establishment:** A sole proprietorship based in the United Arab Emirates. Bawan Wood fully owns Al Raya Wood Works, which focuses on the manufacture of wooden pallets, crates, and wooden boxes.
- **Al Raya Wood Works Company:** A limited liability company based in Kuwait and entirely owned by Bawan Wood Company, specializing in the manufacture of wooden pallets, crates, and containers.
- **United Lines Logistics Services Company Limited:** A limited liability company based in Dammam, Saudi Arabia, and 100% owned by Bawan Wood Company. This company provides support services including supply, logistics, warehousing, refrigeration, loading and unloading, and freight delivery.

United Wood and Metal Products Company Limited (Limited Liability Company)

The company is registered in the Commercial Register in Riyadh, Kingdom of Saudi Arabia, on 05/02/1409 H, with a capital of twenty-five million six hundred eighty thousand (25,680,000) Saudi riyals. It specializes in producing wooden doors, joinery, wooden packaging material, Formica-coated wood products, laminated plywood, decorative panels, and melamine-coated panels. Additionally, it markets and distributes these products both inside and outside of the Kingdom of Saudi Arabia.

Arnon Plastic Industries Co., Ltd. One-person company (Limited Liability)

Registered in the Commercial Register in Dammam, Kingdom of Saudi Arabia, on 01/01/1420AH has a capital of forty-five million Saudi Riyals (45,000,000). Arnon's primary business encompasses the sale of plastic tools and materials, the production of polyethylene foam packaging, insulation films, PET bottles, clear containers, and polyethylene bottles. The Company not only markets and distributes these products within Saudi Arabia but also exports some of them to various Middle Eastern countries.

Petronash Holdings SPV Limited (Limited Liability Company):

Registered in the Commercial Register in ADGM, UAE on 15/10/2024, and has a capital consisting of 100 cash shares, each valued at 1 USD. Bawan owns 80% of the shares in Petronash Holding SPV Limited. The Company owns several subsidiaries that focus on delivering critical equipment and solutions tailored to the demands of the energy sector. The main product categories include: Modular Wellhead Packages (MWP), Wellhead Control Panels (WHCP), Chemical Injection Systems (CIS), Process Equipment (PE), and other products and services. The Saudi market is considered the main market for the company's operations and its subsidiaries. It also operates in and exports its products to the Gulf countries, as well as to countries in Africa, South America, and other regions.

The subsidiaries include:

Subsidiary Name	Place of Incorporation	Issued Capital	Registered Shareholders
Petronash Holding Limited	Jebel Ali Free Zone, Dubai, UAE	AED 100,000.00	Petronash Holdings SPV Limited (100%)
Petronash FZE (UAE)	Dubai, UAE	AED 50,000,000.00	Petronash Holding Limited (100%)
Petronash Oil Field Services – Sole Proprietorship L.L.C (UAE)	Abu Dhabi, UAE	AED 150,000.00	Petronash Holding Limited (100%)
Petronash SPC (Oman)	Sultanate of Oman	OMR 150,000.00	Petronash Holding Limited (100%)
Petronash Oil & Gas Services & Trading L.L.C (Qatar)	Qatar	QAR 200,000.00	Petronash Qatar SPV Limited (49% - 100% beneficial); Solstice Business Services LLC (51% nominee)
Petronash Arabia Co. Limited (KSA)	Kingdom of Saudi Arabia	SAR 1,000,000.00	Petronash FZE (100%)
Dynamic Technology Solutions Arabia Company (DTS) (KSA)	Kingdom of Saudi Arabia	SAR 100,000	DTS SPV Limited (100%)
DTS SPV Limited (Cayman Islands)	Cayman Islands	USD 50,000.00	Petronash Holding Limited (100%)
Petronash Qatar SPV Limited (Cayman Islands)	Cayman Islands	USD 50,000.00	Petronash Holding Limited (100%)
Petronash Engineering Services Private Limited (India)	India	INR 24,733,920	Petronash Holding Limited (95%); Petronash FZE (5%)

Important developments in 2025

Below is a summary of the most important developments in 2025 for Bawan and its subsidiaries:

- **24/02/2025:** Bawan Company announces that the Board of Directors has approved the project of United Transformers Electric Company (a subsidiary) to establish a factory for manufacturing high-voltage transformers, with an estimated cost of approximately SAR 80 million for the first phase.
- **13/02/2025:** Bawan Company announces the latest developments regarding the signing of a sale and purchase agreement with Petronash Global Limited to acquire the entire equity shares of Petronash Holding Limited.
- **19/03/2025:** Bawan Company announces its annual financial results for the period ending 31/12/2024.
- **23/03/2025:** Bawan Company announces the Board of Directors' decision not to distribute dividends for the second half of 2024.
- **27/03/2025:** Bawan Company announces that it held a conference call to discuss the financial results for the year 2024 with investors and financial analysts.
- **06/05/2025:** Bawan Company announces the Board of Directors' invitation to shareholders to attend the Ordinary General Assembly Meeting (First Meeting).
- **14/05/2025:** Bawan Company announces the interim financial results for the period ending 31/03/2025 (three months).
- **19/05/2025:** Bawan Company announces that it held a conference call to discuss the financial results for the first quarter of 2025 with investors and financial analysts.
- **28/05/2025:** Bawan Company announces the results of the Ordinary General Assembly Meeting (First Meeting).
- **03/06/2025:** Bawan Company announces the opening of the nomination period for membership of the Board of Directors.
- **07/08/2025:** Bawan Company announces the interim financial results for the period ending 30/06/2025 (six months).
- **11/08/2025:** Bawan Company announces the Board of Directors' invitation to shareholders to attend the Ordinary General Assembly Meeting (First Meeting).
- **12/08/2025:** Bawan Company announces that it held a conference call to discuss the financial results for the second quarter of 2025 with investors and financial analysts.
- **22/09/2025:** Bawan Company announces the results of the Ordinary General Assembly Meeting (First Meeting).
- **22/09/2025:** Correction announcement from Bawan Company regarding the previously announced results of the Ordinary General Assembly Meeting (First Meeting).
- **01/10/2025:** Bawan Company announces the appointment of the Chairman of the Board of Directors, the Vice Chairman, the formation of Board committees, and the appointment of the Board Secretary.
- **01/10/2025:** Bawan Company announces the appointment of a member of the Audit Committee.
- **01/10/2025:** Bawan Company announces that the Chief Executive Officer has expressed his desire not to renew his employment contract, and the Board of Directors has delegated the Chief Financial Officer to assume the role of Chief Executive Officer.
- **04/11/2025:** Bawan Company announces the interim financial results for the period ending 30/09/2025 (nine months).
- **10/11/2025:** Bawan Company announces that it held a conference call to discuss the financial results for the third quarter of 2025 with investors and financial analysts.
- **11/11/2025:** Bawan Company announces a change in the ownership structure of a major shareholder.
- **28/12/2025:** Bawan Company announces that Petronash Arabia Company Limited (a subsidiary of Bawan Company) received a purchase order under an existing contract with Saudi Arabian Oil Company (Saudi Aramco).

Transactions with related parties

In the fiscal year 2025, two contracts involving Bawan with related parties, were still ongoing. These contracts were established years ago and are extensions of long-standing relationships that started prior to fiscal year 2025.

