

**Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
31 DECEMBER 2025**

Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Saudi Printing and Packaging Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss for the year ended 31 December 2025 of ~~ﷲ~~ 267.3 million (31 December 2024: ~~ﷲ~~ 219.4 million) and that, as at that date, the Group's current liabilities exceeded its current assets by ~~ﷲ~~ 399.7 million (31 December 2024: ~~ﷲ~~ 342.6 million). In addition, the Group had accumulated losses of ~~ﷲ~~ 590.3 million as of 31 December 2025 (31 December 2024: ~~ﷲ~~ 321.1 million), representing approximately 98.4% (31 December 2024: 53.5%) of the share capital. These events and conditions, as further described in Note 1, indicate that material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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INDEPENDENT AUDITOR’S REPORT
To the Shareholders of Saudi Printing and Packaging Company
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition	
<p>During the year ended 31 December 2025, the Group recognised total revenue of ﷲ 572.9 million (2024: ﷲ 721.2 million).</p> <p>The Group earns revenue from different business segments which primarily include printing and packaging. The Group recognizes revenue upon satisfaction of the performance obligations.</p> <p>Revenue is an important element of how the Group measures its performance, which creates an incentive for improper revenue recognition. Further, the application of accounting standard for revenue recognition involves careful consideration and judgment to determine when performance obligations to customers are satisfied for different types of contracts. For these reasons, revenue is considered to be a key audit matter.</p> <p><i>Refer to note 2.2 “I” of the consolidated financial statements for material accounting policy information relating to revenue recognition and note 21 for revenue related disclosures.</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group’s process for recognizing revenue, including understanding the design and implementation key controls in the revenue cycle. • Assessed the accounting policies adopted by the Group in relation to revenue recognition to assess compliance with International Financial Reporting Standard (IFRS) 15. • Tested, on sample basis, sales transactions to verify that revenues are recorded in the current accounting period taking into consideration the terms and conditions of the sale orders, including the shipping terms. • Tested, on sample basis, sales cut off by agreeing deliveries occurring around the year end to supporting documentation to establish that revenue is properly recorded in the correct period. • Performed analytical procedures to assess the trends in revenue by various product categories over time and compared to prior periods and overall economic factors. • Assessed the adequacy of the Group’s disclosures made in the notes to the consolidated financial statements.



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INDEPENDENT AUDITOR’S REPORT
To the Shareholders of Saudi Printing and Packaging Company
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of Goodwill</p> <p>As at 31 December 2025 the Group’s consolidated financial statements included goodwill which arose from past business combinations amounting to ₹ 390.2 million against which an impairment of ₹ 215.3 million has been recorded (2024: ₹ 390.2 million against which impairment of ₹ 105.3 million has been recorded)</p> <p>In accordance with the International Accounting Standard (IAS) 36 “Impairment of assets”, goodwill must be tested for impairment at least annually. The determination of recoverable amount, being the higher of value-in-use and fair value less costs of disposal, requires judgement on the part of management in both identifying and then valuing the relevant cash generating units (CGU)s. Moreover, the determination of the recoverable amount based on value-in -use requires making considerable judgement and assumptions when estimating the future cashflows, growth rates and discount rates.</p> <p>We have identified the impairment of goodwill as key audit matter considering the quantitative materiality of the Goodwill recognised and involvement of significant judgements and assumptions in the determination of recoverable amount by management. The annual impairment testing is considered to be a risk area for the Board of Directors (refer to page 24), a significant accounting judgement and estimate (note 3) and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the financial statements as a whole.</p> <p>Refer to notes of the consolidated financial statements for significant accounting policy relating to Goodwill and note (5) for goodwill related disclosures.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of management’s identification of the group’s CGUs for the purpose of impairment testing. • Involved our internal specialist to review the valuation methodologies used by management and assess the reasonableness of the valuation assumptions such as discount and growth rates by comparing these assumptions to historical Company data and market data. • Assessed the reasonableness of cash flow forecasts through a review of actual past performance, comparison to previous forecasts and overall economic outlook. • Tested the mathematical accuracy of the financial model forming part of the management’s impairment assessment • Performed sensitivity analysis on the key assumptions used in the model, including the discount rate used in the discounted cash flow forecast. • Assessed the adequacy of the relevant disclosures included in the consolidated financial statements

Other information included in the Group’s 2025 Annual Report

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

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



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INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Saudi Printing and Packaging Company
(A Saudi Joint Stock Company) (continued)**

Other information included in the Group's 2025 Annual Report (continued)

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

When we read the Group's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulation for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Saudi Printing and Packaging Company
(A Saudi Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

for Ernst & Young Professional Services

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



Riyadh: 11 Shawwal 1447H
(30 March 2026)

Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Notes	2025 S	2024 S
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	438,643,762	499,348,495
Intangible assets and goodwill	5	175,298,458	285,450,901
Investment properties	6	5,870,732	6,172,582
Right-of-use assets	7	3,374,064	4,520,608
Trade receivables	9	-	1,863,796
Derivative assets	17	-	3,298,256
Deferred tax assets	20	-	5,250,976
Cash and cash equivalents	11	9,792,852	9,792,852
TOTAL NON-CURRENT ASSETS		632,979,868	815,698,466
CURRENT ASSETS			
Inventories	8	98,139,171	149,934,163
Trade receivables	9	123,854,124	187,864,617
Prepayments and other current assets	10	12,134,465	31,005,016
Cash and cash equivalents	11	6,527,529	19,987,523
TOTAL CURRENT ASSETS		240,655,289	388,791,319
TOTAL ASSETS		873,635,157	1,204,489,785
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	600,000,000	600,000,000
Contractual reserve	13	2,909,935	2,909,935
Accumulated losses		(590,302,148)	(321,109,835)
Other reserve	13	(324,272)	(386,517)
TOTAL EQUITY		12,283,515	281,413,583
NON-CURRENT LIABILITIES			
Loans and Murabaha	14	115,454,004	155,212,043
Loan from Shareholder	15	75,000,000	-
Employees' defined benefit liabilities	16	25,495,796	30,667,909
Lease liabilities	7	3,648,678	4,141,658
Trade payables	18	1,403,099	1,647,745
TOTAL NON-CURRENT LIABILITIES		221,001,577	191,669,355
CURRENT LIABILITIES			
Trade payables	18	80,074,672	144,179,514
Accrued expenses and other current liabilities	19	38,764,368	25,780,862
Loans and Murabaha	14	470,734,575	497,878,818
Loan from Shareholder	15	10,052,136	-
Lease liabilities	7	346,896	750,180
Due to a related party	12	31,339,181	43,594,808
Dividends payable		697,151	697,151
Zakat and taxation	20	8,341,086	18,525,514
TOTAL CURRENT LIABILITIES		640,350,065	731,406,847
TOTAL LIABILITIES		861,351,642	923,076,202
TOTAL EQUITY AND LIABILITIES		873,635,157	1,204,489,785



Chairman



Managing Director



Chief Financial Officer

The attached notes 1 to 34 form an integral part of these consolidated financial statements

Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
For the year ended 31 December 2025

	Notes	2025 ﷲ	2024 ﷲ
Revenue	21	572,962,716	721,196,233
Cost of revenue	22	<u>(552,225,728)</u>	<u>(689,983,509)</u>
Gross profit		20,736,988	31,212,724
Selling, marketing and distribution expenses	23	(33,567,296)	(33,202,646)
General and administrative expenses	24	(70,747,301)	(68,178,060)
Impairment of trade receivables	9	(11,839,457)	(10,800,838)
Impairment of other property, plant and equipment	4.2	(10,054,290)	(25,935,182)
Impairment of prepayments and other current assets		(531,425)	-
Goodwill impairment	5	<u>(110,000,000)</u>	<u>(50,000,000)</u>
Operating loss		(216,002,781)	(156,904,002)
Other income	25	1,238,832	6,610,920
Finance costs	26	<u>(47,129,306)</u>	<u>(65,034,711)</u>
Loss before zakat and tax		(261,893,255)	(215,327,793)
Zakat and tax expense	20	<u>(5,450,976)</u>	<u>(4,085,234)</u>
Loss for the year		(267,344,231)	(219,413,027)
Other comprehensive loss:			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign currencies		<u>62,245</u>	<u>33,422</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		62,245	33,422
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement loss on employees' defined benefit liabilities	16	<u>(1,848,082)</u>	<u>(651,308)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		(1,848,082)	(651,308)
Other comprehensive loss for the year		(1,785,837)	(617,886)
Total comprehensive loss		(269,130,068)	(220,030,913)
Earnings per share			
Basic, loss for the year attributable to ordinary equity holders of the parent		(4.46)	(3.66)
Diluted, loss for the year attributable to ordinary equity holders of the parent		(4.46)	(3.66)



Chairman



Managing Director



Chief Financial Officer

The attached notes 1 to 34 form an integral part of these consolidated financial statements


Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
For the year ended 31 December 2025

	<i>Capital</i> ﷲ	<i>Contractual reserve</i> ﷲ	<i>Accumulated losses</i> ﷲ	<i>Other reserve</i> ﷲ	<i>Total</i> ﷲ
Balance at 1 January 2024	600,000,000	2,909,935	(101,045,500)	(419,939)	501,444,496
Loss for the year	-	-	(219,413,027)	-	(219,413,027)
Other comprehensive loss for the year	-	-	(651,308)	33,422	(617,886)
Total comprehensive loss for the year	-	-	(220,064,335)	33,422	(220,030,913)
Balance at 31 December 2024	<u>600,000,000</u>	<u>2,909,935</u>	<u>(321,109,835)</u>	<u>(386,517)</u>	<u>281,413,583</u>
Balance at 1 January 2025	600,000,000	2,909,935	(321,109,835)	(386,517)	281,413,583
Loss for the year	-	-	(267,344,231)	-	(267,344,231)
Other comprehensive loss for the year	-	-	(1,848,082)	62,245	(1,785,837)
Total comprehensive loss for the year	-	-	(269,192,313)	62,245	(269,130,068)
Balance at 31 December 2025	<u>600,000,000</u>	<u>2,909,935</u>	<u>(590,302,148)</u>	<u>(324,272)</u>	<u>12,283,515</u>



