

**FILLING AND PACKING MATERIALS
MANUFACTURING COMPANY
(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) FOR THE THREE-MONTH
PERIOD ENDED 31 MARCH 2025
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**FILLING AND PACKING MATERIALS MANUFACTURING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

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Independent auditor's report on the review of the interim condensed consolidated financial statements

**To the shareholders of Filling and Packing Materials Manufacturing Company
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Filling and Packing Materials Manufacturing Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2025, and the interim condensed consolidated statements of profit and loss and the other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information requires inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Maham Company for Professional Services

Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no. (339)

21 Thul-Qi'dah 1446H
19 May 2025



Filling and Packing Materials Manufacturing Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of financial position
As at 31 March 2025

	Note	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Assets			
Non-current assets			
Property, plant and equipment	4	137,837,489	138,928,689
Right-of-use assets		5,333,604	5,457,641
Intangible assets		686,968	723,000
Total non-current assets		143,858,061	145,109,330
Current assets			
Inventory	5	60,426,047	60,878,946
Trade receivables	6	58,191,643	58,976,581
Prepayments and other current assets	7	11,277,983	7,663,101
Cash and cash equivalents		6,907,769	8,896,196
Total current assets		136,803,442	136,414,824
Total assets		280,661,503	281,524,154
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	8	115,000,000	115,000,000
Retained earnings		52,198,183	55,805,475
Other reserves		(25,358,702)	(25,358,702)
Total shareholders' equity		141,839,481	145,446,773
Liabilities			
Non-current liabilities			
Term loans – non-current portion	10	9,071,333	14,605,298
Government grants - non-current portion	10	632,135	477,356
Lease liabilities – non-current portion		5,422,447	6,023,138
Employees defined benefits liabilities		15,796,677	15,223,547
Contingent liability for acquisition of non-controlling interest	9	11,469,084	11,173,000
Total non-current liabilities		42,391,676	47,502,339
Current liabilities			
Trade payables		12,224,949	35,264,730
Accrued expenses and other current liabilities		16,441,825	16,034,262
Accrued dividend		5,148,109	5,148,109
Term loans – current portion	10	59,734,290	29,182,447
Government grants - current portion	10	595,003	925,523
Leases liabilities - current portion		478,867	516,663
Zakat provision	11	1,807,303	1,503,308
Total current liabilities		96,430,346	88,575,042
Total liabilities		138,822,022	136,077,381
Total shareholders' equity and liabilities		280,661,503	281,524,154


Chief financial Officer


Chief Executive Officer


Chairman

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Filling and Packing Materials Manufacturing Company
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of profit or loss and other comprehensive income
For the three-month period ended 31 March 2025

	Note	For the three-month period ended 31 March	
		2025 (Unaudited) SR	2024 (Unaudited) SR
Revenue	16	53,755,085	56,489,391
Cost of revenue		(44,891,175)	(44,038,804)
Gross profit		8,863,910	12,450,587
Expenses			
Selling and marketing expenses		(3,721,494)	(3,399,905)
General and administrative expenses	12	(6,716,030)	(5,237,729)
Provision for expected credit losses on trade receivables	6	(532,382)	(172,931)
(Loss) profit from operations		(2,105,996)	3,640,022
Finance costs		(1,492,763)	(1,413,689)
Other income, net	13	295,462	429,804
(Loss) profit before Zakat		(3,303,297)	2,656,137
Zakat	11	(303,995)	(631,682)
Net (loss) profit for the period		(3,607,292)	2,024,455
Total (comprehensive loss) comprehensive income for the period		(3,607,292)	2,024,455
Earnings per share			
Basic and diluted (loss) earnings per share from net (loss) profit for the period	14	(0.31)	0.18



Chairman

Chief Executive Officer




Chief financial Officer

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements

Filling and Packing Materials Manufacturing Company and its Subsidiary
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of changes in shareholders' equity
For the three-month period ended 31 March 2025