We summarize these contracts in the tables below as follows:

	RP Name	Nature of the Transaction	Amount	Term	Conditions	Member Conflict
Bawan Company	Bloom Investment Saudi Arabia	Investment portfolio management	176,291	One year and automatically renewed	There are no special or preferential conditions	Fozan Al-Fozan
	National Commercial Bank of Saudi Arabia	Bank facilities	767,804,118 The total transaction limit in the current contract	One year, renewable with the consent of the parties	There are no special or preferential conditions	Abdullah Al-Rowais

The management of the Company confirms that all contracts and agreements listed in the tables above are executed solely on a commercial basis, without any preferential treatment, and in a manner that aligns with the interests of the Company and its shareholders. The Company and its Board of Directors also affirm their commitment to Article 71 of the Companies Law issued by the Ministry of Commerce and Investment, as well as to the Corporate Governance Regulations established by the Capital Market Authority. Additionally, all agreements made by the Company and related parties are subject to voting in the General Assembly.

Competing Businesses

#	Member	Competing entity	Company Description	Member role
1	Faisal Majid Al-Muhaideb	Masdar Building Materials Company	The company operates in several sectors, including rebar and steel of all kinds, as well as a wide range of wood, hardware, fasteners, and more.	The member is a member of the Board of Directors of this company and its Chief Executive Officer.
2	Fozan Mohammed Al-Fozan	1. Madar Building Materials Company. 2. Madar Electrical Materials Company Limited. 3. Al-Yamamah Company for Reinforcing Steel Bars.	1. The company operates in several building materials sectors: timber, rebar, and metals. 2. The company operates in the retail sale of electrical appliances and their extensions, as well as the sale of electrical and communications cables. 3. The company is engaged in the production, wholesale, and retail trade of rebar.	1. The member is a member of the board of directors of this company. 2. The member is a member of the board of directors of companies in which he holds significant stakes. 3. The member is a member of the board of directors of this company.
3	Raed Ibrahim Al-Mudaiheem	1. Masdar Building Materials Company. 2. Al-Yamamah Company for Reinforcing Steel Bars. 3. Al Yamamah Steel Industries Company.	1. The company operates in several sectors, including rebar and steel of all kinds, as well as a wide range of wood, hardware, fasteners, and more. 2. The company is engaged in the production, wholesale, and retail trade of rebar. 3. The company is engaged in the production and sale of iron products.	1. The member is a member of the board of directors of this company. 2. The member is a member of the board of directors of companies in which he holds significant stakes. 3. The member is a member of the board of directors of this company.

Zakat and Income Tax

- The Group is subject to Zakat and income tax in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia. The Company and its 100% Saudi-owned subsidiaries file their Zakat returns on a consolidated basis, while the Group's other subsidiaries file their Zakat and income tax returns individually. Zakat and income tax provisions are established on an accrual basis.
- Zakat is calculated based on the Zakat base or adjusted net profit, whichever is greater, while income tax is calculated based on adjusted net profit. Any discrepancies in estimates are recorded when the final assessment is approved, at which time the provision is closed.
- Zakat and income tax expenses are included in the consolidated statement of profit or loss and other comprehensive income.
- Zakat and income tax are calculated at the rates stipulated in applicable laws and regulations.
- Zakat represents amounts related to the company and its subsidiaries, while income tax represents amounts related to foreign partners.

The following table shows the amounts of Zakat and income tax paid during the years 2024 and 2025:

Item/Details	2025	2024 G
Zakat paid during the year	18,113	18,298
Income tax paid during the year	40,562	1,399

Future Expectations and Risks

Prospects and Risks

Future prospects for the company and its subsidiaries:

- Working to improve the capabilities of production lines, which is expected to contribute to reducing costs and increasing production capacity, thus achieving tangible positive effects.
- Expanding the provision of industrial and engineering services within the electrical industries sector, including consulting and technical services, which opens new horizons for growth and enhances revenue volume.
- The Company continues to explore new investment opportunities to expand its services both locally and internationally, enabling it to achieve its strategic objectives and enhance shareholder value.
- Launching new products in the electrical and oil and gas industries, which will contribute to increasing revenues, expanding market share, and boosting profits.
- For further details on future prospects, please see the "Company Outlook and Sector Strategy" section.

Risks facing the company and its subsidiaries:

The Company is exposed to certain risks related to its business and its subsidiaries. The following table summarizes these risks and the measures the company has taken to mitigate them:

Risks	Measures taken by the company to mitigate risks
Rising energy prices and electricity tariffs	The Company continues to implement its strategy, which includes increasing the efficiency of its operations and rationalizing expenses to mitigate this impact on the company's profitability.
Fluctuations in raw material prices	The Company has implemented conservative policies to ensure it is not exposed to risks arising from sudden changes in raw material prices. It secures raw material orders as soon as it receives purchase orders from customers and limits its inventory to conservative purchases to ensure business continuity.
Fluctuations in currency exchange rates	When the Company purchases equipment or materials from outside the Kingdom of Saudi Arabia in foreign currencies, it fixes the exchange rates of these currencies against the Saudi riyal at the time of concluding agreements with suppliers to avoid being affected by any price fluctuations. When exporting any of its products outside the Kingdom of Saudi Arabia, the Company also requires that prices be in US dollars to avoid any risk of currency fluctuations, as the exchange rate of the Saudi riyal against the US dollar is fixed.
Focus on key customers	The Company is constantly seeking to add new local and international clients to expand its customer base and reduce dependence on a limited number of major clients.

Risks	Measures taken by the company to mitigate risks
Commitment to Saudization	Follow up, understand, and implement the regulations issued by the Ministry of Labor regarding the Saudization Program and Nitaqat. Working to create an attractive work environment for Saudi employees. Attracting Saudi talents. Developing internal training programs to qualify Saudi workers.
Local and international competition	The Company is constantly working to increase its revenues and rationalize and reduce operating costs and production inputs by continuously qualifying raw material suppliers, increasing their production capacities, and opening new markets.
Credit risk	The Company diversifies its Islamic credit facilities from various lenders to ensure the continued availability of its credit needs and secure facilities at competitive rates.
Reliance on major suppliers	The Company is working to increase the number of its primary raw material suppliers through its Materials and Procurement departments. Technical controls have been put in place to ensure the availability of more qualified suppliers while maintaining the company's high levels of material efficiency, adherence to supply deadlines, and competitive pricing. In addition, the company periodically reviews its supplier contracts to ensure that their contractual obligations are being met.
Regional conditions	The Company's relevant departments continuously monitor the development of production technologies through attendance and participation in specialized international exhibitions, in addition to concluding agreements such as technology transfer and modernization in the company's areas of work.
Changes in production techniques	The Company's relevant departments continuously monitor the development of production technologies through attendance and participation in specialized international exhibitions, in addition to concluding agreements such as technology transfer and modernization in the company's areas of work.
Some production lines are out of order	The Company has maintenance departments equipped with qualified technicians and a stock of spare parts for production lines to address any malfunction or outage in any of its lines. The company is developing several small facilities nearby, through which it carries out some production operations in accordance with the required specifications, in order to provide the company with the necessary energy when needed.
Some production lines are out of order (continued)	The Company produces and stores a reserve of some of its required products that comply with approved specifications and updates them to meet any obligations in the event of any malfunction in the production lines. The company has a system for periodic maintenance of the main production lines, which helps avoid some routine breakdowns.
Delivering products to customers	The Company owns several transport trucks and contracts with numerous transportation companies to ship its goods to customers in various regions at competitive prices. The company also has a highly efficient supply chain management system.
Adequacy of insurance coverage	The Company continuously reviews its insurance policies to ensure their adequacy and updates them regularly.