Chairman



Managing Director



Chief Financial Officer

The attached notes 1 to 34 form an integral part of these consolidated financial statements

Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	2025 ﷲ	2024 ﷲ
OPERATING ACTIVITIES:			
Loss before zakat and tax		(261,893,255)	(215,327,793)
<i>Adjustment to reconcile income before zakat to net cash inflows:</i>			
Goodwill impairment	5	110,000,000	50,000,000
Depreciation on property, plant and equipment	4	49,133,637	56,946,713
Finance costs	26	46,328,879	60,686,552
Impairment of trade receivable	9	11,436,004	10,345,065
Impairment of other property, plant and equipment	4.2	10,054,290	25,935,182
Provision for employees' defined benefit liabilities	16	4,718,609	4,847,426
Loss from disposal of property, plant, and equipment		3,968,637	97,389
Depreciation on right of use asset	7	1,290,811	1,795,187
Loss from derivative asset	26	800,427	4,348,159
Impairment of prepayments and other current assets		531,425	-
Depreciation on investment properties	6	301,850	219,527
Amortization on intangibles assets	5	171,921	181,191
Reversal of provision of obsolete and slow-moving inventory	8	(995,430)	(1,968,268)
Gain on disposal of on right of use asset		(52,455)	-
		(24,204,650)	(1,893,670)
Working capital adjustments:			
Inventories		52,790,422	43,470,379
Trade receivables		54,438,285	16,369,698
Trade payables		(64,349,488)	16,218,259
Accrued expenses and other current liabilities		12,983,506	(2,214,012)
Due to related party		(13,701,928)	3,018,259
Prepayments and other current assets		12,168,912	1,321,320
Cash generated from operating activities		30,125,059	76,290,233
Defined benefit liabilities- employees' benefits paid	16	(12,970,816)	(11,441,134)
Zakat paid	20	(4,214,214)	-
Net cash flows from operating activities		12,940,029	64,849,099
INVESTING ACTIVITIES:			
Acquisition of property, plant and equipment	4	(8,637,142)	(25,388,452)
Acquisition of intangibles assets		(19,478)	-
Proceeds from disposal of property, plant and equipment		6,185,311	25,406,450
Net cash flows (used in) / from investing activities		(2,471,309)	17,998
FINANCING ACTIVITIES:			
Proceeds from loans and Murabaha	14	1,234,247,034	1,968,112,298
Proceeds from Loan from Shareholder	15	85,000,000	-
Payments of loans and Murabaha	14	(1,304,761,471)	(1,975,945,079)
Payments of finance cost	14	(39,776,107)	(61,564,884)
Proceeds from sale of financial instruments		2,497,829	-
Payment of lease liabilities	7	(1,198,244)	(2,074,053)
Net cash used in financing activities		(23,990,959)	(71,471,718)
Decrease in cash and cash equivalents		(13,522,239)	(6,604,621)
Net foreign currency translation differences		62,245	33,422
Cash and cash equivalents at the beginning of the year		19,987,523	26,558,722
Cash and cash equivalents at the end of the year		6,527,529	19,987,523

The attached notes 1 to 34 form an integral part of these consolidated financial statements

Saudi Printing and Packaging Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

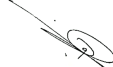
For the year ended 31 December 2025

Significant non-cash transactions:

Settlement of zakat payable against advance	20	6,170,214	-
(Reversal) the deferred tax asset	20	(5,250,976)	5,250,976
Remeasurements of employees' defined benefit liability	16	1,848,082	651,308
Accrued finance charge of loan from Shareholder	15	1,446,301	-
Right-of-use assets and lease liabilities adjustments	7	382,321	743,764
Settlement of loans against property, plant and equipment	4.3	-	91,077,898
Settlement of loans against investment properties	4.3	-	18,922,102
Real estate transaction tax	20	-	5,500,000



Chairman



Managing Director



Chief Financial Officer

The attached notes 1 to 34 form an integral part of these consolidated financial statements

Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

1. CORPORATE INFORMATION

Saudi Printing and Packaging Company (the “Company” or “Parent Company”) is a Saudi Joint Stock Company, registered in Kingdom of Saudi Arabia under Commercial Registration number 1010219709 and Unified identification number 7001527535 issued from Riyadh dated 1 Jumada Al-Ula 1427H (corresponding to 28 May 2006).

The principal activities of the Group are printing works in accordance with the license issued by the Ministry of Culture and Media No. 21050 on 24 Dhul-Hijjah 1412H (corresponding to 25 September 1992).

These consolidated financial statements include the financial position and results of operations of the company and its subsidiaries (collectively referred to as “Group”), as shown in the table below.

Subsidiary	Country of incorporation	Effective ownership interest	
		2025	2024
Hala Printing Company (a)	Saudi Arabia	100%	100%
Al-Madinah Al Munawarah Printing & Publishing Company (b)	Saudi Arabia	100%	100%
Future Industrial Investment Company (“FIIC”) (c)	Saudi Arabia	100%	100%
Emirates National Factory for Plastic Industries (“ENPI”) (d)	United Arab Emirates	100%	100%

a) Hala Printing Company is a Saudi limited liability company registered in the Kingdom of Saudi Arabia and operating under the Commercial Registration No. 1010220149 issued in the city of Riyadh on 11 Jumada’ I 1427H (corresponding to 7 June 2006). The Company operates in the field of wholesale and retail trade in publications, paper and its products and publications of written materials under the media license issued by the Ministry of Culture and Media No. 3435, dated 9 Thul-Qi’dah 1414H (corresponding to 20 April 1994), which was renewed on 13 Shawwal 1437H (corresponding to 18 July 2016).

b) Al Madina Printing and Packaging Company is a Saudi limited liability company registered in the Kingdom of Saudi Arabia. The Company operates under the Commercial No. 4030004369 issued in the city of Jeddah on 23 Rajab 1338H (corresponding to 9 December 1963). The Company operates in the field of producing photocopy paper, textbooks and publications under the license issued by the Ministry of Media No. 510 on 24 Dhul-Hijjah 1413H (corresponding to 14 June 1993).

c) Future Industrial Investment Company is a Saudi limited liability company registered in the Kingdom of Saudi Arabia, and operating under Commercial Registration No. 1010353704 issued in the city of Riyadh on 19 Dhul-Hijjah 1433H (corresponding to 4 November 2012). The principal activity of the Company includes the wholesale and retail trade of printing and packaging materials and machines, their tools, inks, paper, plastics and their raw materials.

d) Emirates National Factory for Plastic Industries is a limited liability company registered with the Department of Economic Development – Government of Sharjah in the United Arab Emirates and operating under Commercial Registration No. 3742 issued on 5 December 1995. The Company is licensed to manufacture plastic bags, plastic tubes, plastic sheets and aluminum sheets.

The following are wholly owned subsidiaries of Emirates National Factory for Plastic Industries:

Subsidiary	Country of incorporation	Effective ownership interest	
		2025	2024
City Pack Company	United Arab Emirates	100%	100%
Future Pack Factory Company	United Arab Emirates	100%	100%
United International Clear Packaging Company	United Arab Emirates	100%	100%
United Security Company	United Arab Emirates	100%	100%
Commercial United Packaging Company	United Arab Emirates	100%	100%
Future Plastic Industries	United Arab Emirates	100%	100%
Future Plus Company	Saudi Arabia	100%	100%
Taiba Printing and Publishing Company	Saudi Arabia	100%	100%
Flexible Packaging Company	Saudi Arabia	100%	100%

Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

1. CORPORATE INFORMATION (continued)

The Group carries out printing as per license issued by the Ministry of Culture and Media No. 21050 dated 24 Dhul-Hijjah 1412H (corresponding to 25 September 1992). Furthermore, the Group also trades in machines, printing machines, ink, all kinds of paper and raw materials necessary for printings and all the tools and equipment, books, publications, supplies, office materials and materials of advertising. In addition, the Group also carries out packaging services.

The fiscal year of the Company starts from 1 January and ends on 31 December as per the Company's By-laws. The fiscal year of the subsidiaries also starts from 1 January and ends on 31 December.

The head office of the Group is located at Riyadh and the registered address is as follows:

King Abdulaziz Branch Road – Al Muruj District

PO Box 12282

Riyadh 7117

National address RHGA7117

The Group incurred a net loss for the year ended 31 December 2025 of ~~ﷲ~~ 267.3 million (31 December 2024: ~~ﷲ~~ 219.4 million) and, as at that date, the Group's current liabilities exceeded its current assets by ~~ﷲ~~ 399.7 million (31 December 2024: ~~ﷲ~~ 342.6 million). In addition, the Group had accumulated losses amounting to ~~ﷲ~~ 590.3 million as at 31 December 2025 (31 December 2024: ~~ﷲ~~ 321.1 million), representing approximately 98.4% (31 December 2024: 53.5%) of the share capital. These events and conditions indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In accordance with Article 132 of the Companies Law, an Extraordinary General Assembly was convened on 7 October 2025, at which the shareholders approved the Board of Directors' recommendation for the Group to continue its operations despite the accumulated losses exceeding half of the share capital. The shareholders also reviewed the Board-approved plan aimed at addressing these losses and strengthening the Group's capital structure.

Management has prepared a comprehensive long-term business plan, approved by the Board of Directors, which outlines measures intended to restore the Group's financial performance and support its long-term sustainability. These measures include initiatives to stabilise revenues, enhance operational efficiency, implement structural cost reduction programmes, optimise the asset base, and strengthen governance and management oversight. As part of its capital strengthening strategy, the Group has undertaken a debt restructuring programme, including the settlement of a bank loan through the transfer of assets and the conversion of the remaining balance into share capital, which was completed subsequent to the reporting date (refer to Note 32). The Group is also in discussions with other lenders regarding potential restructuring arrangements. Management's plans include a proposed advance from the major shareholder. As of the date of approval, this funding has not been finalised and remains subject to completion. However, the Group continues to receive financial support from its major shareholder (refer to Note 15).