	Share capital SR	Retained earnings SR	Other reserve SR	Total SR
As at 1 January 2025 (Audited)	115,000,000	55,805,475	(25,358,702)	145,446,773
Net loss for the period	-	(3,607,292)	-	(3,607,292)
Total comprehensive loss for the period	-	(3,607,292)	-	(3,607,292)
As at 31 March 2025 (Unaudited)	115,000,000	52,198,183	(25,358,702)	141,839,481
As at 1 January 2024 (Audited)	115,000,000	54,060,522	(25,358,702)	143,701,820
Net profit for the period	-	2,024,455	-	2,024,455
Total comprehensive income for the period	-	2,024,455	-	2,024,455
As at 31 March 2024 (Unaudited)	115,000,000	56,084,977	(25,358,702)	145,726,275



Chairman



Chief Executive Officer

Chief financial officer



The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Filling and Packing Materials Manufacturing Company
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of cash flows
For the three-month period ended 31 March 2025

	For the three-month period ended	
	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
OPERATING ACTIVITIES		
(Loss) profit before zakat	(3,303,297)	2,656,137
Adjustments for:		
Depreciation of property, plant and equipment	2,487,327	2,629,889
Depreciation of a right-of-use asset	124,037	124,037
Amortization of intangible assets	36,032	45,188
Provision of slow-moving inventory provision	337,099	217,417
Provision for expected credit losses of trade receivables	532,382	172,931
Provision for impairment loss on advance payments to suppliers	-	64,045
Provision for employees defined benefit liabilities	524,715	654,822
Government grants	(175,741)	(217,488)
Finance cost	1,492,763	1,413,689
	<u>2,055,317</u>	<u>7,760,667</u>
Change in operating assets and liabilities:		
Inventory	(930,043)	(6,478,656)
Trade receivables	252,556	3,030,345
Prepayments and other current assets	(3,614,882)	(475,840)
Trade payables	(23,039,781)	(6,388,605)
Accrued expenses and other current liabilities	407,563	(209,030)
Accrued dividend	-	(954)
Cash used in operations	<u>(24,869,270)</u>	<u>(2,762,073)</u>
Employees defined benefits liabilities paid	(154,695)	(228,914)
Finance costs paid	(852,032)	(499,534)
Net cash used in operating activities	<u>(25,875,997)</u>	<u>(3,490,521)</u>
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(350,284)	(733,582)
Net cash used in investing activities	<u>(350,284)</u>	<u>(733,582)</u>
FINANCING ACTIVITIES		
Loans received	36,870,182	18,999,675
Loans paid	(11,852,304)	(7,138,921)
Payment of lease liabilities	(780,024)	(780,024)
Net cash from financing activities	<u>24,237,854</u>	<u>11,080,730</u>

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Filling and Packing Materials Manufacturing Company
 (A Saudi Joint Stock Company)
 Interim condensed consolidated statement of cash flows (continued)
 For the three-month period ended 31 March 2025

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
Net (decrease) increase in cash and cash equivalents		
Cash and cash equivalent at the beginning of the period	(1,988,427)	6,856,627
Cash and cash equivalents at the end of the period	8,896,196	14,142,894
	<u>6,907,769</u>	<u>20,999,521</u>
Non cash transaction		
Transferred from inventory to property, plant and equipment	1,045,843	-
	<u>1,045,843</u>	<u>-</u>



Chairman

Chief Executive Officer




Chief financial Officer

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

1 GENERAL INFORMATION

Filling and Packing Materials Manufacturing Company (“the Company”) is A Saudi Joint Stock Company formed in accordance with the Companies Regulation and is registered in the Kingdom of Saudi Arabia (“KSA”) under the Commercial Registration No. 1010084155 dated 4 Dhul-Hijjah 1411H (corresponding to 17 June 1991).

The main activities of the Group are weaving textiles from industrial threads such as nylon, cutting and detailing covers for machines and goods, manufacturing plastics in their primary forms, manufacturing industrial threads, and manufacturing containers and bags from plastics.

The registered address of the group is 7305 - Second Industrial Area - Unit No. 7306 Riyadh - Kingdom of Saudi Arabia P.O. Box: 14335 Riyadh 2483.

