United Gulf Investment Corporation B.S.C.

Consolidated financial statements
for the year ended 31 December 2025

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United Gulf Investment Corporation B.S.C.
Administration and contact details as at 31 December 2025

Commercial registration no.	24377-1 obtained on 18 February 1991	
Board of Directors	Rashed Abdulla Al Suwaiket Al Hajri	- Chairman
	Abdulla Mubarak Abdulla Al-Suwaiket	- Vice - Chairman
	Abdulla Fahad Al-Subaie	- Board member
	Talal Yusuf Fakhroo (Joined from 26 March 2025)	- Board member
	Rabia Hassan Azzouz (Joined from 26 March 2025)	- Board member
	Qusay Khalil Yusuf Al-Khalili (Until 26 March 2025)	
	Waleed Fahad Al-Tharman (Until 26 March 2025)	
Authorised persons	Rashed Abdulla Al Suwaiket Al Hajri Qusay Khalil Yusuf Al-Khalili	
Chief Executive Officer and Secretary to the Board	Qusay Khalil Yusuf Al-Khalili	
Audit Committee	Rabia Hassan Azzouz	- Chairman
	Abdulla Fahad Al-Subaie	
	Abdulla Mubarak Abdulla Al-Suwaiket	
Registered office	Office 3202, Building 2504 Road 2832, Block 428 Al-Seef District Kingdom of Bahrain	
Principal Bankers	Arab National Bank Alinma Bank Ithmaar Bank Khaleeji Commercial Bank Kuwait Finance House Saudi National Bank	
Auditors	BDO 17th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	
Registrars	KFin technologies (Bahrain) W.L.L. PO Box 514 Manama Kingdom of Bahrain	
	Bahrain Clear B.S.C. (c) Bahrain Financial Harbour Harbour Gate - Level 4 PO Box 3203 Manama Kingdom of Bahrain	

Directors' Report

On behalf of my fellow board members and the employees of United Gulf Investment Company ("UGIC"), I am pleased to present our annual report and the financial results for the year ended 31 December 2025.

First, the company's net profit amounted to approximately BHD 719,705 after the Zakat provision, compared with approximately BHD 1,217,007 in 2024. As we anticipated for 2025, the year witnessed global geopolitical and economic challenges that cast a shadow over the world economy and the global steel industry, with a notable negative impact from U.S. customs duties imposed on imports of metal alloys and metals (including ferromanganese and silicomanganese), which affected exports and global prices. The depreciation of the Indian rupee to historic lows also boosted price competition from Indian mills, which additionally benefited from access to cheap Russian oil and gas, strengthening India's export position worldwide and exerting significant downward pressure on our product prices, leading to reduced sales and squeezed profit margins.

Nonetheless, by God's grace and through sustained efforts, the Group maintained its financial performance and avoided recording losses thanks to hedging and the projects in which the Company invested over the past ten years, which spared it from the large losses that would otherwise have been inevitable as a result of these global events. We are also still pursuing an anti-dumping case against Indian mills in the Kingdom to curb the influx of these products at extremely low prices, as countries worldwide continue to file anti-dumping cases against India, and India has recently found GCC markets as an alternative outlet.

The Group achieved local content exceeding 40% and localization rates exceeding 42%, thereby meeting the highest government standards in building a national industry of which we can be proud at all national forums.

Also, after the Public Investment Fund's acquisition of both Hadeed Sabic and Hadeed Al-Rajhi, they have been pressuring the Company to grant price discounts, which constitutes a future challenge being managed cautiously and rationally, since they are now unequivocally the Company's largest customers. The iron sector is suffering multi-billion losses this year, which is the same sector as the metal alloys in which we operate.

By God's grace, thanks to the efforts of the Company's management and its esteemed Board, the Company this year secured a reduction in the electricity tariff. This reduction is subject to stringent criteria set by the official authorities and is granted upon meeting the required standards year by year, in addition to strict conditions. This support strengthened the Company's position and helped keep production costs within acceptable limits given the significant decline in global commodity prices.