While management believes that the successful execution of these plans will enable the Group to continue operating and meet its obligations as they fall due, the existence of the material uncertainty described above indicates that the Group's ability to continue as a going concern is dependent on the implementation and outcome of these measures. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

2. Accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the IFRS Accounting Standards as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") collectively referred to as "IFRSs as endorsed in the Kingdom of Saudi Arabia".

The consolidated financial statements have been prepared on a historical cost basis, except for the derivative financial instruments which are measured at fair value and employees' defined benefit liability which is measured using the projected unit credit method.

The consolidated financial statements are presented in Saudi Arabian Riyals ("~~ﷲ~~"), which is the functional currency of the Group. All amounts have been rounded to the nearest ~~ﷲ~~, unless otherwise stated.

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

2.2 Summary of accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

a) Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

c) Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

c) Fair value measurement (continued)

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

- In the principal market for the asset or liability Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

d) Zakat, tax and VAT

Zakat

Provision for zakat is calculated at the date of the consolidated statement of financial position in accordance with regulations of Zakat, Tax and Customs Authority (“ZATCA”).

The resulting provision is recorded within the consolidated statement of profit or loss. Additional zakat liability, if any, related to prior year’s assessments arising from ZATCA are recognized in the period in which the final assessments are finalized.

Value Added Tax (VAT)

The Group is subject to monthly VAT provisions. It is paid and settled through the monthly statements submitted by the Group to the ZATCA.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

d) Zakat, tax and VAT (continued)

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

e) Foreign currencies

The Group's consolidated financial statements are presented in **ﷲ**, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

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

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

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognized in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

e) Foreign currencies (continued)

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into ﷲ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

f) Cash dividend

The Group recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

g) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation

Straight-line method

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	The shorter of 10 – 33 years or the lease contract period
Plant and equipment	5 to 20 years
Furniture and fixtures	10 years
Vehicles	4 years
Computer hardware	4 – 7 years
Tools	5 years

The Group reviews the estimated residual values and expected useful lives of assets at least annually.

h) Leases

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

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

h) Leases (continued)

Group as a lessee

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

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the date of commencement of the lease to the end of the lease term.

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

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

ii) Lease liabilities

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

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

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

iii) Short-term leases and leases of low-value assets

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

i) Revenue from contracts with customers

The Group is in the business of printing and packaging.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

i) Revenue from contracts with customers (continued)

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location.

In determining the transaction price for the sale of its goods, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

A refund liability is recognised for goods expected to be returned, and a corresponding right-of-return asset (with an adjustment to cost of sales) is recorded for the Group's right to recover those goods.

Rights of return

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

Trade receivable

A receivable is recognised if an amount of consideration that is unconditional is due from the customer.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

j) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured using the cost model (at historical cost less accumulated depreciation – except for lands, which are carried at its cost – and the accumulated impairment losses, if any)

Depreciation is charged to the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of investment properties as follows:

Buildings: 10 – 33 years

Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Saudi Printing and Packaging Company

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

k) Intangible assets and goodwill

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

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

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

l) Financial instruments – initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (“SPPI”)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Saudi Printing and Packaging Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

l) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Initial recognition and measurement (continued)

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

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

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognized, modified or impaired.

The Group’s financial assets at amortised cost includes trade receivables, cash and cash equivalents and other current assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

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

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

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

l) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Subsequent measurement (continued)

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the

contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs.

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

The Group considers a financial asset in default when contractual payments are 3 years past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

l) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and murabaha)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and murabaha)

Long-term loans and Murabaha are initially recognized at their fair value (being proceeds received, net of eligible transaction costs, if any).

Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of profit or loss over the period of long-term borrowings using the effective interest rate method.

Loans and Murabaha are classified as current liabilities unless the Group has unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

i) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities (continued)

iii) Offsetting of financial instruments

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

m) Inventories

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

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

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

n) Impairment of non-financial assets (continued)

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

o) Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

q) Employees' defined benefit liability

Short-term employees' benefits

Short-term employees' benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

Defined benefits plan

The Group operates a defined benefits plan for its employees in accordance with Saudi Labor and Workman Law as defined by the conditions set out in the laws of the Kingdom of Saudi Arabia.

Valuation method and main assumptions of the actuarial study

In compliance with the requirements of IAS 19 "Employee Benefits", defined benefit liabilities are computed annually by a qualified actuary using the projected unit credit method at the end of each financial year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.2 Summary of accounting policies (continued)

q) Employees' defined benefit liability (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

r) Cost of revenue

Cost of revenue represents the costs that are directly attributable to the manufacture and production of the products that generate revenue to the Group and that include but are not limited to raw materials, labor, depreciation and other overhead costs.

s) Selling and distribution expenses

Selling and distribution expenses consist of the costs incurred in the marketing and sales of the Group's products and include other indirect costs related to revenue. All other expenses are classified as general and administrative expenses.

t) General and administrative expenses

General and administrative expenses consist of direct and indirect costs not attributable to cost of revenue. Allocations between general and administrative expenses and cost of revenue, when required, are made on a consistent basis. These expenses primarily include employee costs, other benefits, compensation and allowances of the board of directors and its committees, maintenance fees, rent and travel expenses, insurance, professional fees, and others.

u) Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from the changes in the fair value of derivatives are taken directly to profit or loss.

v) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

2.3 Standards issued but not yet effective.

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

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2. Accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

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

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Group's consolidated financial statements are, as follows:

- Rental income, change in fair value from investment properties will be classified in the investing category within the statement of profit or loss.
- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

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

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

2. Accounting policies (continued)

2.3 Standards issued but not yet effective. (continued)

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7 (continued)

- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Company does not anticipate that the amendments will have a material effect on the Group's consolidated financial statements

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flow.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its consolidated financial statements.

2.4 New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

3. Use of Significant Estimates and Judgments

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

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

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

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

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years.

and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

- Estimates and assumptions

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

- Impairment of non-financial assets

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

- Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

3. Use of Significant Estimates and Judgments (continued)

- Provision for expected credit losses of trade receivables and contract assets (continued)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic

conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- Defined benefits plans

The cost of the employees' defined benefit liability and its present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality.

- Defined benefits plans (continued)

Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

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

- Determining the estimated residual values and estimated useful lives of property, plant and equipment

The estimated residual values and estimated useful life of the property and equipment are reviewed at each annual reporting period. Based on the review, adjustments are made to the estimated residual value and estimated useful life if the differences are material.

- Provision for obsolete and slow-moving inventories

The Group determines its provision for inventory obsolescence based upon historical experience, inventory aging and current condition, and current and future expectations with respect to sales. Assumptions underlying the provision for inventory obsolescence include future sales trends, and the expected inventory requirements and inventory composition necessary to support these future sales. The estimate of the Group's provision for inventory obsolescence could materially change from period to period due to changes in product offerings of those products.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

3. Use of Significant Estimates and Judgments (continued)

- Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (“DCF”) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

- Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency).

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

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4. PROPERTY, PLANT AND EQUIPMENT

	<i>Land</i> ﷲ	<i>Buildings</i> ﷲ	<i>Plant & equipment</i> ﷲ	<i>Furniture & fixtures</i> ﷲ	<i>Vehicles</i> ﷲ	<i>Computer hardware</i> ﷲ	<i>Tools</i> ﷲ	<i>Projects in progress</i> ﷲ	<i>Total</i> ﷲ
Cost									
At 1 January 2024	142,883,462	324,375,401	963,386,293	48,649,836	16,123,017	19,225,871	8,115,931	9,888,492	1,532,648,303
Additions	-	-	-	18,430	587,048	4,158	-	24,778,816	25,388,452
Disposals	(36,832,276)	(97,166,537)	(216,234,158)	(5,877,296)	(3,448,571)	(4,411,465)	(7,439,853)	-	(371,410,156)
Transfer from projects in progress	-	4,590,822	19,746,722	1,378,190	-	-	-	(25,715,734)	-
At 31 December 2024	106,051,186	231,799,686	766,898,857	44,169,160	13,261,494	14,818,564	676,078	8,951,574	1,186,626,599
Additions	-	18,500	10,215	1,435	-	9,840	-	8,597,152	8,637,142
Disposals	-	(15,261,736)	(26,679,889)	(19,473)	(725,557)	(2,415,521)	-	-	(45,102,176)
Transfer from projects in progress	-	2,267,000	6,254,372	91,503	23,294	207,760	-	(8,843,929)	-
At 31 December 2025	106,051,186	218,823,450	746,483,555	44,242,625	12,559,231	12,620,643	676,078	8,704,797	1,150,161,565
Accumulated depreciation and impairment									
At 1 January 2024	-	135,346,675	648,306,610	41,199,433	15,459,052	16,163,259	2,749,599	-	859,224,628
Depreciation	-	9,968,838	45,352,347	1,210,355	381,245	33,928	-	-	56,946,713
Disposals	-	(29,982,893)	(209,211,122)	(5,713,380)	(3,444,756)	(4,402,747)	(2,073,521)	-	(254,828,419)
Impairment	-	-	25,935,182	-	-	-	-	-	25,935,182
At 31 December 2024	-	115,332,620	510,383,017	36,696,408	12,395,541	11,794,440	676,078	-	687,278,104
Depreciation	-	8,253,221	39,514,875	458,065	365,646	541,830	-	-	49,133,637
Disposals	-	(5,963,470)	(25,833,946)	(19,473)	(725,557)	(2,405,782)	-	-	(34,948,228)
Impairment	-	-	5,052,276	-	-	1,749	-	5,000,265	10,054,290
At 31 December 2025	-	117,622,371	529,116,222	37,135,000	12,035,630	9,932,237	676,078	5,000,265	711,517,803
Net book value:									
At 31 December 2025	106,051,186	101,201,079	217,367,333	7,107,625	523,601	2,688,406	-	3,704,532	438,643,762
At 31 December 2024	106,051,186	116,467,066	256,515,840	7,472,752	865,953	3,024,124	-	8,951,574	499,348,495

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As at 31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (continued)

- 4.1 Certain property, plant and equipment have been placed as collateral against loans amounting to **ﷲ** 281.1 million (Note 14).
- 4.2 The Group management team, in line with the strategic plan, has resolved to reallocate specific assets to enhance resource distribution among the companies, aiming to ensure efficient use and to maximize returns. The Group has evaluated certain assets to determine if their utilization exceeds their carrying value. Following this evaluation, the management has recognized an impairment loss of **ﷲ** 10.05 million.
- 4.3 As per the board of directors meeting held on 29 October 2024, the board decided to transfer ownership of the land and building of Al-Madinah Al-Munawarah Printing and Publishing Company (one of the subsidiaries of the Group) to Tanweer Real Estate Company which is a subsidiary of Alinma Bank. The Group management agreed with Alinma Bank to settle **ﷲ** 110 million (**ﷲ** 91.1 million from property plant and equipment and **ﷲ** 18.9 million from investment properties) loan through the cession of two land parcels and building with a total area of 122,326 square meters in Al Manarat District, Jeddah. This transaction occurred on 5 December 2024. The following represents the details of the land cession transaction.