These condensed consolidated financial statements include the financial statements of the company and the following subsidiaries (collectively referred to as the 'Group')

Subsidiary	Ownership percentage direct and indirect %	
	31 March 2025 (unaudited)	31 December 2024 (audited)
FPC Industrial Company	100%	100%
Zilal Al Dana Tents Company	100%	-

FPC Industrial Company

FPC Industrial Company - is a Saudi Closed Joint Stock Company and registered under the Commercial Registration No. 1010468446 dated 2 Jumada al-Thani 1438H corresponding to 1 March 2017. The Company is the engaged in the cutting and detailing tents and sails, car and furniture covers, machinery and goods covers, and the manufacture of bags, flags, banners, umbrellas, and tents.

Zilal Al Dana Tents Company

On 11 Rajab 1446H (corresponding to 11 January 2025), the branch of FPC Industrial Company (Zilal Al Dana Tents Company) was converted into a Limited Liability Company wholly owned by the Packaging Materials Manufacturing Company (FIPCO), under the name “Zilal Al Dana Tents Company” registered under Commercial Registration No. 1010822409 dated 1 Safar 1444H (corresponding to 28 August 2022). The Company is engaged in metal workshop activities, general construction of residential buildings, general construction of non-residential buildings (such as schools, hospitals, hotels, etc.), construction of airports and their facilities, general construction of government buildings, on-site construction of prefabricated buildings, and general sports construction including stadiums and the construction of military yards, installation of canopies and barriers, interior fittings for shops, mobile buildings, and boats.

2 BASIS OF PREPARATION

2-1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard “Interim Financial Report” (“IAS 34”) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2024. These statements do not include all the information required for a complete set of financial statements under the International Financial Reporting Standards that is endorsed in the Kingdom of Saudi Arabia. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's interim condensed consolidated financial position and financial performance since the last reviewed annual consolidated financial statements.

2 BASIS OF PREPARATION (continued)

2-2 Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except employee defined benefit liabilities which are measured under the projected unit credit method. Furthermore, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting and the going concern principle.

2-3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (SR), which is the Group's functional and presentation currency.

2-4 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiary as of 31 March 2025. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Control is achieved when the Group is exposed to, or has rights to, variable returns from its relationship with the investee, and has the ability to affect the returns by exercising its power over the investee. In particular, the Group controls an investee only when the Group has:

- Control over the investee company;
- Exposure to risks, and has rights to obtain different returns through its relationship with the investee company.
- The ability to use its power over the investee company to affect its returns.

The Group conducts a reassessment to ascertain whether or not it exercises control over an investee when facts and circumstances indicate that there is a change in one or more of the three elements of control mentioned above.

When the Group has less than a majority of the voting rights of an investee, it has control over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee individually.

The Group considers all relevant facts and circumstances when determining whether it exercises control over an investee, including:

- The size of the company's voting rights in proportion to the size of the voting rights owned by other parties.
- Potential voting rights owned by the Group or voting rights owned by other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating that the Group has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting methods at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group ceases to exercise such control. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date on which control is transferred to the Group until such control ceases.

All assets and liabilities, as well as equity, revenues, expenses and cash flows relating to intra-group transactions are eliminated in full when consolidating the financial statements.

2 BASIS OF PREPARATION (continued)

2-5 Material accounting policies

The accounting policies applied in these interim condensed consolidated financial statements are the same policies applied to the Group's annual consolidated financial statements as at and for the year ended 31 December 2024.

The amendments related to the lack of exchangeability between a currency and a foreign currency under IAS 21 (The Effects of Changes in Foreign Exchange Rates) became effective on 1 January 2025, but did not have an impact on the Group's interim condensed consolidated financial statements.

2-6 Changes in material accounting policies

Certain new accounting standards and interpretations have been issued that are not yet mandatory for the period ended 31 March 2025, and the Group has not early adopted them. Management is currently assessing the impact of these issuances on future reporting periods.

3 SIGNIFICANT ASSUMPTIONS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, requires management to make judgments, estimates, and assumptions as of the date of the interim condensed consolidated financial statements, which affect the reported amounts of revenue, expenses, assets, and liabilities, as well as the disclosure of contingent assets and liabilities. However, due to the inherent uncertainty of these assumptions and estimates, actual results may differ and may require a material adjustment to the carrying amounts of the affected assets or liabilities in future periods. Estimates and judgments are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future, and as a result, the accounting estimates may differ from the actual outcomes related to those estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2024.