Requirements for the Royal Commission in Jubail are being completed, and the land adjacent to the Company's site is being prepared to carry out expansion projects and manufacture products according to the understanding with the Minister of Industry and Mineral Resources. These projects include entry into the electric battery industry and production of certain steels for military armor plates, creating a strategic opportunity to diversify the Company's customer base and form future alliances with electric vehicle manufacturers.

Incorporated on 18/02/1991 Authorized Capital of BD 40 Million. Subscribed & Paid up capital of BD 20 Million. CR # 24377
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www.ugiccorp.com

Low-carbon ferromanganese was added to the Company's product range this year, by God's grace, following successful trial production. Investment will be made to install the dedicated plant for this product to serve Hadeed Company and, in future, Hadeed Ras Al-Khair. We hope this will, God willing, strengthen the diversification of the Company's product base.

The Company is implementing gradual hedging and a plan to upgrade the electric transformers for its 12 furnaces; the cost of each transformer is approximately one million. This is part of a long-term plan to protect the Company's assets and shareholders' rights over the long term, noting that delivery of each transformer takes nine months.

Thanks to the Board's efforts, the Company is obtaining the necessary security approvals to import certain specialized industrial materials—such as aluminum powder, molybdenum, titanium, and vanadium—since they have dual military and civilian uses. We extend our thanks to the official authorities in the Kingdom of Saudi Arabia and the Kingdom of Bahrain for facilitating the Company's matters given the sensitivity and importance of these industries.

All thanks, praise and gratitude be to God, and then to the significant support we receive from UGIC shareholders and Sabaik Company and their patience over these years, which has enabled the Company to overcome these challenges and build a sustainable business. We are proud of our shareholders and their support in building sustainable national industries, which, God willing, will continue to create and innovate quality employment opportunities for our children in the future.

Company sales reached SAR 391 million for 2025 compared with SAR 435 million in 2024.

A corporate communications unit has been established to facilitate relations with our shareholders, easing communication and responding to any shareholder inquiries. Strengthening the Company with an internal control and audit unit in line with applicable standards also reaffirms our commitment to global ESR and ESG standards. By God's grace, this was crowned by obtaining three ISO certifications, which helps present a clear picture of the Group's status and work to avoid future shocks that could materially affect the Company's value. This follows the Board's current approach of development, improvement, and prudent management to convey an accurate picture to its shareholders and employees and to protect shareholders' rights.

Rukam Industrial, which specializes in recycling steel slag, has faced challenges due to ongoing pressures on the steel industry and delays in receiving additional equipment from Europe. We hope Rukam will strengthen our position in consolidating relationships with major steel mills in the Kingdom; by God's grace we have restored our relationship with Hadeed Al-Tuwairqi. This contributes to diversifying income sources and gives our companies a role in the circular economy and reducing carbon emissions in preparation for entering the carbon market.

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These strategic industries continue to benefit from Gulf local raw materials, adding to the integration of the GCC economy and increasing local content to higher levels in line with Vision 2030, inspired by the insights and wisdom of the Gulf leaders (may God preserve them) regarding the development of mining industries in the GCC. We always look forward to their necessary support for this industry.

Second, regarding the activities of Dhahran Chemical Industries and Marketing Company in 2025: it was also significantly affected by the geopolitical events. The Company achieved sales of 68,924 tonnes out of a target of 88,239 tonnes for the year, and there were no distributions by Dhahran Chemical Industries and Marketing Company during 2025.

Third: United Gulf Trading Company achieved a profit of BHD 66,478 for 2025, and we aspire to increase this in 2026.

Outlook:

God willing, United Gulf Investment Company expects 2026 to witness political tensions due to geopolitical events and threats to close the Strait of Hormuz, which could negatively affect supply chains and manufacturing in the region, as well as unstable customs tariffs worldwide. We also expect global interest rates to fall, which may support final product prices; however, economic wars, currency movements against the dollar, global energy supply chains, and countries' imposition of tariffs to protect their domestic mills could have a far greater impact than a possible decline in interest rates.

Approvals / Recommendations

Based on the financial results, the Board of Directors recommends the following:

- Transfer an amount of BHD 53,259 to the legal reserve, representing 10% of net profit attributable to the Company's shareholders, in order to comply with the Bahrain Commercial Companies Law.