<i>Name of property</i>	<i>Area (Sqm)</i>	<i>Agreed value ﷲ</i>	<i>Category of assets</i>	<i>Property Location</i>
Factory land-plot 1 and building	78,369	91,077,898	Property, plant and equipment	Al Manarat District, Jeddah
Vacant plot 2 (only land) (note 6)	43,957	18,922,102	Investment properties	Al Manarat District, Jeddah

The above cession transactions are part of a plan by the Group to settle its obligation to Alinma Bank amounting to **ﷲ** 178.2 million due to loan mark-up by transferring the aforementioned lands and building and settling the balance by way of conversation of loan to equity. . Subsequent to year-end, the Group completed this debt-to-equity conversion after obtaining the necessary approvals, including the approval of the shareholders in the Extraordinary General Assembly meeting. As the agreed conversion price differs from the carrying amount of the liability, a related gain will be recognized in the period of completion of transaction (refer to note 32).

- 4.4 The balance of projects in progress represents the cost of establishing warehouse in one of the Group's subsidiaries, and machines which the Group is assembling to be used in production.

Depreciation charge for the year has been allocated as follows:

	<i>2025 ﷲ</i>	<i>2024 ﷲ</i>
Cost of revenue	45,592,413	52,948,503
General and administrative expenses	3,150,721	3,653,430
Selling and distribution expenses	390,503	344,780
	49,133,637	56,946,713

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5. INTANGIBLE ASSETS AND GOODWILL

	Goodwill ﷲ	Software ﷲ	Total ﷲ
Cost			
At 1 January 2024	390,230,436	14,083,758	404,314,194
Additions	-	-	-
At 31 December 2024	390,230,436	14,083,758	404,314,194
Additions	-	19,478	19,478
At 31 December 2025	390,230,436	14,103,236	404,333,672
Amortization and impairment			
At 1 January 2024	55,306,000	13,376,102	68,682,102
Amortization	-	181,191	181,191
Impairment	50,000,000	-	50,000,000
At 31 December 2024	105,306,000	13,557,293	118,863,293
Amortization	-	171,921	171,921
Impairment	110,000,000	-	110,000,000
At 31 December 2025	215,306,000	13,729,214	229,035,214
Net book value:			
At 31 December 2025	174,924,436	374,022	175,298,458
At 31 December 2024	284,924,436	526,465	285,450,901

The following is a breakdown of goodwill:

	2025 ﷲ	2024 ﷲ
Emirates National Factory for Plastic Industries	174,924,436	274,707,551
Hala Printing Company	-	10,216,885
	174,924,436	284,924,436

During 2012, the Group acquired 100% of the shares of Emirates National Factory for Plastic Industries LLC (“Emirates Factory”), a limited liability company, established in the Emirates of Sharjah, in the United Arab Emirates, for a net consideration of approximately ﷲ 642 million.

All the parties have agreed under the Shares Purchase and Sale Agreement (the "Agreement") to transfer all rights and liabilities related to the former shareholders to the Group on 1 July 2012 as the date on which effective control is transferred to the Group (the “Acquisition Date”). This acquisition resulted in goodwill amounting to ﷲ 353.8 million, which represents the excess of consideration paid over the fair value of the net assets acquired on the date of acquisition, amounting to ﷲ 288.2 million.

Emirates Factory operates in the manufacture and distribution of packaging and plastic products and has several subsidiaries in both the United Arab Emirates and the Kingdom of Saudi Arabia. The consolidated financial statements of Emirates Factory were consolidated with effect from 1 July 2012.

On 1 July 2014, the Group restructured the packaging sector by merging Future Plus Company and Flexible Packaging Company with Emirates National Factory for Plastic Industries. Accordingly, the carrying amount of goodwill has increased to ﷲ 380 million after adding the goodwill of these two companies. During 2017, 2023, 2024 and **2025**, the group has recognized impairment on the goodwill amounted to ﷲ 20.3 million, ﷲ 35 million, ﷲ 50 million and **ﷲ 110 million**, respectively.

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5. INTANGIBLE ASSETS AND GOODWILL (continued)

Goodwill impairment test

Management performs an annual goodwill impairment test to identify whether an impairment needs to be recognised at the end of each financial year. Although management expects the Group's market share of the printing and packaging market to be stable over the forecast period, any decline in the market share would result in a further impairment. The management found, through the goodwill impairment testing performed, that the recoverable amount was less than the book value of the goodwill as at 31 December 2025 accordingly an impairment of ~~SR~~ 110 million was recorded during the current year.

The recoverable amount was determined on the basis of the information used to calculate the present value of the five-year expected cash flows along with cash flow to perpetuity, based on the financial budget approved by the management. The estimated average annual growth rate of revenue of the Emirates National Factory for Plastic Industries and Hala Printing Company is 6 % and 2 %, respectively.

Management believes that the estimated growth rates do not exceed the long-term average growth rates related to the activities carried out by the group companies.

Sensitivity to changes in assumptions

In relation to the recoverable amount review, any adverse change in underlying assumptions might result in an impairment loss. The terminal growth rates and Weighted Average Cost of Capital Assumptions ("WACC") used are the key assumptions in cases where potential changes might lead to impairment. Any increase in the WACC will result in further significant impairment loss.

The key assumptions used in the estimation of the recoverable amount as at 31 December 2025 are set out below. The values assigned to key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>ENPI</u>	<u>Hala</u>	<u>ENPI</u>	<u>Hala</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Weighted Average Cost of Capital Assumptions ("WACC")	9.90	9.90	10.60	10.60
Estimated average EBITDA margin	8.5	15.5	9.51	16.62
Average annual growth rate of revenue	6	2	6.3	17.13
Terminal growth rate	2.5	2.5	2.5	2.5

WACC represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. WACC calculation is based on the specific circumstances of the Group and its operating segments. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Decreased demand can lead to a decline in the EBIDTA margin. Any decrease in the EBIDTA margin would result in a further impairment

Management expects the Group's market share in the printing and packaging sector to remain stable over the forecast period; however, it recognises that technological change and potential new entrants could affect growth assumptions. Any decline in market share could result in further impairment.

The terminal growth rate was determined based on management's estimate of the long-term growth forecast for UAE and KSA.

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6. INVESTMENT PROPERTIES

	Land ﷲ	Buildings ﷲ	Total ﷲ
Cost:			
At 1 January 2024	18,922,102	9,403,543	28,325,645
Disposals (Note 4)	(18,922,102)	(703,025)	(19,625,127)
At 31 December 2024	-	8,700,518	8,700,518
At 31 December 2025	-	8,700,518	8,700,518
Accumulated depreciation:			
At 1 January 2024	-	3,011,434	3,011,434
Depreciation	-	219,527	219,527
Disposals	-	(703,025)	(703,025)
At 31 December 2024	-	2,527,936	2,527,936
Depreciation	-	301,850	301,850
Disposals	-	-	-
At 31 December 2025	-	2,829,786	2,829,786
Net book value:			
At 31 December 2025	-	5,870,732	5,870,732
At 31 December 2024	-	6,172,582	6,172,582

The Group's investment properties consist of two commercial properties in the Kingdom of Saudi Arabia and the United Arab Emirates, both of which have been retained by the Group for the purpose of capital appreciation and achieving rental income. Rental income for the year ended 31 December 2025 amounted to ﷲ 920,601 (2024: ﷲ 914,133) and incurred maintenance cost for the year ended 31 December 2025 amounted to ﷲ 19,359 (2024: ﷲ 53,124).

Fair value disclosures

The following is a comparison of the carrying value and fair value of the Group's investment properties:

	2025		2024	
	<i>Carrying value</i> ﷲ	<i>Fair value</i> ﷲ	<i>Carrying value</i> ﷲ	<i>Fair value</i> ﷲ
Investment properties	5,870,732	12,295,435	6,172,582	11,286,109

The fair value of investment properties have been determined by external, accredited, independent property valuers who have appropriate and recognized qualifications and recent experience in the location and category of the property whose value is estimated according to the geographical location.

The fair value of property located in the United Arab Emirates was determined based on the valuation made by third party Colliers Company("Valuer") has performed the valuation of the investment properties using the income approach.

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As at 31 December 2025

6. INVESTMENT PROPERTIES (continued)

The fair value measurement of all investment properties has been classified as level 3 inputs based on the inputs of the valuation method used. The following table shows the valuation method used in measuring fair value:

Geographical location	Valuation technique	Unobservable inputs
UAE	Income approach By using revenue multiples / capitalization rates based on available market trends and evidence.	Assumptions <u>Building:</u> - Annual rent of the subject of appraisal and similar buildings amounting to AED 1,050,000 (2024: AED 974,000). - Operating expenses average 10% of the annual rent for similar buildings.