Filling and Packing Materials Manufacturing Company
(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

4 PROPERTY, PLANT AND EQUIPMENT

The estimated useful lives of assets for calculating depreciation are as follows:

Buildings	33 years or lease term, whichever is lesser	7 years	Spare parts	5 years
Building improvements	33 years or lease term, whichever is lesser	5 years		
Machinery and equipment	10-25 years / unit of production method	4 years		

	Buildings SR	Building improvements SR	Machinery and equipment and spare parts SR	Tools and equipment SR	Furniture and fixtures SR	Vehicles SR	Capital works in progress SR	Total SR
Cost:								
At 1 January 2025 (Audited)	37,022,198	11,940,547	279,203,017	1,062,619	9,981,871	4,033,941	166,982	343,411,175
Additions	-	-	230,354	92,500	27,430	-	-	350,284
Transferred from inventory	-	-	1,045,843	-	-	-	-	1,045,843
At 31 March 2025 (Unaudited)	37,022,198	11,940,547	280,479,214	1,155,119	10,009,301	4,033,941	166,982	344,807,302
Accumulated depreciation								
At 1 January 2025 (Audited)	31,551,338	1,949,896	157,467,800	499,261	9,268,411	3,745,780	-	204,482,486
Depreciation for the period	284,775	92,900	1,969,855	41,425	69,449	28,923	-	2,487,327
At 31 March 2025 (Unaudited)	31,836,113	2,042,796	159,437,655	540,686	9,337,860	3,774,703	-	206,969,813
Net book value								
At 31 March 2025 (Unaudited)	5,186,085	9,897,751	121,041,559	614,433	671,441	259,238	166,982	137,837,489

Filling and Packing Materials Manufacturing Company
(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

4 PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings SR	Building improvements SR	Machinery and equipment and Spare parts SR	Tools and equipment SR	Furniture and fixtures SR	Vehicles SR	Capital works in progress SR	Total SR
Cost:								
At 1 January 2024 (Audited)	36,904,448	11,934,277	276,616,320	1,022,559	9,595,814	3,959,418	166,982	340,199,818
Additions	117,750	6,270	2,586,697	40,060	386,057	74,523	-	3,211,357
At 31 December 2024 (Audited)	37,022,198	11,940,547	279,203,017	1,062,619	9,981,871	4,033,941	166,982	343,411,175
Accumulated depreciation								
At 1 January 2024 (Audited)	30,413,516	1,591,809	147,813,292	352,460	9,005,790	3,598,091	-	192,774,958
Charged for the year	1,137,822	358,087	9,654,508	146,801	262,621	147,689	-	11,707,528
At 31 December 2024 (Audited)	31,551,338	1,949,896	157,467,800	499,261	9,268,411	3,745,780	-	204,482,486
Net book value								
At 31 December 2024 (Audited)	5,470,860	9,990,651	121,735,217	563,358	713,460	288,161	166,982	138,928,689

- Buildings and their improvements are situated on a land leased from the Saudi Authority for Industrial Cities and Technology Zones in Riyadh under a 20-year lease term and renewable for similar periods.
- The vast majority of the property, plant and equipment are pledged in favor of the Saudi Industrial Development Fund against loans granted by the Fund.

5 INVENTORY

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	SR	SR
Raw materials	24,558,882	26,118,030
Finished goods	19,206,984	17,783,715
Work in progress	12,858,863	12,115,052
Other materials and supplies	1,601,871	2,435,350
Goods in transit	2,199,447	2,426,799
	<u>60,426,047</u>	<u>60,878,946</u>

The movement of provision for slow-moving and obsolete inventory:

	For the three- month period ended 31 March 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
	SR	SR
Charged during the period/year	337,099	20,714
Written off during the period/year	(337,099)	(20,714)
Balance at the end of the period/year	<u>-</u>	<u>-</u>

According to the Group's accounting policy, the Group identifies inventory items that are considered to be impaired due to obsolescence or other factors that have reduced their recoverable value. A provision for impairment is recorded to reduce the carrying amount of these items to their net realizable value. At the end of each financial period, the Group writes off the provision for inventory impairment.

