



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (ﷲ5,500,000 – Five million five hundred thousand Saudi Riyal)

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LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF BAWAN COMPANY (A SAUDI JOINT STOCK COMPANY)

Scope

We have been engaged by Bawan Company (A Saudi joint stock company) (the “Company”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements endorsed in the Kingdom of Saudi Arabia, here after referred to as the engagement, to report on the Company’s compliance with the requirements of Article (71) of the Companies’ Law (the “Subject Matter”) contained in the Company’s attached notification (Appendix A) which is presented by the Company to the Ordinary General Assembly on the transactions and contracts in which members of the Company’s Board of Directors have a direct or indirect personal interest for the year ended 31 December 2025.

Criteria Applied by the Company

In preparing the Subject Matter the Company applied the below criteria (the “Criteria”). Such Criteria were specifically designed for the notification presented by the Company to the Ordinary General Assembly (Appendix A). As a result, the subject matter information may not be suitable for another purpose.

- Article (71) of the Companies’ Law issued by the Ministry of Commerce (“MC”) (1443H -2022G).
- Notification presented by the Company to the Ordinary General Assembly (Appendix A) dated 19 May 2026.
- Declarations submitted by the Company’s Board of Directors’ members regarding the transactions and contracts in which members of the Company’s Board of Directors have a direct or indirect personal interest in them.

Company’s Responsibilities

The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.



LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF BAWAN COMPANY (A SAUDI JOINT STOCK COMPANY) (continued)

Our Responsibilities (continued)

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”) that is endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Company on **23 April 2026**. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia and have the required competencies and experience to conduct this assurance engagement.

Our firm also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, that is endorsed in the Kingdom of Saudi Arabia, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject matter and related information and applying analytical and other appropriate procedures.

LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF BAWAN COMPANY (A SAUDI JOINT STOCK COMPANY) (continued)

Description of Procedures Performed (continued)

Our procedures included:

- Obtained the notification presented the by the Company to the Ordinary General Assembly (Appendix A) regarding the transactions and contracts entered between of the Board of Directors' members directly or indirectly with the Company during the year ended 31 December 2025.
- Obtained Board of Directors minutes of meetings that indicates members' notification to the Board of Directors of transactions and contracts done with the Company in which members of the Company's Board of Directors have a direct or indirect personal interest in them.

We also performed such other procedures as we considered necessary in the circumstances.

Other Matter

The attached notification (Appendix A) is stamped by us for identification purposes only.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Subject Matter, in order for it to be in accordance with the Criteria applied by the Company referred to above.

for Ernst & Young Professional Services



Waleed G. Tawfiq
Certified Public Accountant
License No. (437)



Riyadh: 4 Thul-Hijjah1447H
21 May 2026 G

19th May 2026

To: The Shareholders of Bawan Company (the “Company”)

Subject: Disclosure of Transactions and Contracts Involving Board Member Interests – Article 71 Compliance

Dear Honorable Shareholders of Bawan Co.

Peace and God's mercy and blessings be upon you,

Proceeding from the principle of the company’s commitment to the regulations and legislation issued by the relevant regulatory and supervisory authorities, and in order to achieve the principle of disclosure and transparency, and in implementation of the provisions of Article 71 of the Companies Law which states that “the Board of Directors should inform the Ordinary General Assembly when it is convened about the transactions and contracts in which one of the Board members has a direct or indirect interest”. Therefore, the Board of Directors informs your esteemed assembly about the transactions and contracts in which a member of the Board of Directors has a direct or indirect interest and that took place during the year ending on December 31, 2025, even if not yet executed. The details of these transactions and contracts are summarized below for your review and approval:

#	Parties to the Transaction		Nature of Transaction	Transaction amount during the year 2025	Contract Duration	Terms of Contract/Dealing	Related Party
1	Bawan Metal Industries Company	Masdar Building Materials Company	Selling and providing commercial materials	164,112,997	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem
			Procurement of commercial materials and services	716,980			
		Madar Hardware Company	Selling and providing commercial materials	3,023,448	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
		Madar Building Materials Company	Selling and providing commercial materials	23,494,457	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
		Building & Construction Company Ltd.	Selling and providing commercial materials	14,896,700	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
	Madar Building Materials Company - Bahrain	Selling and providing commercial materials	1,065,740	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan	
2	Bawan Wood Industries Company	Madar Building Materials Company	Selling and providing commercial materials	1,376,993	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
			Procurement of commercial materials and services	63,456			
		Masdar Building Materials Company	Selling and providing commercial materials	1,257,076	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem
			Procurement of commercial materials and services	340,543			
		Madar Building Materials Company - Bahrain	Selling and providing commercial materials	3,424,188	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
		Madar Hardware Company	Return of sold commercial materials	(5,796)	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
BLOM Investment Company Saudi Arabia	Investment Portfolio Management	173,032	year and automatically renewed	No special or preferential conditions	Mr. Fozan Al Fozan		
3	United Company for Wood and Metal Products Ltd.	Madar Building Materials Company	Selling and providing commercial materials	5,400	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
			Procurement of commercial materials and services	54,080			
4	Am on Plast	Masdar Building Materials Company	Selling and providing commercial materials	1,764,114	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem

#	Parties to the Transaction	Nature of Transaction	Transaction amount during the year 2025	Contract Duration	Terms of Contract/Dealing	Related Party	
	Madar Building Materials Company	Selling and providing commercial materials	2,276,302	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan	
	Madar Building Materials Company - Bahrain	Selling and providing commercial materials	37,776	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan	
	AL-Romansiah Company Ltd.	Selling and providing commercial materials	35,850	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib	
	Building & Construction Company Ltd.	Selling and providing commercial materials	136,125	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan	
	Bina Advanced Concrete Products Co.	Selling and providing commercial materials	1,332,503	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib	
	BLOM Investment Company Saudi Arabia	Investment Portfolio Management	194,798	year and automatically renewed	No special or preferential conditions	Mr. Fozan Al Fozan	
5	United Transformers Electric Co.	Madar Building Materials Company	Procurement of commercial materials and services	131,501	Not applicable Dealing under purchase orders	Mr. Fozan Al Fozan	
		Masdar Building Materials Company	Procurement of commercial materials and services	186,006	Not applicable Dealing under purchase orders	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem	
		Masdar Technical Services Industry Company Ltd	Procurement of commercial materials and services	13,500	Not applicable Dealing under purchase orders	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem	
		United Electronics Co.	Procurement of commercial materials	2,085	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
6	Baw an Engi	BLOM Investment Company Saudi Arabia	Investment Portfolio Management	184,734	year and automatically renewed	No special or preferential conditions	Mr. Fozan Al Fozan
7	United Technology of Electric Substations and Switchgears Co.	Madar Building Materials Company	Procurement of commercial materials and services	49,375	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
		Riyadh Cables Group Co.	Procurement of commercial materials	721,861	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Khaled Al-Gowaz Mr. Raed Al-Mudaiheem
		United Glass Industries Co.	Selling and providing of commercial materials	267,120	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Fozan Al Fozan
8	Bawa n Co.	BLOM Investment Company Saudi Arabia	Investment Portfolio Management	153,296	year and automatically renewed	No special or preferential conditions	Mr. Fozan Al Fozan
		Saudi National Bank	Banking Facilities	767,804,118 The total transaction limit in the current contract.	One year renewable with the consent of the parties	No special or preferential conditions	Mr. Abdullah Al-Ruwais
9	Petron ash Arabi	Midad Factory Co. Limited	Procurement of Material	301,230	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Mohammed Al-Baadi

- In compliance with Article 71, any Board member with an interest in each contract or transaction did not participate in the discussions or vote on the relevant decision and will not participate in voting at the General Assembly level.

The Board assures shareholders that the Company has complied with all requirements of Article 71 of the Companies Law in relation to the above transactions. The Board respectfully submits this report for your information and approval of the listed transactions and contracts.

Authorized signatory on behalf of the Board

Mr. Fozan Al Fozan
Chairman of the Board of Directors