Dividend Distribution Policy

The net profits of Bawan Company, after deducting all general expenses and other costs, are distributed according to the following mechanism:

- Based on the recommendation of the Board of Directors, the Ordinary General Assembly may allocate a portion of the net profits to establish an optional reserve to be used for specific purposes. This reserve may only be used with the approval of the Extraordinary General Assembly.
- The Ordinary General Assembly has the authority to establish other reserves to serve the company's interests or ensure the distribution of fixed dividends to shareholders as much as possible. It may also allocate a portion of net profits to support social activities for the company's employees or contribute to existing social activities.
- The remaining amount shall be distributed as a first payment to shareholders at a rate of no less than 5% of the paid-up capital.
- A percentage of up to 10% of the remainder may be allocated as a bonus to the Board of Directors, provided that the bonus is conditional on a specific percentage of profits, and the entitlement to this bonus is proportional to the extent of the member's attendance at the meetings.
- After meeting the requirements set by the competent authority, the Company is permitted to distribute semi-annual or quarterly dividends to shareholders, and the board of directors may be authorized to oversee this matter.
- Each shareholder is entitled to his share of the profits in accordance with the decision of the General Assembly. The decision shall specify the due date and the distribution date. The right to profits shall be deemed acquired by the shareholders registered in the shareholders' register at the end of the due date.

The General Assembly of Shareholders of Bawan Company, in its meeting held on 27 May 2025, authorized its Board of Directors to distribute interim dividends to shareholders on a semi-annual or quarterly basis for the fiscal year 2025. The Board of Directors shall determine the due dates and distribution dates in accordance with the regulatory laws and procedures issued under the Companies Law, considering the company's financial position, cash flows, and expansion and investment plans.

The Board of Directors of Bawan did not declare any distribution of interim dividends to shareholders on a semi-annual or quarterly basis profits during the year 2025. The board decided not to distribute dividends to strengthen the Company's financial position and reduce the debt of the Company after the acquisition of Petronash Holding Limited.

Company Ownership Structure, Board of Directors, and Board Committees

Company Ownership

The table below shows a list of shareholders who directly own more than 5% of the company's capital as of 31 December 2025:

#	Shareholder's name	Number of shares as of 31/12/2025	Direct ownership percentage as On 31/12/2025	Number of shares up to 31/12/2024	Direct ownership percentage as On 31/12/2024
1	Al-Fozan Holding Company	12,518,800	20.86%	12,518,800	20.86%
2	Abdul Qader Al-Muhaideb and Sons Company	5,128,813	8.55%	8,028,813	13.38%

The table below shows the number of shares directly owned by members of the Board of Directors, senior executives, their spouses, and minor children as of 01/01/2025 and 31/12/2025:

Name	Position	Number of shares as of 01/01/2025	Number of shares as of 31/12/2025	Change	Change (%)
Mr. Fozan bin Mohammed Al-Fozan	Chairman of the Board of Directors	1,200	1,200	-	0%
Mr. Raed bin Ibrahim Al-Mudaiheem	Vice Chairman of the Board of Directors	1,200	1,200	-	0%
Mr. Khaled bin Abdul Rahman Al-Gwaiz	Board Member	-	916	-	100%
Mr. Abdul Karim bin Ibrahim Al-Nafie	Board Member	10,000	10,000	-	0%
Mr. Abdullah bin Abdul Rahman Al-Rowais	Board Member	-	250	-	100%
Mr. Faisal bin Majid Al-Muhaideb	Board Member	-	-	-	0%
Mr. Mohammad bin Abdulaziz Al-Ageel	Board Member	-	200	-	100%
Mr. Mohammed bin Ahmed Al-Baadi	Board Member	-	7	-	100%
Mr. Abdulhameed Abdulaziz Al-Ohali	Board Member	-	4000	-	100%
Mr. Zeyad bin Abdullatif Al-Barrak	Chief Executive Officer	-	-	-	0%
Mr. Abdulhadi bin Samir Zafar	Board Secretary	0	1,000	1,100	10%

The members of the Board of Directors and other senior executives, their spouses or minor children, and any of their subsidiaries do not directly own the Company's shares or the debt instruments of the Company or any of its subsidiaries other than as mentioned above. The Company also acknowledges that it has no treasury shares as of the date of this report.

The Board of Directors and its Committees

Members of the Board of Directors, committees emanating from the Board, and the Executive Management

The Company is managed by a Board of Directors consisting of nine members elected at the Ordinary General Assembly held on 21 September 2025, for a four-year term beginning 26 September 2025, and ending 25 September 2029. The Board members meet the requirements specified in the definitions contained in the governance regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia.

The Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Sustainability Committee were formed at the board meeting held on 30 September 2025.

Names of companies inside or outside the Kingdom in which a member of the Company's Board of Directors is a member of its current or previous boards of directors or one of its managers:

Member name

Fozan bin Muhammad Al-Fozan

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Al Fozan Holding Company	Inside the Kingdom	Closed joint-stock company	Al-Oula Real Estate Development Holding Company	Inside the Kingdom	Closed joint-stock company
Abdullatif & Mohammed Al Fozan Holding Company	Inside the Kingdom	Closed joint-stock company	Beautiful Home Company	Inside the Kingdom	Limited Liability Company
United Electronics Company (eXtra)	Inside the Kingdom	Listed joint-stock company	Enjaz Projects Company Limited	Inside the Kingdom	Limited Liability Company
Athman Healthcare Holding Company	Inside the Kingdom	Closed joint-stock company	Etlala Investment Holding Company	Inside the Kingdom	One-person Limited Liability Company
Retal Urban Development Company	Inside the Kingdom	Public joint-stock company	Zawaya Holding Company	Inside the Kingdom	Closed joint-stock company
Al-Yamamah Company for Reinforcing	Inside the Kingdom	Closed joint-stock company	Asnad Healthcare Solutions Company	Inside the Kingdom	One-person Limited Liability Company
Bawan Company	Inside the Kingdom	Listed joint-stock company	-	-	-
United International Holding Company	Inside the Kingdom	Listed joint-stock company	-	-	-
United Financial Services Company	Inside the Kingdom	One-person company	-	-	-
Madar Building Materials Company	Inside the Kingdom	Limited Liability Company	-	-	-