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Profit arising from investment properties:

	<u>2025</u>	<u>2024</u>
Rental income derived from investment properties	AED 920,601	AED 914,133

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

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7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for various items of plant, building, and land used in its operations. Leases of land generally have lease terms above 1 year up to 20 years, building have lease terms from 6 to 17 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

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

	<i>Right-of-use assets</i> ﷲ
As at 1 January 2024	5,572,031
Additions	743,764
Depreciation	(1,795,187)
As at 31 December 2024	4,520,608
Additions	382,321
Depreciation	(1,290,811)
Disposal	(238,054)
As at 31 December 2025	3,374,064

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	<i>2025</i> ﷲ	<i>2024</i> ﷲ
As at 1 January	4,891,838	5,898,559
Additions	382,321	743,764
Modification	(290,509)	-
Accretion of interest	210,168	323,568
Payments	(1,198,244)	(2,074,053)
As at 31 December	3,995,574	4,891,838
Current	346,896	750,180
Non-current	3,648,678	4,141,658

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate of 5% (2025: 5%).

The lease payments along with present value of the lease payments as at 31 December 2025 are as follows:

	<i>Future lease payments</i> ﷲ	<i>Interest</i> ﷲ	<i>Present value of lease payments</i> ﷲ
Within one year	551,931	(205,036)	346,895
Two to five years	2,229,121	(634,991)	1,594,130
Later than five years	2,415,986	(361,437)	2,054,549
	<u>5,197,038</u>	<u>(1,201,464)</u>	<u>3,995,574</u>

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As at 31 December 2025

7. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

The following are the amounts recognized in profit or loss:

	2025 ﷲ	2024 ﷲ
Depreciation expense of right-of-use assets	1,290,811	1,795,187
Interest expense on lease liabilities	210,168	323,568
Expense relating to short-term or low value leases (included in cost of revenue)	2,142,152	1,937,845
Expense relating to short-term or low value leases (included in selling and distribution expenses)	4,622,993	4,435,917
Expense relating to short-term or low value leases (included in general and administrative expenses)	645,193	650,190
Total amount recognised in profit or loss	8,911,317	9,142,707

The Group had total cash outflows for leases of ﷲ 1,198,244 in 2024 (2024: ﷲ 2,074,053). The Group also had non-cash additions to right-of-use assets and lease liabilities of ﷲ 382,321 in 2024 (2024: ﷲ 743,764).

8. **INVENTORIES**

	2025 ﷲ	2024 ﷲ
Raw materials	68,599,275	101,095,229
Finished goods	23,156,656	40,078,345
Spare-parts and consumables	18,434,998	19,667,159
Work-in-progress	4,169,207	6,813,485
Goods-in-transit	3,537,377	3,033,717
	117,897,513	170,687,935
Less: Provision for obsolete and slow-moving inventory	(19,758,342)	(20,753,772)
	98,139,171	149,934,163

Movement in provision for obsolete and slow-moving inventory is as follows:

	2025 ﷲ	2024 ﷲ
Balance at the beginning of the year	20,753,772	22,722,040
Reversal during the year	(995,430)	(1,968,268)
	19,758,342	20,753,772

Hypothecation and pledge over inventories of ENPI Group amounting to the carrying value of the inventories at any given point in time is given as loan guarantee (note 14). Such balance at the year-end amounted to ﷲ 83.5 million (2024: ﷲ 125 million).

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9. TRADE RECEIVABLES

	2025 ﷲ	2024 ﷲ
Trade receivable	238,629,327	293,067,612
Less: Allowance for expected credit losses	(114,775,203)	(103,339,199)
	<u>123,854,124</u>	<u>189,728,413</u>
Current portion	123,854,124	187,864,617
Non-current portion	-	1,863,796

Movement in allowance for expected credit losses is as follows:

	2025 ﷲ	2024 ﷲ
Balance at the beginning of the year	103,339,199	92,994,134
Impairment loss on trade receivable	11,839,457	10,800,838
Write-off	(403,453)	(455,773)
	<u>114,775,203</u>	<u>103,339,199</u>

Credit risk exposure on the Group's trade receivables is mentioned in note 28

10. PREPAYMENTS AND OTHER CURRENT ASSETS

	2025 ﷲ	2024 ﷲ
Prepaid expense	5,926,960	11,977,452
Advance to suppliers	5,077,284	8,631,353
Refundable security deposit	2,788,514	3,316,365
Employees' receivables	208,948	607,786
Prepayment to ZATCA	-	6,170,214
Insurance claim	-	1,610,246
Others	214,196	241,612
	<u>14,215,902</u>	<u>32,555,028</u>
Less: Impairment for prepayments and other current assets	(2,081,437)	(1,550,012)
	<u>12,134,465</u>	<u>31,005,016</u>

11. CASH AND CASH EQUIVALENTS

	2025 ﷲ	2024 ﷲ
Cash at bank	16,302,104	29,724,646
Cash in hand	18,277	55,729
Cash and cash equivalents in the consolidated statement of financial position	<u>16,320,381</u>	<u>29,780,375</u>
Non-current portion of cash and cash equivalents (*)	<u>(9,792,852)</u>	<u>(9,792,852)</u>
Current portion of cash and cash equivalents	<u>6,527,529</u>	<u>19,987,523</u>

(*) The restricted bank accounts represent a deposit against a loan obtained and not available for the Group general use (Note 14).

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12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise shareholders having control, joint control or significant influence, key management personnel and affiliates where shareholders have control or significant influence. The transactions with related parties are made on terms approved by the Board of the Directors of the Group.

12.1 Key management personnel compensation

	2025 S	2024 S
Key management personnel compensation (*)	7,069,320	3,678,843
Board of directors' expenses and allowances	1,657,058	1,675,485
	8,726,378	5,354,328
Key management personnel compensation (*)	2025 S	2024 S
Short-term employee benefits	6,933,087	3,476,666
Post-employment benefits	136,233	202,177
	7,069,320	3,678,843

*Key management personal compensation includes salaries, equivalents and Employees' defined benefit liabilities.

12.2 The significant transaction and balances between the Group and its related parties are as follows:

	<i>Advance payments during year</i>		<i>Sales Transaction for the year ended 31 December</i>		<i>Finance charge</i>		<i>Balance due to as at 31 December</i>	
	2025	2024	2025	2024	2025	2024	2025	2024
	S	S	S	S	S	S	S	S
Saudi Research and Media Group *	13,000,000	35,000,000	1,360,303	849,567	1,446,301	-	31,339,181	43,594,808
Saudi Research and Publishing Company	-	-	21,371,778	25,919,055	-	-	-	-
Saudi Specialized Publishing Company	-	-	486,988	1,039,133	-	-	-	-
Saudi Distribution Company	-	-	-	2,673	-	-	-	-

*Saudi Research and Media Group "SRMG" is the holding of SPPC, and the remaining companies are subsidiaries of SRMG.

The Group has received financial support from its holding company, Saudi Research and Media Group ("SRMG"), amounting to S 85 million in the form of short-term and long-term loans (note 15)

None of the balances are subject to any guarantees. No expense has been recognized in the current period or prior period for bad or doubtful debts in respect of amounts owed by related parties.

13. SHARE CAPITAL AND RESERVES

Share Capital: as at 31 December 2025, the fully paid-up share capital of the company is S 600 million (2024: S 600 million) divided into 60 million shares (2024: 60 million shares) with a nominal value of S 10 each. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Contractual reserve: in accordance with the by-law of the Company, the Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside a percentage not exceeding 20% of the Group's net profits to form a contractual reserve and allocate it for a specific purpose or purposes.

Other reserve: Other reserve pertains to exchange difference on translation of foreign operations.

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14. LOANS AND MURABAHA

The Group has signed several financing agreements and banking facilities with a number of local and foreign banks, which include loans and Murabaha, credit facilities, letters of credit and letter of guarantee, on different periods subject to renewal. The credit limit for total facilities was ~~ﷲ~~ 611.7 million as at 31 December 2025 (31 December 2024: ~~ﷲ~~ 699.9 million). These agreements are subject to the terms and conditions of banking facilities that apply to all types of facilities provided by banks to their clients. The purpose of these facilities is to finance the activity, working capital, investments and capital expenditures as well as to finance the import of raw materials and equipment related to the Group's activities and projects. These facilities are subject to interest charges according to the relevant agreements, ranging from 0.5% to 3.5% per annum in addition to SAIBOR and EIBOR as applicable.

The loan agreements contain covenants, mainly relating to current ratio, leverage ratio, total debt to equity ratio, and others. Under the terms of these agreements, the banks have the right to demand immediate repayment of the loans if any of the covenants are not met. The Group didn't comply with certain loans and certain covenants as at 31 December 2025. The Group has breached specific financial covenants related to an interest-bearing loan; therefore, this loan has been classified as short-term and other certain loan Group has received wavier from bank and are classified as long term loan.

Under these agreements, the Group provided a number of guarantees to cover the full value of the financing which consist of the following:

- Promissory notes with the total value of the available facilities.
- An insurance policy which grants the bank the right to be first beneficiary for the amount equal to the value of the facility.
- Restricted bank accounts amounting to ~~ﷲ~~ 9.8 million (2024: ~~ﷲ~~ 9.8 million). (note 11)
- Corporate Guarantee from Flexible Packaging Company Limited, Future Plus Company and Taibah Printing and Packaging Company Limited.
- Funding bank account is required with amount to be held of 1 quarterly fixed installment + variable interest rate) to designated non-checking account with the bank
- Legal Mortgage over land and property of ~~ﷲ~~ 137.1 million (2024: ~~ﷲ~~ 137.1 million).
- Mortgage of Machineries worth ~~ﷲ~~ 144 million (2024: ~~ﷲ~~ 144 million).
- Assignment of all risk Islamic Insurance policy over mortgaged properties, inventory, and purchased machines.
- Pledge of stock/inventories in favor of the bank until full and final repayment of the total facilities
- Hypothecation over inventories of ENPI Group amounting to the carrying value of the inventories at any given point in time
- Hypothecation over ENPI receivables on pari passu basis between the lenders
- Cross corporate guarantees of ENPI Companies for ~~ﷲ~~ 202.88 million (31 December 2024: ~~ﷲ~~ 298.7 million)
- Comfort letter from the shareholders of ENPI amounting to the full working capital facilities of ~~ﷲ~~ 202.88 million (2024: ~~ﷲ~~ 298.7 million).