6 TRADE RECEIVABLES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	SR	SR
Total trade receivables	63,248,722	63,501,278
Less: provision for expected credit losses	(5,057,079)	(4,524,697)
Trade receivables, net	<u>58,191,643</u>	<u>58,976,581</u>

- Trade receivables are commission-free and are generally due within 30-90 working days. The carrying amount may be affected by changes in the credit risk of counterparties.
- The majority of the Group's trade receivables are concentrated in the Kingdom of Saudi Arabia.
- As at 31 March 2025, impaired trade receivables totaled SR 5,057,079 (31 December 2024 totaled SR 4,524,697) and a provision for impairment was made, as appropriate.

6 TRADE RECEIVABLES (continued)

Movement in the provision for expected credit losses:

	For the three-month period ended 31 March 2025 (Unaudited) SR	For the year ended 31 December 2024 (Audited) SR
At the beginning of the period/year	4,524,697	2,517,588
Charged during the period/year	532,382	2,084,019
Written off during the period/year	-	(76,910)
At the end of the period/year	<u>5,057,079</u>	<u>4,524,697</u>

The following is the aging analysis of receivables:

	Total	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days
31 March 2025	63,248,722	42,744,658	11,637,453	787,444	6,486,523	1,592,644
31 December 2024	63,501,278	46,473,837	9,566,151	1,020,998	4,954,951	1,485,341

7 PREPAYMENTS AND OTHER CURRENT ASSETS

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Advance payments to suppliers	8,209,858	2,696,401
Employees receivables	2,278,404	2,268,342
Prepaid expenses	1,169,107	1,253,371
Margin on letter of guarantees	199,301	1,998,035
Value added tax	26,199	-
Other	-	51,838
Less: provision for impairment loss	(604,886)	(604,886)
	<u>11,277,983</u>	<u>7,663,101</u>

8 SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company consists of 11.5 million shares of SR 10 each (31 December 2024: 11.5 million shares of SR 10 each).

9 ACQUISITION OF NON-CONTROLLING INTEREST IN FPC INDUSTRIAL COMPANY

During 2020, the Company acquired the non-controlling stake of 20% in FPC Industrial Company (the subsidiary) and therefore it became a wholly owned subsidiary of the Group. According to the acquisition agreement, the selling party is entitled to 20% of the annual net profit of the subsidiary, calculated according to the audited financial statements for a period of ten years only, which ends on 31 December 2029. Accordingly, the Company conducted an assessment for the potential commitment in accordance with the aforementioned agreement. Management believes that the calculation of this potential liability reflects the best estimate in light of the available data and is reassessed annually.

The consideration amount due in respect of the acquisition exceeded the fair value of the stake as at the acquisition date by an amount of SAR 25,358,702, which was classified under "Other reserves" within shareholders' equity.

9 ACQUISITION OF NON-CONTROLLING INTEREST IN FPC INDUSTRIAL COMPANY (continued)

The movement of contingent liability the for acquisition of non-controlling interest is as follows:

	For the three-month period ended 31 March 2025 (Unaudited) SR	For the year ended 31 December 2024 (Audited) SR
At the beginning of the period/year	11,173,000	13,999,000
Change as a result of re-estimation	-	(4,319,693)
Financial costs during the period/year	296,084	1,493,693
At the end of the period/year	11,469,084	11,173,000

10 TERM LOANS

The Group entered into an agreement with the Saudi Industrial Development Fund for a gross financing of SR 50.4 million in order to finance the expansion of the plant and for the purpose of purchasing new production lines to increase production capacity. The Industrial Development Fund's loan guarantees include the pledge of majority of the Group's property, plant and equipment.

The Group obtained credit facilities amounting to SR 73 million from a local bank for the purposes of financing the Group's activities. The utilized balance amounted to SR 26.8 million in the form of loans maturing within a period not exceeding 3 to 12 months. The loan carries a commission according to the prevailing commercial rates between banks in the Kingdom of Saudi Arabia.