In line with Article 188 of Decree Law No.(28) of 2020.

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Name	Fixed remunerations					Variable remunerations							
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries (BD)	Others*	Total (BD)	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others**	Total	End-of-service award	Aggregate amount(Does not include expense allowance)	Expenses Allowance
First: Non Independent - Non Executive Directors:													
Rashed Abdulla Alsuwaiket Al Hajri	-	2,600	-	-	2,600	-	-	-	-	-	-	2,600	-
Second: Independent - Non-Executive Directors:													
Abdulla Fahad Alhazza Subaie	-	2,600	-	-	2,600	-	-	-	-	-	-	2,600	-
Talal Fakhroo	-	2,600	-	-	2,600	-	-	-	-	-	-	2,600	-
Abdulla Mubarak Alsuwaiket	-	2,600	-	-	2,600	-	-	-	-	-	-	2,600	-
Rabia Azzouz		2,600	-	-	2,600	-	-	-	-	-	-	2,600	-
Total		13,000			13,000							13,000	

Note: All amounts in Bahraini Dinars.

Other remunerations:

* It includes in-kind benefits - specific amount - remuneration for technical, administrative and advisory works (if any). ** It includes the board member's share of the profits - Granted shares (insert the value) (if any).

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Executive management remuneration details:

None of the members of the Board of Directors of United Gulf Investment Company received bonuses during 2025 except for attendance fees. The executive management and senior staff of the Group received a total of BHD 341,450 (inclusive).

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025)	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	341,450	-	-	341,450

Note: All amounts must be stated in Bahraini Dinars.

*** The highest authority in the executive management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director...etc).**

**** The company's highest financial officer (CFO, Finance Director, ...etc)**

Finally, on behalf of themselves and the shareholders, the Chairman and members of the Board of Directors seize this opportunity to express their sincere appreciation and gratitude to His Majesty King Hamad bin Isa Al Khalifa, King of Bahrain; His Royal Highness the Crown Prince Prince Salman bin Hamad Al Khalifa, Prime Minister and Deputy Supreme Commander of the Defense Force; to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz; to His Royal Highness Crown Prince Mohammed bin Salman; and to Their Majesties and Highnesses, the leaders of the Gulf Cooperation Council countries, for their continued support.

We also express our gratitude and thanks to all ministries and government authorities, in particular the Ministry of Industry, Commerce and Tourism, the Bahrain Bourse, Bahrain Clearing Company, the Central Bank's Market Surveillance and Control Department, and the Secretariat General of the Gulf Cooperation Council, wishing them continued prosperity and progress for the GCC countries under the flourishing era of their leaders.

Rashid Abdullah Al-Suwaiket Al-Hajri

Chairman - Board of Directors

الشركة الخليجية المتحدة للأستثمار (ش.م.ب)
UNITED GULF INVESTMENT CORPORATION (B.S.C.)
CR: 24377-1, KINGDOM OF BAHRAIN

Qusay Al Khalili

Chief Executive Officer

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Tel : +973 1753 0077
Fax: +973 1791 9091
www.bdo.bh

17th Floor
Diplomat Commercial Office Tower
PO Box 787
Manama
Kingdom of Bahrain

Independent auditor's report to the shareholders of United Gulf Investment Corporation B.S.C.

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of United Gulf Investment Corporation B.S.C. ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of 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 as issued by International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters include:

Revenue recognition

Revenue primarily consists of sales as disclosed in Note 22 of the consolidated financial statements. Revenue is considered to be a key performance measure and by default, this area has a fraud risk element and is therefore always considered as a significant risk.

Our audit procedures included, considering the appropriateness of the Group's revenue recognition policies and assessing compliance with the policies in light of the applicable accounting standards. We have tested the effectiveness of internal controls implemented by the Group over the revenue cycle and tested the relevant supporting documents on a sample basis to confirm the reasonableness and accuracy of sales transactions. We also tested sales transactions taking place at either side of the consolidated statement of financial position date to assess whether the revenue was recognised in the correct period.

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Report on the consolidated financial statements (continued)

Other information

Management is responsible for the other information. The other information consists of the information included in the Group's annual report, other than the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which form part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Those Charged With Governance ("TCWG") for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, 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, 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 management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism 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.