The Group obtained the facility limit of ~~ﷲ~~ 101.95. million in January 2021 for the new capital expenditure with the moratorium period of 18 months. Against which ~~ﷲ~~ 8.90 million is utilized against this facility as of 31 December 2023. In October 2022, the same facility was renewed with the limit ~~ﷲ~~ 107.57 million for the period of 15 months and again the drawdown was of ~~ﷲ~~ 8.90 million, In February 2023, facility limit is reduced to ~~ﷲ~~ 76.46 million, As at 31 December 2025, total drawdowns are ~~ﷲ~~ 17.8 million.

As at 31 December 2025, the balance unutilized amounted to ~~ﷲ~~ 31 million (2024: ~~ﷲ~~ 12 million).

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14. LOANS AND MURABAHA (continued)

The following is an analysis of the loans and Murabaha transactions:

	2025 ﷲ	2024 ﷲ
Short term loans	314,461,999	375,109,639
Long term loans*	250,555,916	259,084,543
Overdrafts	15,480,486	16,818,659
Accrued finance cost	5,690,178	2,078,020
Total	586,188,579	653,090,861

* The long-term loans include current portion.

The following is the movement of the loan transaction:

	2025 ﷲ	2024 ﷲ
Opening balance	653,090,861	773,413,292
Proceeds during the year	1,234,247,034	1,968,112,298
Payments during the year	(1,304,761,471)	(2,085,945,079)
Interest charged during the year	43,388,262	59,075,234
Payments for financial cost during the year	(39,776,107)	(61,564,884)
Ending balance	586,188,579	653,090,861

The loans and murabaha are presented in the consolidated statement of financial position as follows:

	2025 ﷲ	2024 ﷲ
Current portion	470,734,575	497,878,818
Non- Current portion	115,454,004	155,212,043
	586,188,579	653,090,861

15. LOAN FROM SHAREHOLDER

During the year, the Group's major shareholder, Saudi Research and Media Group, approved and fully disbursed a loan amounting to ﷲ 75 million to the Group. The loan carries a compounded interest rate of 6.8% and is repayable after a three-year grace period.

In addition, the shareholder extended a short-term loan amounting to ﷲ 10 million, repayable within 12 months. This short-term loan is interest-free and includes a share conversion option, whereby the loan may be converted into shares at the share price on the transaction date, subject to obtaining the required regulatory and shareholder approvals at the time of exercise.

	31 December 2025 ﷲ	31 December 2024 ﷲ
Proceeds during the period/year	85,000,000	-
Interest charged during the period /year	1,498,437	-
Accrued finance cost transfer to the current account	(1,446,301)	-
Ending balance	85,052,136	-

The loan from shareholder is presented in the consolidated statement of financial position as follows:

	2025 ﷲ	2024 ﷲ
Current portion	10,052,136	-
Non- Current portion	75,000,000	-
	85,052,136	-

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16. EMPLOYEES DEFINED BENEFITS LIABILITIES

	S
Defined benefit obligation at 1 January 2024	35,322,559
Current service cost	4,124,690
Interest cost	1,287,750
Curtailement/settlement gain or loss	722,736
Benefits paid	(11,441,134)
Re-measurement of employees' defined liabilities	651,308
Defined benefit liabilities at 31 December 2024	30,667,909
Current service cost	3,936,705
Interest cost	1,232,012
Past service cost	4,011
Curtailement/settlement gain or loss	777,893
Benefits paid	(12,970,816)
Re-measurement of employees' defined liabilities	1,848,082
Defined benefit liabilities at 31 December 2025	25,495,796

Significant actuarial assumptions

The table below outlines the assumptions used in the evaluation process.

	Kingdom of Saudi Arabia		United Arab Emirates	
	2025	2024	2025	2024
Discount rate	4.70%	5.35%	4.05%	4.90%
Salary increase rate	1% for FY 25 And 1% thereafter	0% for FY 24 And 1% thereafter	1% for FY 25 And 1% thereafter	0% for FY 24 And 1% thereafter
Assumed retirement age	60 years	60 years	60 years	60 years

Sensitivity analysis

An analysis of the sensitivity of the defined liabilities to changes in the Group's weighted key assumptions is as follows:

	Discount rate		Salary increase rate	
	1% decrease	1% increase	1% decrease	1% increase
	S	S	S	S
31-Dec-25	(1,144,063)	1,044,424	1,087,338	(1,171,160)
31-Dec-24	(1,621,589)	1,460,846	1,533,133	(1,675,524)

The sensitivity analysis above was determined based on the change in one assumption with all other assumptions held constant. In practical terms, this is not likely to happen, and changes in some assumptions may be linked to each other. When calculating the sensitivity of defined benefits liability to significant actuarial changes, the same method (present value of the defined benefits obligation calculated using the projected unit credit method at the end of preparing the consolidated financial statements) has been applied as when calculating the defined benefits liability used recognized in the consolidated statement of financial position.

17. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value on derivative financial instruments as at the reporting date was as follows:

	2025 S	2024 S
Derivatives not designated as hedging instruments		
Profit rate swaps	-	3,298,256

The Group used derivative financial instruments mainly, profit rate swaps to hedge its profit rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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17. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Accordingly, the Group recognized a derivative financial asset of **ﷲ** 3.3 million during the year ended 31 December 2024. During the year ended 31 December 2025 the derivative financial instruments were terminated, resulting in a loss of **ﷲ** 0.8 million recognized in the consolidated financial statements.

Other details related to the profit rate swap arrangement are as follows:

	2025	2024
	ﷲ	ﷲ
Change in fair value of the derivative instrument	(3,298,256)	(4,348,159)
Carrying amount of the derivative instrument	-	3,298,256
Notional amount of the derivative instrument	-	118,519,433
Maturity date of the derivative instrument	-	6 December 2025

18. TRADE PAYABLES

	2025	2024
	ﷲ	ﷲ
Trade payables	81,477,771	145,827,259
Current portion	80,074,672	144,179,514
Non-current portion	1,403,099	1,647,745

No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payments are paid within the credit time frame. Trade payables are normally settled between 60 to 120 days.

19. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2025	2024
	ﷲ	ﷲ
Accrued expenses	18,794,775	10,084,489
Advances from customers *	4,165,758	4,979,190
Real estate transaction tax **	5,500,000	5,500,000
Employees accruals	7,071,955	2,688,867
Value add tax	1,465,291	2,117,291
Others advances	1,019,522	-
Other	747,067	411,025
	38,764,368	25,780,862

*All amount presented as advances from customers in the previous year has been recognized as revenue during the current year

** This amount represents real estate transaction tax as 5% on net book value of land and building and investment property on transfer to Alinma bank as mentioned in note 4.

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20. ZAKAT AND TAXATION

20.1 ZAKAT

Movement in zakat and tax expense:	2025	2024
	ﷲ	ﷲ
Charge during the year	200,000	3,836,210
Deferred tax asset for the year	-	(5,250,976)
Reversal of deferred tax asset	5,250,976	-
Real estate transaction tax	-	5,500,000
	5,450,976	4,085,234
Zakat base:	2025	2024
	ﷲ	ﷲ
Loss before zakat adjustment	(261,893,255)	(215,327,793)
Disallowable expenses	-	-
Adjusted loss/ (income) for zakat provision	(261,893,255)	(215,327,793)
Equity	106,374,880	300,636,247
Current assets acceptable to be deducted	(18,434,998)	-
Non-current liabilities	535,247,126	523,708,829
Non-current assets	(623,187,016)	(820,410,720)
Zakat base	-	3,934,356
Movement in zakat provision:	2025	2024
	ﷲ	ﷲ
Balance as at 1 January	18,525,514	14,689,304
Charge during the year	200,000	3,836,210
Zakat Paid	(4,214,214)	-
Settlement of zakat payable against advance*	(6,170,214)	-
Balance as at 31 December	8,341,086	18,525,514

*This amount represents the settlement of zakat liability against old open assessment.

Zakat provision is estimated and charged to consolidated statement of comprehensive income. The Group submitted zakat returns for all years up to 2024. The Zakat return for the year 2024 is still under review by the ZATCA.

The Company has approached ZATCA to offset the zakat overpayments for the years 2019 and 2020 amounting to ﷲ 4,660,917 against the zakat due for the other years, where the company have open zakat assessment such as 2005-2008, 2015, 2016, and 2018. ZATCA has accepted the Company's request and issued its final revised zakat assessment for the aforementioned years, totaling ﷲ 6,790,845.

Furthermore, the Company has submitted a request to ZATCA to settle final revised zakat assessment through an installment plan over 12 months. ZATCA has accepted the Company's request, and the liability will be settled equally over the 12-month period.

Final Zakat Due Settled to ZATCA for the Years 2021 - 2023:

The Company has finalized the Zakat assessments for the years 2021 and 2022 with ZATCA and has settled the additional Zakat liabilities amounting to SAR 149,800 and SAR 317,751, respectively. For 2023, there is no additional Zakat that was assessed by ZATCA.

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20. ZAKAT AND TAXATION (continued)

20.2 TAXATION

UAE Corporate Tax Law

The Company has incurred losses and, a deferred tax asset has not been recognized at this stage, as the utilization of the deductible temporary differences cannot currently be supported. However, if the Company were to expect taxable profits in the more distant future, the deferred tax asset amounting ~~SR~~ 11,594,661 to would be recognized to the extent that the related temporary differences become recoverable.

21. SEGMENT INFORMATION

The operational segment is a component of the Group that participates in the business activities and can generate revenue and incur expenses, including income and expenses related to transactions with any of the other components of the Group. All operational results of the operating sectors are reviewed by the Group's operational decision maker i.e., CEO to make decisions about the resources that will be allocated to the segment and assess its performance ,and for which separate financial information is available.

a) Basis for segments

For management purposes, the Group is organized into business units based on its products and services and has three reportable segments, as follows:

Reportable segment	Operation
Printing	Printing, tools and raw materials.
Packaging	Printing on plastic and commercial posters in addition to the manufacture of plastic products.
Others	Includes the head quarter, management activities, investment activities and others.