Loans include certain covenants. Any future breach of commitments may lead to renegotiation. certain are monitored on a monthly basis by management. In the event of any potential violation, management takes measures to ensure compliance.

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Current portion of term loans	59,734,290	29,182,447
Non-current portion of term loans	9,071,333	14,605,298
	68,805,623	43,787,745

According to IFRS 20 government grants and other forms of government assistance, the interest rate on loans that carry an interest rate below the market rate is measured at fair value. The difference between the book value of the loan from the Saudi Industrial Development Fund and the amount received is also treated as government grants. The government grants were as follows:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Government grants – current portion	595,003	925,523
Government grants - non-current portion	632,135	477,356
At the end of period / the year	1,227,138	1,402,879

11 ZAKAT

Zakat expense for the year is determined in accordance with the requirements of the Zakat, Tax and Customs Authority ("ZATCA") and charged to the consolidated statement of profit or loss and comprehensive income. Differences resulting from the final zakat calculation, if any, are adjusted in the period in which the final assessments are received. The provision for the period was calculated based on the zakat base of the Company and its wholly-owned subsidiaries as a whole, as the Group submits a consolidated zakat return.

The Group submitted its zakat returns to the Zakat, Tax, and Customs Authority for all years up to 2024, and the Group obtained the final zakat assessments for the years up to 2023 and paid related zakat on it. ZATCA has not yet issued the zakat assessment for the year 2024.

Zakat provision movement:

	For the three-month period ended 31 March 2025 (Unaudited) SR	For the year ended 31 December 2024 (Audited) SR
At the beginning of the period/year	<u>1,503,308</u>	2,988,120
Charged during the period/year	303,995	1,412,653
Paid during the period/year	-	(2,897,465)
At the end of the period/year	<u>1,807,303</u>	<u>1,503,308</u>

12 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended 31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Salaries, wages and its equivalence	<u>5,029,016</u>	3,333,304
Consulting and professional fees	395,471	443,173
Board members allowance	317,500	290,500
Research and development expenses	294,916	352,399
Telephone and postage	93,529	26,952
Training expenses	75,704	16,800
Security and safety expenses	63,653	62,963
Amortization of intangible assets	36,032	45,188
Insurance expenses	35,837	23,149
Depreciation of property, plant and equipment	33,005	26,909
Maintenance	28,849	42,549
Bank expenses	26,172	148,634
Electricity and water	23,620	38,076
Provision for impairment loss on advance payments to suppliers	-	64,045
Others	262,726	323,088
	<u>6,716,030</u>	<u>5,237,729</u>

13 OTHER INCOME, NET

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
Currency translation differences	211,745	(137,754)
Scrap sales and other supplies	62,582	46,481
Support of the Export Development Authority	21,135	55,365
Murabaha deposit income	-	232,943
Support the Higher Institute of Plastics	-	226,434
Other	-	6,335
	295,462	429,804

14 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share since the Company has no diluted shares issued.

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
(Loss) Profit for the period attributable to shareholders	(3,607,292)	2,024,455
Weighted average number of shares	11,500,000	11,500,000
Basic and diluted (loss) earnings per share from net (loss) profit for the period	(0.31)	0.18

15 RELATED PARTY TRANSACTIONS AND BALANCES

Senior management employees are defined as people who have the authority and responsibility to plan, direct and control the Group's activities (directly or indirectly)

Transactions with related parties include salaries, bonuses and allowances of members of the Board of Directors and senior executives that took place during the year between the Group and senior management. Transactions with related parties were as follows:

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
Short-term salaries and benefits	995,296	1,004,013
Allowances and rewards for the Board of Directors and other committees	317,500	290,500
Defined employee benefit obligations	55,330	53,374
	1,368,126	1,347,887

16 SEGMENT REPORTING

The Group's management has determined the operating segments based on the reports reviewed by the Board of Directors, on the basis of which strategic decisions are taken. For management purposes, the Group is organized into two segments. The following are the operating segments of the Group:

Packing and packaging

The Packing and packaging sector is engaged in weaving textiles from industrial threads such as nylon, manufacturing bags from plastics, manufacturing plastics (plastics) in their primary forms, spinning and preparing plant fibers such as hemp and staple.