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Report on the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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.

- Conclude on the appropriateness of management's 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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.

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Independent auditor's report to the shareholders of United Gulf Investment Corporation B.S.C. (continued)

Report on other legal and regulatory requirements

(A) As required by the Bahrain Commercial Companies Law, in case of the Company, we report that:

(1) we have obtained all the information we considered necessary for the purpose of our audit;
(2) the Company has carried out stock-taking in accordance with recognised procedures, has maintained proper books of account and the financial statements are in agreement therewith; and
(3) the financial information included in the Board of Directors' report is consistent with the books of account of the Company.

(B) As required by the Ministry of Industry and Commerce in its letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that:

(1) the Company has appointed a corporate governance officer; and
(2) the Company has Board approved written guidance and procedures for corporate governance.

In addition, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or of its Memorandum and Articles of Association, which would materially affect its activities, or its financial position as at 31 December 2025.

BDO

Manama, Kingdom of Bahrain
26 February 2026

BDO Public Accountants Reg. No. 239 Samson Kattuvattil

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See Auditor's Report dated 26/2/26
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature:

United Gulf Investment Corporation B.S.C.
Consolidated statement of financial position as at 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	6	26,159,655	27,620,984
Investment in associates	7	2,466,908	2,441,283
Right-of-use assets	8	159,777	256,596
		28,786,340	30,318,863
Current assets			
Financial assets at fair value through profit or loss	9	68,000	10,400
Inventories	10	19,046,913	21,520,645
Trade and other receivables	11	10,322,081	10,986,125
Mudaraba deposits	12	786,275	1,388,542
Cash and bank balances	13	5,065,458	2,522,718
		35,288,727	36,428,430
Total assets		64,075,067	66,747,293
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	20,000,000	20,000,000
Statutory reserve	15	3,672,526	3,619,267
Share premium	16	116,328	116,328
Other reserves	16	8,182,812	8,203,483
Equity attributable to the shareholders of the Parent		31,971,666	31,939,078
Non-controlling interest	17	8,263,105	8,075,988
		40,234,771	40,015,066
Non-current liabilities			
Non-current portion of term loans	18	12,534,100	13,544,100
Non-current portion of lease liabilities	19	69,748	170,999
Employees' terminal benefits	20	959,051	907,105
		13,562,899	14,622,204

See Auditor's Report dated 26/2/26
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature:

United Gulf Investment Corporation B.S.C.
Consolidated statement of financial position as at 31 December 2025 (continued)
(Expressed in Bahrain Dinars)

	Notes	31 December 2025	31 December 2024
Current liabilities			
Current portion of term loans	18	1,010,000	1,010,000
Current portion of lease liabilities	19	101,251	94,401
Trade and other payables	21	9,166,146	11,005,622
		10,277,397	12,110,023
Total equity and liabilities		64,075,067	66,747,293

The consolidated financial statements were approved, authorised for issue by the Board of Directors and signed on their behalf by:

Rashed Abdulla Al Suwaiket Al Hajri
Chairman

Abdulla Mubarak Abdulla Al-Suwaiket
Vice - Chairman

See Auditor's Report dated 26/2/26
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature:

United Gulf Investment Corporation B.S.C.
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Sales	22	39,169,943	43,584,261
Cost of sales	23	(36,949,902)	(41,321,414)
Gross profit		2,220,041	2,262,847
Other income	24	949,183	1,213,303
		3,169,224	3,476,150
Expenses			
General and administrative expenses	25	(1,688,920)	(1,485,103)
Finance costs	26	(281,224)	(295,991)
		(1,970,144)	(1,781,094)
Net profit for the year before tax and share of profit from investment in Associates		1,199,080	1,695,056
Net share of profit from investment in Associates	7	25,625	127,951
Net profit for the year before zakat		1,224,705	1,823,007
Provision for Zakat	27	(505,000)	(606,000)
Net profit and total comprehensive income for the year		719,705	1,217,007
Net profit and total comprehensive income for the year attributable to:			
Shareholders of the Parent		532,588	930,320
Non-controlling interest	17	187,117	286,687
		719,705	1,217,007
Basic and diluted earnings per share attributable to shareholders of the Company	28	2.66fils	4.65fils