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Ajwad Holding Company	Inside the Kingdom	Closed joint-stock company	—	—	—
Blom Invest	Inside the Kingdom	Closed joint-stock company	—	—	—
Amjal Real Estate Development Company	Inside the Kingdom	One-person Limited Liability Company	—	—	—
Rawabi Riyadh Company Limited	Inside the Kingdom	One-person Limited Liability Company	—	—	—
Al Mada Holding Company	Inside the Kingdom	Limited Liability Company	—	—	—
Kayan International Company	Inside the Kingdom	Limited Liability Company	—	—	—
United Metal Industries Company	Inside the Kingdom	Limited Liability Company	—	—	—
United Glass Industries Company	Inside the Kingdom	Limited Liability Company	—	—	—
Madar Bahrain Hardware Company	Outside the Kingdom	Limited Liability Company	—	—	—
Madar Electrical Materials Company	Inside the Kingdom	Limited Liability Company	—	—	—
Madar Hardware Company	Inside the Kingdom	Limited Liability Company	—	—	—

Member name

Raed bin Ibrahim Al-Mudaiheem

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Masdar Building Materials Company	Inside the Kingdom	Closed joint-stock company	Northern Region Cement Company	Inside the Kingdom	Listed joint-stock company
United Mining Industries Company	Inside the Kingdom	Listed joint-stock company	Suez Cement Company	Outside the Kingdom (Egypt)	Listed joint-stock company
Jeddah Airports Company	Inside the Kingdom	Limited Liability Company	Arabian Pipe Company	Inside the Kingdom	Listed joint-stock company
Jeddah Central Development Company	Inside the Kingdom	Single person joint-stock company	Northern Cement Company	Outside the Kingdom (Jordan)	Listed joint-stock company
Al Yamamah Steel Industries Company	Inside the Kingdom	Listed joint-stock company	Caterion Catering Holding Company (Caterion)	Inside the Kingdom	Listed joint-stock company

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Riyadh Cables Group Company	Inside the Kingdom	Listed joint-stock company	—	—	—
Thabat Contracting Company Limited	Inside the Kingdom	Limited Liability Company	—	—	—
Bawan Company	Inside the Kingdom	Listed joint-stock company	—	—	—
Al Badia Cement Company	Outside the Kingdom (Syria)	Listed joint-stock company	—	—	—

Member name

Khalid bin Abdul Rahman Al-Gwaiz

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Al Rajhi Bank	Inside the Kingdom	Listed joint-stock company	EFS Facilities Services Company	Inside the Kingdom	Closed joint-stock company
Riyadh Cables Group Company	Inside the Kingdom	Listed joint-stock company	Astra Industrial Group	Inside the Kingdom	Listed joint-stock company
Saudi Pharmaceutical Industries Company (SPIMACO)	Inside the Kingdom	Listed joint-stock company	ACWA Holding Company	Inside the Kingdom	Closed joint-stock company
Bawan Company	Inside the Kingdom	Listed joint-stock company	Swicorp Company	Inside the Kingdom	Closed joint-stock company
SEDCO Capital	Inside the Kingdom	Closed joint-stock company	Saudi Binladin Group Global Holding Company	Inside the Kingdom	Closed joint-stock company
Specialty Chemical Solutions Company	Inside the Kingdom	Limited Liability Company	—	—	—
International Union Construction Company	Inside the Kingdom	Limited Liability Company	—	—	—

Member name

Abdul Karim bin Ibrahim Al-Nafie

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Etihad Etisalat Company (Mobily)	Inside the Kingdom	Listed joint-stock company	The National Shipping Company of Saudi Arabia (Bahri)	Inside the Kingdom	Listed joint-stock company
Astra Industrial Group Company	Inside the Kingdom	Listed joint-stock company	Saudi Ceramic Company	Inside the Kingdom	Listed joint-stock company
Al Moammar Information Systems Company (MIS)	Inside the Kingdom	Listed joint-stock company	Saudi Ceramic Pipes Company	Inside the Kingdom	Closed joint-stock company
United Cement Industrial Company	Inside the Kingdom	Limited Liability Company	Natural Gas Distribution Company	Inside the Kingdom	Closed joint-stock company
Riyadh Steel Company	Inside the Kingdom	Listed joint-stock company	Naseej International Trading Company	Inside the Kingdom	Listed joint-stock company
Jarir Marketing Company	Inside the Kingdom	Closed joint-stock company	Maan Al Jasser Innovative Cabinets Company	Inside the Kingdom	Closed joint-stock company
Jarir Development Company	Inside the Kingdom	Closed joint-stock company	United Juices Company	Inside the Kingdom	Closed joint-stock company
Casa Logistics Services Company	Inside the Kingdom	Limited Liability Company	—	—	—
Bawan Company	Inside the Kingdom	Listed joint-stock company	—	—	—

Member name

Abdullah bin Abdul Rahman Al-Rowais

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Saudi National Bank	Inside the Kingdom	Listed joint-stock company	Manafea Holding Company	Inside the Kingdom	Closed joint-stock company
Bawan Company	Inside the Kingdom	Listed joint-stock company	Samba Financial Group	Inside the Kingdom	Listed joint-stock company
—	—	—	ACWA Power Company	Inside the Kingdom	Listed joint-stock company
—	—	—	Saudi Tourism Authority	Inside the Kingdom	Government Authority

Member name

Faisal bin Majid Al-Muhaidib

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Masdar Building Materials Company	Inside the Kingdom	Closed joint-stock company	United Mining Industries Company	Inside the Kingdom	Limited Liability Company
Thabat Real Estate Development Company	Inside the Kingdom	Limited Liability Company	RAFAL Real Estate Development Company	Inside the Kingdom	Limited Liability Company
Thabat Housing Real Estate Company	Inside the Kingdom	Limited Liability Company	Badwah Investment Company	Outside the Kingdom	Limited Liability Company
Bawan Company	Inside the Kingdom	Listed joint-stock company	—	—	—
Hatcon Company Limited	Inside the Kingdom	Limited Liability Company	—	—	—

Member name

Mohammad bin Abdulaziz Al-Ageel

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Madad Holding Company	Inside the Kingdom	Limited Liability Company	Ajdan Real Estate Development Company	Inside the Kingdom	Closed joint-stock company
Oud Financial Company	Inside the Kingdom	Closed joint-stock company	Al-Oula Real Estate Development Company	Inside the Kingdom	Closed joint-stock company
Sadeed Company	Inside the Kingdom	Limited Liability Company	Al Badia Cement Company	Outside the Kingdom (Syria)	Closed joint-stock company
Bawan Company	Inside the Kingdom	Listed joint-stock company	Retal Company	Inside the Kingdom	Listed joint-stock company
—	—	—	Dar Al Tamleek Company	Inside the Kingdom	Closed joint-stock company

Member name

Mohammed bin Ahmed Al-Baadi

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Madad Company Limited	Inside the Kingdom	Limited Liability Company	Cleveland Bridge Middle East	Inside the Kingdom	Limited Liability Company
Bawan Company	Inside the Kingdom	Listed joint-stock company	Air Liquide Arabia	Inside the Kingdom	Limited Liability Company
Madad Oilfield Services Company	Inside the Kingdom	Limited Liability Company	ARCC Contracting Company	Inside the Kingdom	Limited Liability Company
Madad Chemicals Company Limited	Inside the Kingdom	Limited Liability Company	Point Eight Power Arabia	Inside the Kingdom	Limited Liability Company
Madad McLean Marine Company	Inside the Kingdom	Limited Liability Company	Dresser Valves Company	Inside the Kingdom	Limited Liability Company
Tech Mahindra Arabia	Inside the Kingdom	Limited Liability Company	NATCO Company	Inside the Kingdom	Limited Liability Company