Technical textiles

The technical textiles sector is engaged in cutting and detailing tents and sails, car and furniture covers, machinery and goods covers, and the manufacture of bags, flags, banners, umbrellas and awnings.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with the operating profit or loss in the interim condensed consolidated financial statements.

Below represents the summary of Groups revenue from contracts with customers:

For the three-month period ended 31 March 2025 (Unaudited)	Packing and packaging (SR)	Technical textiles (SR)	Eliminations (SR)	Total (SR)
Revenues	43,392,164	10,771,690	(408,769)	53,755,085
Cost of revenue	(35,320,852)	(10,041,802)	471,479	(44,891,175)
Total profit	8,071,312	729,888	62,710	8,863,910
For the three-month period ended 31 March 2024 (Unaudited)	Packing and packaging (SR)	Technical textiles (SR)	Eliminations (SR)	Total (SR)
Revenues	40,795,622	15,693,769	-	56,489,391
Cost of revenue	(31,841,620)	(12,259,894)	62,710	(44,038,804)
	8,954,002	3,433,875	62,710	12,450,587

REVENUES

	For the three-month period ended	
	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Sale of packaging and packaging products	42,983,395	40,795,622
Sale of technical textiles	10,771,690	15,693,769
Revenue recognized at a point of time	53,755,085	56,489,391

16 SEGMENT REPORTING (continued)

Revenue geographical analysis

The geographical analysis of the Group's revenue is as follows:

	For the three-month period ended	
	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Kingdom of Saudi Arabia	33,209,716	38,687,776
Other countries	20,545,369	17,801,615
Total revenue	53,755,085	56,489,391

The details of the assets and liabilities of the Group's segments are as follows:

As 31 March 2025 (Unaudited)	Packing and packaging (SR)	Technical tex- tiles (SR)	Eliminations (SR)	Total (SR)
Total assets	295,676,457	145,545,473	(160,560,427)	280,661,503
Total liabilities	124,418,425	109,089,623	(94,686,026)	138,822,022
As of 31 December 2024 (Audited)	Packing and packaging (SR)	Technical tex- tiles (SR)	Eliminations (SR)	Total (SR)
Total assets	283,214,667	146,569,128	(148,259,641)	281,524,154
Total liabilities	117,204,832	106,898,998	(88,026,449)	136,077,381

17 FAIR VALUE MEASUREMENT

Fair value is the value at which assets are exchanged or liabilities are settled between willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. Financial assets include cash and cash equivalents and trade receivables. Financial liabilities include term loans, trade payable and lease liabilities.

The management has assessed that the fair value of cash and cash equivalents and trade receivables, term loans, trade payable, and lease liabilities approximates their carrying amounts. This is mainly due to the short-term maturity of these instruments.

During the period ended 31 March 2025 and the year ended 31 December 2024, there were no transfers between Level 1 and Level 2 of the fair value hierarchy, nor were there any transfers into or out of Level 3 of the fair value hierarchy.

31 March 2025

18 CONTINGENCIES

As at 31 March 2025, the Group had outstanding letters of credit and letters of guarantee amounted to SR 653,525 (at 31 December 2024: SR 3,352,086).

19 INTERIM RESULTS

The results of operations for the three-month period ended 31 March 2025 are not necessarily indicative of the Group's annual results.

20 COMPARATIVE FIGURES

During the year ended December 31, 2024, the Group noted that raw material sales and their related costs were classified under other income on a net basis. Accordingly, raw material sales were reclassified under revenues, while the related costs were presented under cost of revenues.

31 March 2024	Balances Before Reclassification SR	Reclassification SR	Balances After Reclassification SR
Interim condensed consolidated statement of profit or loss and other comprehensive income			
Revenue	51,316,959	5,172,432	56,489,391
Cost of revenue	(39,293,328)	(4,745,476)	(44,038,804)
Other income, net	856,760	(426,956)	429,804

21 SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events since the end of the period that may require disclosure or amendment to these interim condensed consolidated financial statements.

22 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the board of directors on 17 Thul-Qi'dah 1446H (corresponding to 15 May 2025).