The consolidated financial statements were approved, authorised for issue by the Board of Directors and signed on their behalf by:

Rashed Abdulla Al Suwaiket Al Hajri
Chairman

Abdulla Mubarak Abdulla Al-Suwaiket
Vice - Chairman

United Gulf Investment Corporation B.S.C.
Consolidated statement of changes in shareholders' equity for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Attributable to the shareholders of the Parent							
			Other reserves					
	Share capital	Statutory reserve	Share premium	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total
At 31 December 2023	20,000,000	3,526,235	116,328	4,329,043	3,037,152	31,008,758	7,789,301	38,798,059
Total comprehensive income for the year	-	-	-	-	930,320	930,320	286,687	1,217,007
Transferred to statutory reserve (Note 15)	-	93,032	-	-	(93,032)	-	-	-
At 31 December 2024	20,000,000	3,619,267	116,328	4,329,043	3,874,440	31,939,078	8,075,988	40,015,066
Total comprehensive income for the year	-	-	-	-	532,588	532,588	187,117	719,705
Dividend for 2024 (Note 29)	-	-	-	-	(500,000)	(500,000)	-	(500,000)
Transferred to statutory reserve (Note 15)	-	53,259	-	-	(53,259)	-	-	-
At 31 December 2025	20,000,000	3,672,526	116,328	4,329,043	3,853,769	31,971,666	8,263,105	40,234,771

United Gulf Investment Corporation B.S.C.
Consolidated statement of cash flows for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Operating activities			
Net profit for the year		719,705	1,217,007
Adjustments for:			
Depreciation on property, plant and equipment	6	3,139,760	2,463,443
Share of profit from investment in associates	7	(25,625)	(127,951)
Amortisation of right-of-use assets	8	96,819	96,819
Unrealised gains on financial assets at fair value through profit or loss	9	(57,600)	-
Allowance for impaired trade receivables	11	91,410	-
Interest income on mudaraba deposits	24	(61,297)	(113,743)
Gain on lease modifications	24	-	(240,814)
Dividends income	24	(4,995)	-
Finance costs	26	281,224	295,991
Changes in operating assets and liabilities:			
Inventories		2,473,732	(1,055,732)
Trade and other receivables		572,634	(2,146,369)
Trade and other payables		(1,839,476)	2,586,248
Employees' terminal benefits, net		51,946	42,513
Net cash provided by operating activities		5,438,237	3,017,412
Investing activities			
Purchase of property, plant and equipment	6	(1,678,431)	(1,227,551)
Dividends received from associates during the year	7	-	63,464
Net movement in mudaraba deposits		602,267	(193,043)
Dividends income		4,995	-
Interest income on mudaraba deposits		61,297	113,743
Net cash used in investing activities		(1,009,872)	(1,243,387)
Financing activities			
Finance costs	26	(281,224)	(295,991)
Dividends paid	29	(500,000)	-
Repayment of term loans	33	(1,010,000)	(1,010,000)
Repayment of lease liabilities including interest		(94,401)	(88,015)
Net cash used in financing activities		(1,885,625)	(1,394,006)
Net increase in cash and cash equivalents		2,542,740	380,019
Cash and cash equivalents, beginning of the year		2,522,718	2,142,699
Cash and cash equivalents, end of the year	13	5,065,458	2,522,718

1 Organisation and activities

United Gulf Investment Corporation B.S.C. ("the Company" or "the Parent Company") and its subsidiaries comprise "the Group". The Company is a public shareholding Company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 24377 obtained on 18 February 1991.

According to the terms of its Memorandum and Articles of Association, the duration of the Company is for 50 years, renewable for further similar periods unless terminated earlier by the operation of law or as provided for in the Articles of Association.

The Company is engaged in property leasing, buying and selling of properties for the Company only, third grade industrial maintenance works, buying and selling of shares and securities for the Company only and investment in local industrial projects.

The Company's registered office is in the Kingdom of Bahrain.

The consolidated financial statements, set out on pages 12 to 53, were approved and authorised for issue by the Board of Directors on 26 February 2026.