Member name

Abdulhameed Abdulaziz Al-Ohali

Current Companies	Location	Legal Entity	Previous Companies	Location	Legal entity
Al Yamamah Steel Industries Company	Inside the Kingdom	Listed joint-stock company	Al Fozan Metals Company	Inside the Kingdom	Limited Liability Company
Ajwad Holding Company	Inside the Kingdom	Limited Liability Company	Saleh Al Rajhi Industrial Group	Inside the Kingdom	Limited Liability Company
Saudi Aquaculture Systems Company	Inside the Kingdom	Limited Liability Company	Al Rajhi Cooperative Insurance Company	Inside the Kingdom	Limited Liability Company
Bawan Company	Inside the Kingdom	Listed joint-stock company	—	—	—

Board Membership Classification

#	Name	Position	Nature of Membership
1	Mr. Fozan bin Mohammed Al-Fozan	Chairman of the Board of Directors	Non-Executive Member
2	Mr. Raed bin Ibrahim Al-Mudaiheem	Vice Chairman of the Board of Directors	Non-Executive Member
3	Mr. Faisal bin Majid Al-Muhaidib	Board Member	Non-Executive Member
4	Mr. Khaled bin Abdul Rahman Al-Gwaiz	Board Member	Independent
5	Mr. Abdul Karim bin Ibrahim Al-Nafie	Board Member	Independent
6	Mr. Abdullah bin Abdul Rahman Al-Rowais	Board Member	Independent
7	Mr. Mohammad bin Abdulaziz Al-Ageel	Board Member	Independent
8	Mr. Mohammed bin Ahmed Al-Baadi	Board Member	Independent
9	Mr. Abdulhameed Abdulaziz Al-Ohali	Board Member	Independent

Actions taken by the Board of Directors to inform its members, especially non-executive members, of shareholders' proposals and comments regarding the company's performance:

- At the first meeting of the Board of Directors at the beginning of the fiscal year, the Chairman shall inform all members of any suggestions or comments from shareholders regarding the Company and its performance, as well as other relevant matters, if any.
- The Company did not receive any written proposals or comments from any shareholders during the year ending 31 December 2025.

Board of Directors meetings held during the fiscal year ending December 31, 2025:

Name	First meeting 20/03/2025	Second meeting 29/05/2025	Third meeting 30/09/2025	Fourth meeting 30/12/2025	Total
Mr. Abdullah bin Abdul Latif Al-Fozan *	✓	✓	X	X	2
Mr. Raed bin Ibrahim Al-Mudaiheem	✓	✓	✓	✓	4
Mr. Fozan bin Mohammed Al-Fozan	✓	✓	✓	✓	4
Mr. Raed bin Ahmed Al-Mazroa *	✓	✓	X	X	2
Mr. Khaled bin Abdulrahman Al-Gwaiz	✓	✓	✓	✓	4
Mr. Abdul Karim bin Ibrahim Al-Nafie	✓	✓	✓	✓	4
Mr. Abdullah bin Abdul Rahman Al-Rowais	✓	✓	✓	✓	4
Mr. Mohammad bin Abdulaziz Al-Ageel	✓	X	✓	✓	3
Mr. Faisal bin Majid Al-Muhaideb	✓	✓	✓	✓	4
Mr. Mohammed bin Ahmed Al-Baadi **	X	X	✓	✓	2
Mr. Abdulhameed Abdulaziz Al-Ohali **	X	X	✓	✓	2

* Mr. Abdullah Al-Fozan and Mr. Raed Al-Mazroa terms in the board of directors ended on 25/09/2025, therefore they did not attend the 3rd and 4th meetings of the year 2025.

** Mr. Mohammed Al-Baadi and Mr. Abdulhameed Abdulaziz Al-Ohali terms in the board of directors started on 26/09/2025, therefore they did not attend the 1st and 2nd meetings of the year 2025.

In accordance with the requirements of the governance regulations issued by the Capital Market Authority and the Companies Law, the Company has developed Charters for the Audit Committee, the Nominations and Remuneration Committee, the Executive Committee, and the Sustainability Committee as shown in the figure below.

These Charters specify the rules for selecting committee members, the conditions for membership, and the working methods of each committee. The committees' operating regulations have been approved by the Board of Directors, and the General Assembly of Shareholders were necessary.

Board Committees

Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in fulfilling its oversight duties related to financial reporting, internal control, and compliance by first verifying the adequacy and effectiveness of the internal control and risk management systems and monitoring the performance of the internal audit function, including reviewing internal audit reports and following up on corrective measures. The committee also studies the Company's interim and annual financial statements before submission to the Board to ensure their integrity, fairness, and transparency, while examining accounting policies, significant issues, and estimates contained therein.

It recommends to the Board the nomination, removal, and fees of the external auditor, verifies the auditor's independence and objectivity, and reviews the scope and effectiveness of audit work. Additionally, the committee ensures the Company's compliance with relevant laws, regulations, and policies, reviews proposed related party transactions, establishes a confidential mechanism for employees to report violations, and conducts independent investigations when necessary. The committee also prepares an annual report summarizing its work and performance for presentation to the General Assembly, and its chairman or deputy attends General Assembly meetings to answer shareholder questions.

Audit Committee members other than Board members

#	Name	Current job	Previous jobs	Qualifications	Experiences
1	Mr. Kenneth Charles Ibrahim	Financial Director - Telad Investment Company	<ul style="list-style-type: none"> Financial Controller - Athel Holding Company Financial Controller - General Trading Company Senior Manager - Deloitte & Touche 	<ul style="list-style-type: none"> Bachelor of Economics from the University of Mumbai, India, 1988 	He has many professional qualifications. Certificates in accounting, Economics and Internal Audit
2	Dr. Abdullah bin Sagheer Al-Hussaini	Mr B College of Business Administration - Prince Sultan University	<ul style="list-style-type: none"> Financial Manager, Financial Advisor, Accountant and Auditor in many organizations 	<ul style="list-style-type: none"> Bachelor's degree in Accounting from King Abdulaziz University, Saudi Arabia - 1990. Master's degree in Accounting from King Saud University, Kingdom of Saudi Arabia - 1997. PhD in Financial Accounting and Auditing from the University of Kent, UK - 2005 	Member of the Board of Directors, Chairman of the Audit Committee, and member of various committees in a number of listed companies. He has extensive experience in accounting, internal and external auditing, and financial management. He is a member of many professional organizations inside and outside the Kingdom of Saudi Arabia.
3	Mr. Naji Hassib Mohammed Fayad	Chief Internal Audit Officer - Cenomi, KSA	<ul style="list-style-type: none"> Audit Director -Deloitte Canada Board member - International Internal Audit Standards Board (IIASB) at IIA-Global, USA. Instructor at McGill University, Montreal-Canada Board Member and Chairman of the Audit Committee-Arabia Insurance (KSA) Member of the Risk Committee-ARABIA Insurance (KSA) Chief Financial Officer & Chief Risk Officer - Arabia Insurance 	<ul style="list-style-type: none"> Bachelor's degree in business administration from the American University of Beirut. Master's degree in business administration from the American University of Beirut. Postgraduate degree in Accounting from McGill University, Montreal -Canada Chartered Accountant from the Canadian Institute of Chartered Accountants Professional certifications: CIA, CRMA, CCSA, GRCP, GRCA 	Over 30 years of experience in Finance, Internal Audit, Governance, Risk management & Compliance during which he held leadership positions in several consulting and commercial companies.