The management monitors the results of the operations of the business units independently for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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21. SEGMENT INFORMATION (continued)

b) Information about reportable segments

The following tables present revenue and loss before zakat information for the Group's operating segments for the year ended 31 December 2025 and 2024, respectively.

31 December 2025	Reportable segments			Total S	Adjustments & Eliminations S	Total S
	Printing S	Packaging S	All other segments S			
Revenue						
External customers	49,393,508	523,569,208	-	572,962,716	-	572,962,716
Inter-segments	-	47,360,752	-	47,360,752	(47,360,752)	-
Total revenue	49,393,508	570,929,960	-	620,323,468	(47,360,752)	572,962,716
Expense						
Goodwill impairment	10,216,885	99,783,115	-	110,000,000	-	110,000,000
Depreciation and amortization	8,220,820	42,268,344	409,054	50,898,218	-	50,898,218
Finance costs	204,198	41,824,975	5,100,133	47,129,306	-	47,129,306
Impairment of property plant and equipment and inventory	1,010,817	1,899,296	7,144,177	10,054,290	-	10,054,290
Write-off of inventory	1,076,880	3,038,357	-	4,115,237	-	4,115,237
Segment loss	(4,485,620)	(134,191,174)	(18,667,437)	(157,344,231)	(110,000,000)	(267,344,231)
Total assets	54,075,665	818,473,310	1,086,182	873,635,157	-	873,635,157
Total liabilities	(7,552,127)	(472,135,224)	(381,664,291)	(861,351,642)	-	(861,351,642)

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

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21. SEGMENT INFORMATION (continued)

b) Information about reportable segments (continued)

	Reportable segments					Total ﷲ
	Printing ﷲ	Packaging ﷲ	All other segments ﷲ	Total ﷲ	Adjustments & Eliminations ﷲ	
<i>31 December 2024</i>						
Revenue						
External customers	62,695,281	658,500,952	-	721,196,233	-	721,196,233
Inter-segments	26,326,393	29,795,896	-	56,122,289	(56,122,289)	-
Total revenue	89,021,674	688,296,848	-	777,318,522	(56,122,289)	721,196,233
Expense						
Goodwill impairment	-	50,000,000	-	50,000,000	-	50,000,000
Depreciation and amortization	15,234,334	43,535,706	373,212	59,143,252	-	59,143,252
Finance costs	1,548,374	59,523,324	3,963,013	65,034,711	-	65,034,711
Impairment of property equipment and inventory	25,935,182	-	-	25,935,182	-	25,935,182
Segment loss	(61,336,205)	(92,085,051)	(15,991,771)	(169,413,027)	(50,000,000)	(219,413,027)
Total assets	86,756,735	1,110,721,302	7,011,748	1,204,489,785	-	1,204,489,785
Total liabilities	(8,900,061)	(612,815,577)	(301,360,564)	(923,076,202)	-	(923,076,202)

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21. SEGMENT INFORMATION (continued)

c) Geographical information

The printing and packaging sectors are mainly managed from Saudi Arabia and the United Arab Emirates respectively.

The geographical information below shows the Group revenues, assets, liabilities, and operating assets in the countries where the Group operates. When presenting the following geographical information, the sector's revenues were based on the geographical location and assets of the sector based on the geographical location of the assets.

Revenues from customers	2025	2024
	ﷲ	ﷲ
Saudi Arabia	225,095,684	268,241,879
United Arab Emirates	219,616,534	265,161,856
Oman	38,229,990	50,241,427
Tunisia	18,481,298	19,733,365
Kuwait	9,750,906	11,130,928
Yemen	8,265,808	10,276,372
Senegal	6,831,829	3,945,502
Others	46,690,667	92,464,904
	572,962,716	721,196,233
Timing of revenue recognition	2025	2024
	ﷲ	ﷲ
Point-in-time	572,962,716	721,196,233
	572,962,716	721,196,233
Total assets	2025	2024
	ﷲ	ﷲ
Saudi Arabia	333,107,106	398,844,451
United Arab Emirates	540,528,051	805,645,334
	873,635,157	1,204,489,785
Total liabilities		
Saudi Arabia	(768,889,915)	(696,091,793)
United Arab Emirates	(92,461,727)	(226,984,409)
	(861,351,642)	(923,076,202)
Non-current assets*		
Saudi Arabia	159,789,580	222,290,704
United Arab Emirates	473,190,288	593,407,762
	632,979,868	815,698,466

*Non-current operating assets consist of property, machinery, equipment, investment properties, goodwill, and intangible assets, and right-of-use of assets.

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22. COST OF REVENUE

	<i>2025</i>	<i>2024</i>
	<u>ﷲ</u>	<u>ﷲ</u>
Cost of materials	387,230,634	498,089,343
Employees' expenses and benefits	58,928,213	67,558,457
Depreciation and amortization	47,010,710	54,924,881
Services and utilities	26,233,237	31,282,966
Transportation and shipment	12,628,799	17,340,932
Maintenance	6,942,433	9,383,643
Consumables	5,944,998	4,644,629
Insurance	3,513,716	3,704,368
Rent	2,142,152	1,937,845
Reversal of provision for obsolete and slow-moving inventories	(995,430)	(1,968,268)
Others	2,646,266	3,084,713
	<u>552,225,728</u>	<u>689,983,509</u>

23. SELLING, MARKETING AND DISTRIBUTION EXPENSES

	<i>2025</i>	<i>2024</i>
	<u>ﷲ</u>	<u>ﷲ</u>
Employees' expenses and benefits	21,164,662	20,391,595
Rent	4,622,993	4,435,917
Commission and incentives	2,800,837	2,574,041
Medical insurance	982,375	1,055,185
Travel expense	428,300	676,715
Advertising and promotion	623,105	1,074,303
Maintenance	549,897	531,548
Depreciation	390,503	344,780
Legal fees	364,715	271,812
Others	1,639,909	1,846,750
	<u>33,567,296</u>	<u>33,202,646</u>

24. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2025</i>	<i>2024</i>
	<u>ﷲ</u>	<u>ﷲ</u>
Employees' expenses and benefits	43,870,647	39,416,337
Professional fees	9,833,589	9,693,852
Depreciation and amortization	3,497,006	3,872,957
Insurance	2,245,569	2,384,313
Telephone and fax	2,027,267	2,244,097
Software and IT expenses	2,000,549	1,944,282
Governmental expenses	1,994,262	2,061,044
Board of directors and committees' remuneration and allowances	1,657,058	1,675,485
Currency difference loss, net	1,152,972	880,721
Rent	645,193	650,190
Travel	488,235	805,428
Others	1,334,954	2,549,354
	<u>70,747,301</u>	<u>68,178,060</u>

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25. OTHER INCOME

	2025	2024
	S	S
Proceeds from Insurance	2,649,347	-
Income from sale of production wastes	2,569,035	4,651,726
Rental income	920,601	914,133
Proceeds from HRD fund	47,617	-
Loss on disposal of property, plant and equipment	(3,968,639)	(97,389)
Others	(979,129)	1,142,450
	<u>1,238,832</u>	<u>6,610,920</u>

26. FINANCE COSTS

	2025	2024
	S	S
Banking facilities	43,551,550	57,295,392
Finance costs on employees' benefits liabilities	1,232,012	1,287,750
Financing against letter of credits and bank charges	868,659	1,313,352
Loss from derivative assets	800,427	4,348,159
Amortization of finance rescheduling charges	466,490	466,490
Finance costs on lease liabilities	210,168	323,568
	<u>47,129,306</u>	<u>65,034,711</u>

27. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

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

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2025	2024
	S	S
Loss attributable to ordinary equity holders of the parent: income	<u>(267,344,231)</u>	<u>(219,413,027)</u>
Loss attributable to ordinary equity holders of the parent for basic earnings	<u>(267,344,231)</u>	<u>(219,413,027)</u>
	<u>2025</u>	<u>2024</u>
	S	S
Weighted average number of ordinary shares for basic EPS*	60,000,000	60,000,000
Effects of dilution from:		
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>60,000,000</u>	<u>60,000,000</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these consolidated financial statements.

Subsequently, on 8 February 2026, the shareholders approved a capital increase through the conversion of the debt owed to Alinma Bank; had this share issuance occurred before year-end, it would have significantly affected the earnings per share.

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28. FINANCIAL INSTRUMENTS

Fair value measurement of financial assets

The table below shows the carrying value of financial assets and liabilities as at 31 December 2025 and 31 December 2024, which are not measured at fair value, as all financial assets and financial liabilities of the Group are measured at amortized cost.

	2025			2024		
	<i>Amortized cost</i> ﷲ	<i>Other financial liabilities</i> ﷲ	<i>Total</i> ﷲ	<i>Amortized cost</i> ﷲ	<i>Other financial liabilities</i> ﷲ	<i>Total</i> ﷲ
Financial assets not measured at fair value						
Trade receivable	123,854,124	-	123,854,124	188,619,985	-	188,619,985
Other current assets	8,288,942	-	8,288,942	20,577,576	-	20,577,576
	<u>132,143,066</u>	<u>-</u>	<u>132,143,066</u>	<u>209,197,561</u>	<u>-</u>	<u>209,197,561</u>
Financial liabilities not measured at fair value						
Loans and Murabaha	-	586,188,579	586,188,579	-	653,090,861	653,090,861
Loan from shareholder	-	85,052,136	85,052,136	-	-	-
Trade payable	-	81,477,771	81,477,771	-	145,827,259	145,827,259
Financial lease liabilities	-	3,995,574	3,995,574	-	4,891,838	4,891,838
Employee accruals	-	7,071,955	7,071,955	-	2,688,867	2,688,867
Dividend payable	-	697,151	697,151	-	697,151	697,151
	<u>-</u>	<u>764,483,166</u>	<u>764,483,166</u>	<u>-</u>	<u>807,195,976</u>	<u>807,195,976</u>
Financial assets measured at fair value	Fair value measurement hierarchy	2025	2025	2024	2024	
		ﷲ	ﷲ	ﷲ	ﷲ	
		<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>	
Derivative financial instruments	Level 2	<u>-</u>	<u>-</u>	<u>3,298,256</u>	<u>3,298,256</u>	

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29. RISK MANAGEMENT

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk which is limited to interest rate risk, foreign currency and equity price risk. No changes were made in the risk management objectives and policies during the years ended to 31 December 2025 and 31 December 2024. The management of the Group reviews and agrees policies for managing each of these risks which are summarised below.