2 Structure of the Group

The structure of the Group is as follows:

Subsidiaries:

Name of the subsidiary	Country of incorporation	Proportion of ownership interest 31 December 2025	Non-controlling interest ownership/ voting interest 31 December 2025
Gulf Ferro Alloys Company ("SABAYEK") W.L.L.	Kingdom of Saudi Arabia	75.68% (2024: 75.68%)	24.32% (2024:24.32%)
United Gulf Trading W.L.L. ("UGT")	Kingdom of Bahrain	100% (2024:100%)	- (2024: Nil)

The Company owns 75.68% (2024: 75.68%) shareholding interest in Gulf Ferro Alloys Company (SABAYEK) W.L.L. and 100% in United Gulf Trading W.L.L ("the subsidiaries").

The principal activities of SABAYEK include the production and marketing of ferro silicon, ferro manganese, silicon manganese silicon and micro silicate.

The principal activities of UGT are other professional, scientific and technical activities, real estate activities on fee or contract and sale/trading in other industrial products/raw materials.

SABAYEK's total assets, liabilities and net profit for the year of have been extracted from management accounts prepared as at, and for the year ended, 31 December 2025 while UGT's total assets, liabilities and net profit for the year have been extracted from audited financial statements prepared as at, and for the year ended, 31 December 2025.

2 Structure of the Group (continued)

The details of the Group's investment in associates, as follows:

Name of the associate	Country of incorporation	Description of shares held	Proportionate ownership interest held 2025	2024
Dhahran Chemical Industries Marketing ("DCIM")	Kingdom of Saudi Arabia	Ordinary shares of SAR100 per share	20%	20%
Rukam Industrial Company *	Kingdom of Saudi Arabia	Ordinary shares of SAR1000 per share	40%	40%

* Investment in associate is held through the Subsidiary Company.

The investment in associates represents the Group's 20% ownership interest in Dhahran Chemical Industries Marketing ("DCIM") and 40% ownership in Rukam Industrial Company, held through one of the subsidiaries. The Group's share in the net assets and results of operations of the associates have been extracted from the management accounts of DCIM and Rukham prepared as at, and for the year ended 31 December 2025 and for the year ended 31 December 2024.

3 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and the requirements of the Bahrain Commercial Companies Law, and associated resolutions, rules and procedures of the Bahrain Bourse.

Basis of presentation and functional currency

The consolidated financial statements have been prepared using the going concern assumption and under the historical cost convention except for the financial asset at fair value through profit or loss which are stated at their fair values and investment in associates which is equity accounted.

The consolidated financial statements have been presented in Bahrain Dinars in which the share capital of the Company and its transactions are primarily denominated while the functional currency of SABAYEK is Saudi Riyals. In the opinion of the management, there is no significant currency exchange impact due to the difference between the functional currency and presentation currency as both are pegged to the United States Dollars.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 to these consolidated financial statements.

3 Basis of preparation (continued)

Improvements/amendments to IFRS Accounting Standards

Improvements/amendments to IFRS Accounting standards contained numerous amendments to IFRS Accounting standards that the IASB considers non-urgent but necessary. 'Improvements to IFRS Accounting standards' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS Accounting standards. The amendments are effective for the Group's future accounting year with earlier adoption.

Standards, amendments and interpretations issued and effective in 2025 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2025 or subsequent periods, but is not relevant to the Group's operations:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2025

Standards, amendments and interpretations issued but not yet effective in 2025

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2025. They have not been adopted in preparing these consolidated financial statements for the year ended 31 December 2025 and will or may have an effect on the Group's future consolidated financial statements. In all cases, the Group intends to apply these standards from application date as indicated in the table below:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 7	Statement of Cash Flows	1 January 2026
IFRS 7	Financial Instruments: Disclosures	1 January 2026
IFRS 9	Financial Instruments	1 January 2026
IFRS 10	Consolidated Financial Statements	1 January 2026
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2027
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

Early adoption of amendments or standards in 2025

The Group did not early-adopt any new or amended standards in 2025. There would have been no change in the operational results of the Group for the year ended 31 December 2025 had the Group early adopted any of the above standards applicable to the Group.