The three-member Audit Committee held seven meetings during 2025. The table below shows the attendance record for these meetings:

Name	Position	First meeting 15/01/2025	Second meeting 17/03/2025	Third meeting 13/05/2025	Fourth meeting 14/07/2025	Fifth Meeting 06/08/2025	Sixth Meeting 02/11/2025	Seventh Meeting 30/11/2025	Total
Mr. Abdullah bin Abdul Rahman Al-Rowais	Chairman	✓	✓	✓	✓	✓	✓	✓	7
Mr. Kenneth Charles Ibrahim	Member	✓	✓	✓	✓	✓	✓	✓	7
Dr. Abdullah bin Sagheer Al-Hussaini *	Member	✓	✓	✓	✓	✓	X	X	5
Mr. Naji bin Haseeb Fayad **	Member	X	X	X	X	X	✓	✓	2

* Dr. Abdullah bin Sagheer Al-Hussaini's term in the Audit Committee ended on 25/09/2025, therefore he did not attend the 6th and 7th meetings of the year 2025.

** Mr. Naji bin Haseeb Fayad's term in the Audit Committee started on 30/09/2025, therefore he did not attend the first 5 meetings of the year 2025.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for assisting the Board of Directors in fulfilling its advisory and supervisory duties by establishing clear policies and standards for compensation and rewards for Board members, committee members, and senior executives, while also supervising the rewards and incentives plan for employees and ensuring its effective implementation. The committee manages the nomination process for Board membership, its committees, and executive management by proposing nomination policies, preparing descriptions of required capabilities and qualifications, reviewing the Board's structure, and verifying the independence of independent members while ensuring there are no conflicts of interest. It also conducts an annual review of skills and experience requirements, identifies weaknesses and strengths within the Board and proposes solutions, develops job descriptions, establishes procedures for filling vacancies, and oversees the performance evaluation process for Board members and committees, ultimately providing recommendations to the Board on all related matters.

The three-member Nomination and Remuneration Committee held five meetings during 2025.

The following table shows the attendance record for these meetings:

Name	Position	First Meeting 16/04/2025	Second Meeting 20/07/2025	Third Meeting 02/09/2025	Fourth Meeting 16/12/2025	Fifth Meeting 28/12/2025	Total
Mr. Khaled bin Abdul Rahman Al-Gwaiz	Chairman	✓	✓	✓	✓	✓	5
Mr. Raed bin Ibrahim Al-Mudaiheem *	Member	✓	✓	✓	X	X	3
Mr. Mohammad bin Abdulaziz Al-Ageel	Member	✓	✓	✓	✓	✓	5
Mr. Fozan bin Mohammed Al-Fozan **	Member	X	X	X	✓	✓	2

* Mr. Raed bin Ibrahim Al-Mudaiheem's term in the Nomination and Remuneration Committee ended on 25/09/2025, therefore he did not attend the 4th and 5th meetings of the year 2025.

** Mr. Fozan bin Mohammed Al-Fozan's term in the Nomination and Remuneration Committee started on 30/09/2025, therefore he did not attend the first 3 meetings of the year 2025.

Executive Committee

Executive Committee

The Executive Committee is responsible for assisting the Board of Directors in fulfilling its oversight duties, primarily by overseeing the development and implementation of the group's comprehensive strategy, ensuring business plans align with strategic objectives, and monitoring performance through established key performance indicators. The committee also reviews the group's financial structure, strategies, and projected budgets, including dividend policies, while studying business development opportunities and assessing major capital and investment expenditures. Additionally, it evaluates operational processes, reviews general company policies, makes decisions on urgent matters within its delegated authority, and provides recommendations to the Board on all related matters.

Executive Committee members other than Board members

#	Name	Current job	Previous jobs	Qualifications	Experiences
1	Mr. Adel Omar Merheb	Chief Investment Officer – Al-Fozan Holding Company	<ul style="list-style-type: none"> Director – Portfolio Advisory Services - SHUAA CAPITAL INTERNATIONAL Managing Partner - TYM Fzc Vice President – Research - SHUAA CAPITAL INTERNATIONAL Manager – MASHREQBANK Financial / Technical Analyst - STOCKLORD ASSET MANAGEMENT 	Bachelor of Business Administration, Finance emphasis from AMERICAN UNIVERSITY OF BEIRUT, Lebanon, 2003	He has over 22 years of experience in asset management, financial analysis, banking, M&A, investment and business administration.

The three-members of the Executive Committee held two meetings during 2025.

The following table shows the attendance record for these meetings:

Name	Position	First meeting 10/09/2025	Second meeting 22/09/2025	Total
Mr. Fozan bin Mohammed Al-Fozan	Chairman	✓	✓	2
Mr. Raed bin Ibrahim Al-Mudaiheem	Member	✓	✓	2
Mr. Adel bin Omar Merheb	Member	✓	✓	2

Sustainability Committee

The Sustainability Committee is responsible for assisting the Board of Directors in overseeing the Company's sustainability strategy by reviewing and developing its objectives, identifying key environmental, social, and governance (ESG) issues, and monitoring performance through established key performance indicators to ensure alignment with approved goals. The committee ensures the integration of sustainability principles across all operations and investment decisions, identifies and manages related risks and opportunities, and reviews internal policies to align with best practices and regulatory requirements. It also oversees the preparation and approval of annual sustainability reports, reviews stakeholder engagement strategies, promotes a culture of sustainability through training and awareness programs, and serves as an advisory body to the Board on all sustainability matters while keeping it informed of developments and global best practices.

Sustainability Committee members other than Board members

#	Name	Current job	Previous jobs	Qualifications	Experiences
1	Mr. Zeyad bin Abdullatif Al-Barrak	Details in the Executive management section above.			
2	Mr. Abdulhadi bin Samir Zafar	General Manager of GRC & BoD Secretary – Bawan Company	<ul style="list-style-type: none"> Legal and Compliance & BoD Secretary – Ataa Educational Co. Legal researcher - Institute of Research and Studies and Consulting Services at Umm Al-Qura University 	<ul style="list-style-type: none"> Bachelor of Law, from Umm Al-Qura University, Mecca, KSA, 2015. Master of Law, International Business and Economic Law from Georgetown University, Washington DC, USA, 2020. 	He has over 10 years of experience in corporate laws, M&A, GRC, sustainability, BoD affairs, and senior stakeholder management.

The four members of the Sustainability Committee held one meeting during 2025.

The following table shows the attendance record for the meeting:

Name	Position	First meeting 05/11/2025	Total
Mr. Abdulkarim bin Ibrahim Al-Nafie	Chairman	✓	1
Mr. Fozan bin Mohammed Al-Fozan	Member	✓	1
Mr. Zeyad bin Abdullatif Al-Barrak	Member	✓	1
Mr. Abdulhadi bin Samir Zafar	Member	✓	1

The methods relied upon by the Board of Directors to evaluate its performance, as well as the performance of its committees and members

The Remuneration and Nomination Committee conducts an annual evaluation of the performance of the Board of Directors, its members, and its committees. In addition, an independent external party has been appointed to evaluate the performance of the Board, its members, and its committees over the past three years.