29.1 Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables. Additionally, in the case of foreign customers, letter of credit or bank guarantees are obtained as considered appropriate in order to manage the credit risk.

With respect to credit risk arising from other financial assets of the Group, including bank balances and time deposit, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Cash is held at reputable banks operating under strict rules of Saudi Central Bank ("SAMA") and Central Bank of UAE ("CBAUAE").

Risk concentration of maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

The Group minimizes concentrations of credit risk by undertaking transactions with a large number of individual and corporate customers and with customers in various geographical locations and industries. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise amount due from related parties, bank balances and term deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The bank balances and deposits are placed with financial institutions of strong repute.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

2025

<u>Ageing of trade receivables</u>	<u>Weighted average loss-rate</u>	<u>Gross carrying amount</u> SAR	<u>Impairment loss allowance</u> SAR
Less than 3 months	0.03%	108,830,474	31,090
From 3 to 12 months	0.42%	9,840,818	41,245
From 12 to 24 months	8.73%	1,831,038	153,170
From 24 to 36 months	75.30%	1,236,719	931,293
More than 36 months	97.20%	116,890,278	113,618,405
Total		<u>238,629,327</u>	<u>114,775,203</u>

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29 RISK MANAGEMENT (continued)

29.1 Credit risk (continued)

Risk concentration of maximum exposure to credit risk (continued)

2024

<u>Ageing of trade receivables</u>	<u>Weighted average loss-rate</u>	<u>Gross carrying amount</u> S	<u>Impairment loss allowance</u> S
Less than 3 months	0.07%	157,015,690	102,730
From 3 to 12 months	2.32%	7,902,197	183,315
From 12 to 24 months	9.96%	3,332,355	331,869
From 24 to 36 months	42.46%	2,275,026	965,929
More than 36 months	83.04%	122,542,344	101,755,356
Total		293,067,612	103,339,199

29.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The Group limits its liquidity risk by ensuring bank facilities and funding from shareholders are available. The Group's terms of business generally require amounts to be paid as per the contractual agreements. It is the Group's policy to obtain short term loan and bank borrowings that matures within the next 12-month period with a renewal option at both parties' discretion.

The table below summarizes the maturity profile of the Group's liabilities based on contractual undiscounted repayment obligation and management exceptions. The liquidity profile of financial liabilities reflects the projected cash flows which includes future interest payments and management expectation over the life of these financial liabilities.

2025	<i>Less than 12 months</i> S	<i>More than 12 months</i> S	<i>Total</i> S
Loans and Murabaha	470,734,575	115,454,004	586,188,579
Loans from Shareholder	10,052,136	75,000,000	85,052,136
Trade payables	80,074,672	1,403,099	81,477,771
Accrued expenses and other payables	38,764,368	-	38,764,368
Accrued zakat	8,341,086	-	8,341,086
Lease liabilities	551,931	4,645,106	5,197,037
Total	608,518,768	196,502,209	805,020,977

2024	<i>Less than 12 months</i> S	<i>More than 12 months</i> S	<i>Total</i> S
Loans and Murabaha	497,878,818	155,212,043	653,090,861
Trade payables	144,179,514	1,647,745	145,827,259
Accrued expenses and other payables	25,780,862	-	25,780,862
Accrued zakat	18,525,514	-	18,525,514
Lease liabilities	994,137	5,326,591	6,320,728
Total	687,358,845	162,186,379	849,545,224

29.3 Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates and foreign exchange rates, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all financial assets traded in the market.

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29 RISK MANAGEMENT (continued)

29.3 Market risk (continued)

29.3.1 Commission rate risk

The Group is exposed to commission rate risk on its commission-bearing short-term and long-term Islamic banking facilities.

The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December. There is no impact on the Group's equity.

The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates, with all other variables held constant.

	Increase/decrease in basis points (+/-)	Effect on profit for the year SAR (+/-)
2025	5	290,249
	10	580,498
2024	5	326,545
	10	653,091

29.3.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rate. Currency risk is managed on the basis of limits determined by the management and a continuous assessment of the Group's open positions and current and expected exchange rate movements. The management believes that there is minimal risk of significant losses due to exchange rate fluctuations since it does not undertake any significant transactions in currencies other than Saudi Arabian Riyal, the US Dollar and the Emirati Dirham. The Saudi Riyal exchange rate is fixed pegged against the US dollar, and therefore, balances and transactions denominated in the US dollar do not represent significant risks. Regarding the AED, the Group's management believes that its exposure to currency risk that is pegged against the AED is limited given that the Saudi Riyal is pegged against the AED.

The effect of a reasonably possible movement of the SAR currency rate against the USD and AED with all other variables held constant on the consolidated statement of income.

30. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as level of dividends to ordinary shareholders.

The Group monitors its capital base using a ratio of net debt to equity. For this purpose, adjusted net debt is defined as the total liabilities, including loans, less cash and cash equivalents. Adjusted equity comprises of all components of equity other than amounts accumulated in hedging reserve.

	2025 SAR	2024 SAR
Total liabilities	861,351,642	923,076,202
Less: Cash and cash equivalents	(6,527,529)	(19,987,523)
Adjusted net debt	854,824,113	903,088,679
Total equity	12,283,515	281,413,583
Adjusted equity	12,283,515	281,413,583
Adjusted net debt to equity ratio	69.59	3.21

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31. COMMITMENTS AND CONTINGENT LIABILITIES

Legal cases

The Group, in its ordinary course of business, is subject to proceedings, lawsuits and other claims. However, these matters are not expected to have any material impact on the Groups consolidated statement of financial position or on the results of its operations as reflected in these consolidated financial statements.

Contingent liabilities

As 31 December 2025, contingent liabilities related to uncovered letter of credit amounted to ~~ﷲ~~ 3.56 million (2024: ~~ﷲ~~ 4.8 million). As at 31 December 2025, the Group has outstanding bank guarantee letters from a local bank amounting to ~~ﷲ~~ 0.5 million (2024: ~~ﷲ~~ 0.6 million).

Capital commitments

The capital commitments of the Group pertaining to purchase of property, plant and equipment amounted to ~~ﷲ~~ 3.4 million as at 31 December 2025 (2024: ~~ﷲ~~ 9.4 million).

32. SUBSEQUENT EVENTS

On 28 October 2024, the Company executed a settlement agreement with Alinma Bank and Alinma Capital Company to settle outstanding loans and Murabaha balances totaling ~~ﷲ~~ 178,179,968. Under this agreement, ~~ﷲ~~ 110,000,000 was settled through the transfer of two land plots and a building, which was completed during 2024. The remaining balance of ~~ﷲ~~ 68,179,968, together with the related real estate transaction tax of ~~ﷲ~~ 5,500,000, was agreed to be converted into equity through the issuance of 5,207,064 new shares at a par value of ~~ﷲ~~ 10 each plus a share premium of ~~ﷲ~~ 4.15, aggregating to ~~ﷲ~~ 73,679,968. During 2025, the Company obtained the Capital Market Authority's approval for the proposed capital increase. Subsequently, on 8 February 2026, the shareholders approved the capital increase through the conversion of the debt owed to Alinma Bank at an issuance price equal to the market price on the day preceding the Extraordinary General Meeting, in accordance with the settlement agreement. As the agreed conversion price differs from the carrying amount of the liability, a related gain will be recognized in the period of completion of transaction.

Furthermore, on 02 February 2026, the Board of Directors passed a resolution to commence the formal procedures for the permanent cessation of operations of "City Pack Co.", a wholly-owned subsidiary held through the Emirates National Factory for Plastic Industries in the United Arab Emirates, with a total share capital of AED 10 million. As of 31 December 2025, the assets and liabilities of this subsidiary have been measured in the consolidated financial statements at their net realizable value and settlement amounts.

As at 31 December 2025, the financial information of city pack is as follows:

	2025
	ﷲ
Total assets	127,005,524
Total Liabilities	132,017,739
Equity	1,153,694
Revenue	53,056,817
Cost of Revenue	(45,960,906)
Operating expenses	(12,813,655)
Net Loss	(11,883,654)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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32. SUBSEQUENT EVENTS (continued)

Subsequent to the reporting date, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasise the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

These developments arose after the reporting period and have therefore been assessed as non-adjusting events in accordance with IAS 10 Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognised in the consolidated financial statements as at 31 December 2025, which reflect conditions existing at that date.

The Group has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

33. COMPARATIVE FIGURES

Certain comparative figures related to cash and cash equivalents, trade receivables, prepayments and other current assets, accrued expenses, other current liabilities, cost of revenue and gross profit of the prior year amounts have been reclassified to conform with the presentation in the current year. The reclassification does not have any effect on the operating loss, total assets, total liabilities and equity and net cash flows statement.

Comparative figures reclassifications are mainly as follows:

	As previously Reported	Amount of reclassification	After Reclassification
Total non-current assets 31 December 2024	805,905,614	9,792,852	815,698,466
Total current assets 31 December 2024	401,575,612	(9,792,852)	391,782,760
Trade receivables	186,756,189	1,108,428	187,864,617
Prepayments and other current assets	35,104,885	(4,099,869)	31,005,016
Accrued expenses and other current liabilities	(28,772,303)	2,991,441	(25,780,862)
Cost of revenue	685,457,221	4,526,288	689,983,509
Gross profit	35,739,012	(4,526,288)	31,212,724
General and administrative expenses	67,297,339	880,721	68,178,060
Other income	(5,730,199)	(880,721)	(6,610,920)

34. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the Board of Directors on 17 March 2026 (corresponding to 28 Ramadan 1447H).