4 Material accounting policy information

A summary of the material accounting policy information adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a changes in any of these elements of control.

De-facto control exists in situations where the Group has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Group considers all relevant facts and circumstances, including:

- The size of the Group's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Group and by other parties;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Subsidiaries

Subsidiaries are those entities in which, the Group has an interest of more than one-half of the voting rights, or otherwise has power to exercise control over the entity's operations, and are hence consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Wherever necessary, accounting policies for the subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

4 Material accounting policy information (continued)

Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) The Group obtains substantially all the economic benefits from use of the asset; and
(c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

4 Material accounting policy information (continued)

Leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount;

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use.

Except for machinery and equipment of the subsidiary, where the depreciation is calculated on the basis of units of production method, depreciation on other property, plant and equipment items are calculated on the straight-line method to write-off the cost of property, plant and equipment to their estimated residual values over their expected economic useful lives as follows:

Building and leasehold land	-	25 years
Machinery and equipment	-	Unit of production method
Furniture and fittings	-	Between 4 and 5 years
Motor vehicles	-	Between 4 and 5 years
Tools and lab equipment	-	Between 4 and 5 years

4 Material accounting policy information (continued)

Property, plant and equipment (continued)

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining net profit.

Repairs and renewals are charged to the consolidated statement of profit or loss and other comprehensive income when the expenditure is incurred.

The carrying values of the property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amounts, the property, plant and equipment are written-down to their recoverable amounts.

Investment in associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group 's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group 's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group 's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which is determined on the first-in first-out basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses. Where necessary, an allowance is made for obsolete and slow-moving inventories.

Finished goods

Finished goods are measured at the lower of cost of production or net realisable value. The cost of production of finished goods is determined by dividing the total production cost by the saleable output of the finished goods.

Production costs include cost of raw materials, smelting costs, treatment and refining costs, other cash costs and depreciation of operating assets.

Work-in-process

Work-in-process is valued at net cost of production based on the percentage of completion method.

4 Material accounting policy information (continued)

Inventories (continued)

Stores and materials

Stores and materials, which consist of consumable spares, are valued at weighted average cost less allowance for obsolete and slow-moving items.

Financial assets

The Group classifies its financial assets either at fair value through profit or loss or at amortised costs.

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Financial assets at fair value through profit or loss are initially recognised at cost and subsequently re-measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value are included in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Fair value of investments listed on active markets is determined by reference to the quoted market prices. The fair value of the unquoted securities, where available, is the Group's proportionate share of the net assets of the investee. In the absence of active markets or other appropriate methods from which to derive reliable fair values, the unquoted securities are stated at amortised cost.

Financial assets at amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less allowance for impairment. The Group's financial assets measured at amortised cost comprise the trade and other receivables (excluding prepayments), Mudaraba deposits and cash and bank balances in the consolidated statement of financial position.

Trade and other receivables (excluding prepayments)

Impairment allowances for current trade receivables are recognised based on the simplified approach within IFRS 9 using an allowance matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such allowances are recorded in a separate allowance account with the loss being recognised within general and administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

4 **Material accounting policy information (continued)**

Financial assets (continued)

Trade and other receivables (excluding prepayments) (continued)

Impairment allowances for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

Mudaraba deposits

Mudaraba deposits have original maturity period of more than 90 days but less than 365 days and are stated at amortised cost. Interest on these deposits are recognised using the effective interest method.

Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalent comprise cash on hand and balances with banks.

Financial liabilities

The financial liabilities of the Group consist of bank borrowings and trade and other payables (excluding employee benefits). These financial liabilities are initially recognised at fair value and are subsequently re-measured at amortised cost using the effective interest method.

Borrowings and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, these are stated at amortised cost using the effective yield method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

Trade and other payables (excluding employee benefits)

Trade and other payables (excluding employee benefits) are recognised for amounts to be paid in the future for services received, whether billed by the supplier or not.

4 Material accounting policy information (continued)

Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from shareholders' equity.

Dividends and Board of Directors remuneration

Dividends and board remuneration are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is recognised when declared by the Board of Directors. In the case of final dividends and board remuneration, this is recognised when approved by the shareholders at the Annual General Meeting.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future and the amount of the obligation can be reliably estimated.