Board of Directors and Senior Executives Remuneration Policy

Board of Directors' Remuneration

According to the Remuneration Policy for Board Members, Committee Members, and Executive Management approved by the Company's General Assembly. Board members receive a fixed annual remuneration of 250,000 Saudi Riyals, in accordance with the Companies Law and the company's by-laws. For members whose permanent residence is outside the city where Board meetings are held, they are entitled to business class airfare on Saudi Airlines plus an overnight allowance of 2,000 Saudi Riyals for each day of the meeting. When Board meetings are held outside Riyadh (the company's main headquarters) but within another city in the Kingdom, each attending member receives a lump sum of 3,000 Saudi Riyals to cover accommodation, meals, transportation, and similar expenses, in addition to business class airfare (round trip) from the member's city to the meeting city or an equivalent amount. For Board meetings held outside the Kingdom, members are reimbursed for actual expenses incurred for accommodation, meals, transportation, and the like, plus business class airfare (round trip) from the member's city to the meeting city or an equivalent amount. If the Chairman of the Board requests any committee to hold a meeting outside Riyadh or requests the participation of committee members in a Board meeting, the attending members shall be compensated for expenses similarly to Board members. In the event that more than one meeting is held on the same day and in the same location, the expense compensations mentioned above are paid only once per member. All fixed annual remuneration and attendance allowances are paid after the end of the company's fiscal year.

Board Committee Members' Remuneration

Members of the Audit Committee receive a fixed annual remuneration of 100,000 Saudi Riyals, while members of the Nominations and Remuneration Committee receive 60,000 Saudi Riyals, in accordance with the controls set by the competent authorities and the Remuneration Policy. All committee members receive a meeting attendance allowance of 3,000 Saudi Riyals per session. For committee members whose permanent residence is outside the city where committee meetings are held, they are entitled to business class airfare on Saudi Airlines plus an overnight allowance of 2,000 Saudi Riyals for each day of the meeting. When committee meetings are held outside Riyadh (the company's main headquarters) but within another city in the Kingdom, each attending committee member receives a lump sum of 3,000 Saudi Riyals to cover accommodation, meals, transportation, and similar expenses, in addition to business class airfare (round trip) from the member's city to the meeting city or an equivalent amount. In the event that more than one meeting is held on the same day and in the same location, the expense compensations mentioned above are paid only once per member. All fixed annual remuneration and attendance allowances are paid after the end of the company's fiscal year.

Executive Management remuneration

The Board of Directors determines the types of compensation granted to employees based on recommendations from executive management, including fixed remuneration, performance-based incentives, and share-based compensation, all in compliance with the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies. The Nominations and Remuneration Committee continuously reviews and approves the salary scales for all employees and senior executives, as well as incentive programs and plans, based on recommendations from executive management. At the beginning of each year, the Company's annual objectives and the goals for senior executives and employees are approved, and at year-end, the Company's overall performance and achievement of those objectives are evaluated. Key performance indicators at the company level include a range of short-term and long-term goals covering profitability, solvency, liquidity, and growth.

* The Company acknowledges that there is no discrepancy between the remuneration granted and the remuneration policy in force, as approved by the Company's General Assembly.

The performance management process ensures the proper cascading of all objectives throughout all levels of the company down to the relevant business units and employees. The aim of this compensation structure is to provide the necessary competitiveness to attract and retain qualified and competent employees and maintain the high level of skills that the company requires.

The tables below show the bonuses paid to board members, committee members, and executive management during 2025 for the fiscal year 2024 and during 2026 for the fiscal year 2025:

First: Board of Directors' remuneration:

Name	Board of Directors' Remuneration for the year 2024	Travel and Accommodation allowance for 2024	Total 2024	Board of Directors' Remuneration for the year 2025	Travel and Accommodation allowance for 2025	Total 2025
	Fixed annual remuneration			Fixed annual remuneration		
Mr. Abdullah bin Abdul Latif Al-Fozan *	250,000	4,927.9	254,927.9	125,000	-	125,000
Mr. Raed bin Ibrahim Al-Mudaiheem	250,000	7,359	257,359	250,000	-	250,000
Mr. Fozan bin Mohammed Al-Fozan	250,000	-	250,000	250,000	-	250,000
Mr. Raed bin Ahmed Al-Mazroa *	250,000	-	250,000	125,000	-	125,000
Mr. Khaled bin Abdul Rahman Al-Gwaiz	250,000	-	250,000	250,000	-	250,000
Mr. Abdulkarim bin Ibrahim Al-Nafie	250,000	-	250,000	250,000	-	250,000
Mr. Abdullah bin Abdul Rahman Al-Rowais	250,000	-	250,000	250,000	-	250,000
Mr. Mohammad bin Abdulaziz Al-Ageel	250,000	-	250,000	250,000	-	250,000
Mr. Faisal bin Majid Al-Muhaideb	250,000	-	250,000	250,000	-	250,000
Mr. Mohammed bin Ahmed Al-Baadi **	-	-	-	125,000	5,270	130,270
Mr. Abdulhameed Abdulaziz Al-Ohali **	-	-	-	125,000	-	125,000
Total						

* Mr. Abdullah Al-Fozan and Mr. Raed Al-Mazroa terms in the Board of Directors ended on 25/09/2025, therefore they did not get the full annual fixed compensation for the year 2025 as per the remuneration policy.

** Mr. Mohammed Al-Baadi and Mr. Abdulhameed Abdulaziz Al-Ohali terms in the Board of Directors started on 26/09/2025, therefore they did not get the full annual fixed compensation for the year 2025 as per the remuneration policy.

Second: Audit Committee members' remuneration

Member of the Audit Committee	Fixed annual remuneration for 2024	Attendance allowances for 2024	Total for 2024 (Saudi Riyal)	Fixed annual remuneration for 2025	Attendance allowances for 2025	Total for 2025 (Saudi Riyal)
Mr. Abdullah bin Abdul Rahman Al-Rowais	100,000	21,000	121,000	100,000	21,000	121,000
Mr. Kenneth Charles Ibrahim	100,000	21,000	121,000	100,000	21,000	121,000
Dr. Abdullah bin Sagheer Al-Hussaini *	100,000	21,000	121,000	71,429	15,000	86,429
Mr. Naji bin Haseeb Fayad **	-	-	-	28,571	6,000	34,571
Total	300,000	63,000	363,000	300,000	63,000	363,000

* Mr. Abdullah Al-Hussaini term in the Audit Committee ended on 25/09/2025, therefore he did not get the full annual fixed compensation for the year 2025 as per the remuneration policy.

** Mr. Naji Fayad term in the Audit Committee started on 30/09/2025, therefore he did not get the full annual fixed compensation for the year 2025 as per the remuneration policy.

Third: Nominations and Remuneration Committee members' remuneration

Member of the Audit Committee	Fixed annual remuneration for 2024	Attendance allowances for 2024	Total for 2024 (Saudi Riyal)	Fixed annual remuneration for 2025	Attendance allowances for 2025	Total for 2025 (Saudi Riyal)
Mr. Khaled bin Abdul Rahman Al-Gwaiz	60,000	12,000	72,000	60,000	15,000	75,000
Mr. Raed bin Ibrahim Al-Mudaiheem *	60,000	12,000	72,000	36,000	9,000	45,000
Mr. Mohammad bin Abdulaziz Al-Ageel	60,000	12,000	72,000	60,000	15,000	75,000
Mr. Fozan bin Mohammed Al-Fozan **	-	-	-	24,000	6,000	30,000
Total	180,000	36,000	216,000	180,000	45,000	225,000

* Mr. Raed Al-Mudaiheem term in the Nominations and Remuneration Committee ended on 25/09/2025, therefore he did not get the full annual fixed compensation for the year 2025 as per the remuneration policy.

** Mr. Fozan Al-Fozan term in the Nominations and Remuneration Committee started on 30/09/2025, therefore he did not get the full annual fixed compensation for the year 2025 as per the remuneration policy.

Fourth: Senior executive remunerations:

Description	Fixed Remunerations (Saudi Riyal)	Variable Remunerations (Saudi Riyal)	Total (Saudi Riyal)	Annual Remunerations	Total
	Salaries	Suits	Total		
Remuneration of senior executives, including the CEO	3,693,200	926,711	4,619,911	-	4,619,911

The Company is committed to the requirements for disclosing the total compensation of senior executive management in accordance with the provisions of Article (90) 4/b of the Governance Regulations issued by the Capital Market Authority.

However, in order to protect the interests of the company, its shareholders, and its staff, and to avoid any harm that may result from disclosing details of the compensation of senior executive management by position, the Company has not disclosed the details in accordance with Appendix (1) of the Governance Regulations.

The Company applies all provisions of the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

Article/Paragraph Number	The material	Reason for not applying
Article 39	Evaluation	This article as for guidance only. An external party has conducted the performance evaluations of the Board of Directors and its committees during the last three years.
Articles 67 - 68 - 69	Risk Management Committee	This article as for guidance only, and Risk Committees tasks are assigned to other committees that carry them out.
Article 82	Employee incentives	This article as for guidance only, There are different incentive programs in points that have already been mentioned in the report.
Article 85	social responsibility	This article as for guidance only, Bawan Company is undertaking several initiatives (previously mentioned in the report) with regard to its social responsibilities.
Article 92	Formation of the Corporate Governance Committee	This article as for guidance only, Bawan has its own governance rules that do not conflict with the mandatory provisions issued by regulatory and supervisory authorities, and the Board of Directors is responsible for monitoring their implementation and verifying their effectiveness.

Annual review of internal control

The internal control system aims to ensure the effective and efficient achievement of company objectives, including reliable financial reporting; compliance with laws, regulations, and policies; and managing potential risks to minimize their impact on achieving objectives. The control system is vital in detecting and preventing fraud and protecting company resources.

The Company's management is responsible for developing a comprehensive and effective control system commensurate with the level of risks the company may face, at a reasonable cost, and providing acceptable safeguards to avoid material errors and potential losses. The committee reviews the periodic reports prepared by the internal and external auditors and various company departments regarding internal control. Based on the results of the annual reviews, the committee has not identified any material weaknesses in the existing internal control systems.

Penalties and sanctions

The Company has not been subject to any fines, penalties, or precautionary measures imposed by the Capital Market Authority or any other regulatory, supervisory, or judicial authority.

Dates of the shareholders' general meetings during 2025 and attendance of Board members:

#	Name	Attendance record for the General Assembly meeting Held on 21/09/2025	Attendance record for the General Assembly meeting Held on 27/05/2025
1	Mr. Abdullah bin Abdul Latif Al-Fozan	✓	X
2	Mr. Raed bin Ibrahim Al-Mudaiheem	✓	✓
3	Mr. Fozan bin Mohammed Al-Fozan	✓	✓
4	Mr. Raed bin Ahmed Al-Mazroa	✓	✓
5	Mr. Khaled bin Abdul Rahman Al-Gwaiz	✓	✓
6	Mr. Abdul Karim bin Ibrahim Al-Nafie	✓	✓
7	Mr. Abdullah bin Abdul Rahman Al-Rowais	✓	✓
8	Mr. Mohammad bin Abdulaziz Al-Ageel	✓	X
9	Mr. Faisal bin Majid Al-Muhaideb	✓	✓

Applications submitted by the company to the shareholders' register:

Number of requests	Order date	Reason for request
1	13/01/2025	Corporate Procedures
2	11/03/2025	Other
3	22/05/2025	General Assembly
4	11/09/2025	General Assembly

Company Declarations in Accordance with the Corporate Governance Regulations

Declarations and Announcements

The Board of Directors and Executive Management confirm the following:

- The accounting records were properly prepared.
- The internal control system is properly established and effectively implemented.
- There is no doubt about the company's ability to continue its business adequately.

Management Comments for 2025

- The Company has not been subject to any fines, penalties, or precautionary measures imposed by the Capital Market Authority or any other regulatory, supervisory, or judicial authority.
- The Company has not issued any bonds and, accordingly, has not redeemed, purchased, or cancelled any convertible debt instruments.
- There are no conversion or subscription rights under any convertible debt instruments, options, subscription rights, or similar rights issued or granted by the Company.
- The Company has not issued any bonds and has therefore not repaid, purchased, or cancelled any convertible debt instruments.
- There are no conversion or subscription rights under the convertible debt instruments, options, subscription warrants, or similar rights issued or granted by the Company.
- There are no arrangements or agreements whereby any of the Company's shareholders waive any rights to profits.
- The financial statements have been prepared in accordance with international accounting standards and in line with the company's articles of association and the articles of association regarding the preparation and publication of financial statements.
- The Company has not received any comments or concerns from shareholders regarding the Company or its performance.
- The auditor's report did not include any reservations on the annual financial statements.
- The Board of Directors did not recommend or decide to change the Company's auditors in 2025.
- The Audit Committee did not recommend appointing an internal auditor because the company already has an internal audit department.
- There was no conflict between the Audit Committee's recommendations and the Board of Directors' decisions, and the Board did not reject any of these recommendations regarding the appointment, removal, setting fees, or evaluation of the performance of the external auditor or regarding the appointment of an internal auditor.
- The Company does not own treasury shares.
- The Company has not issued any shares or debt instruments to its subsidiaries.
- The financial reports comply with the International Financial Reporting Standards (IFRS) adopted by the Saudi Organization for Certified Public Accountants (SOCPA).
- There is no interest in any class of voting shares held by persons who have notified the Company of such rights pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations.
- There are no arrangements or agreements under which any member of the Board of Directors or any senior executive has waived any remuneration.

Conclusion

According to the results included in this report and the accompanying data for 2025, Bawan has demonstrated continued progress and growth across all sectors in which it operates.

The Board of Directors would like to take this opportunity to thank the company's staff, investors, customers, suppliers, and government agencies for their support, trust, and cooperation, all of which have had a significant positive impact on Bawan's ability to achieve further growth and prosperity.