Employees' terminal benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

Employees' terminal benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and the Company's contributions are charged to the separate statement of profit or loss and other comprehensive income in the year to which they relate. In respect of this plan, the Company has a legal obligation to pay the contributions as they fall due and no obligation exists to pay the future benefits.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Company accrues for its liability in this respect on an annual basis until 29 February 2024, thereafter the Company contributes to the leaving indemnity for expatriate employees administered by the Social Insurance Organisation in the Kingdom of Bahrain.

4 **Material accounting policy information (continued)**

Revenue recognition

Performance obligation and timing of revenue recognition

The majority of the Group's revenue is derived from the sale of ferro silicon, ferro manganese, silicon manganese, silicon metal, and micro silicate with revenue being recognised at a point in time depending on when the control of goods has been transferred to the customer. There is limited judgment needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery), retains none of the significant risks and rewards of the goods in question and conclusion of the work performed.

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group has concluded that performance obligation from sale of goods is satisfied at the point in time when control of the asset is transferred to the customer, usually on delivery of the goods when the ownership of title is transferred.

Determining the transaction price

Most of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most of the contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Bank interest income is recognised on accrual basis as time passes while dividend income is recognised when the right to receive the payment is established.

Segmental reporting

The Group's primary segment reporting format is business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

The Group's primary business segments are:

- operating activities; and
- Investment activities.

The Group's secondary reporting format is geographic segments which are based on the geographical location of the Group's operations. The Group mainly operates in:

- Kingdom of Bahrain; and
- Kingdom of Saudi Arabia.

4 Material accounting policy information (continued)

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing on the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

5 Critical accounting judgments and key source of estimation uncertainty

Preparation of consolidated financial statements in accordance with IFRS requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management's judgments, estimates and assumptions relate to:

- economic useful lives of property, plant and equipment;
- power to exercise significant influence;
- classification of investments;
- impairment of assets;
- contingencies;
- fair value measurement;
- revenue recognition;
- determination of lease term and borrowing rates;
- economic life of right-of-use assets; and
- going concern.

Economic useful lives of property, plant and equipment

Except for the machinery and equipment of the subsidiary, where the depreciation is calculated on the basis of unit of production method, the Group's smelting assets, classified within property, plant and equipment, are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of property, plant and equipment is reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

Power to exercise significant influence

Where the Group holds over 20% of voting rights (but not over 50%) and the Group does not exercise significant influence, the investment is treated as either financial assets at fair value through profit or loss or fair value through other comprehensive income. More information is disclosed in Note 9 to these consolidated financial statements.

5 Critical accounting judgments and key source of estimation uncertainty (continued)

Classification of investments

In the process of applying the Group's accounting policies, management decides on acquisition of an investment whether it should be classified as investments designated at fair value through other profit or loss, at fair value through other comprehensive income or amortised cost. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

Impairment of assets

Financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its trade receivables and FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In addition, with respect to its bank balances, the amounts are deposited with reputable banks with low credit risk.

During the year ended 31 December 2025, in the opinion of the management, allowance of BD353,235 required towards impaired trade receivables (2024: BD261,825) (Note 11). Further, in the opinion of the management, amounts due from related parties and bank balances are not considered to be impaired (2024: BDNil).

Inventories

The Group also creates allowance for obsolete and slow-moving inventories. At 31 December 2025, in the opinion of the Group's management, allowance of BDNil is required for obsolete and slow-moving inventories (2024: BDNil). Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the date of the consolidated financial position to the extent that such events confirm conditions existing at the end of the period.

Other non-financial assets

Other non-financial assets (excluding inventories) are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs").

Impairment changes are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

5 Critical accounting judgments and key source of estimation uncertainty (continued)

Fair value measurement

The Group determines the fair value of financial instruments that are not quoted, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In this regards, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

A number of assets and liabilities included in the consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurement are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the period they occur.

The financial assets and liabilities of the Group are initially recorded at fair value and subsequently re-measured at amortised cost while those which require fair value re-measurement are disclosed in Note 31.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Determination of lease term and the borrowing rates for leases

In case where the Group is a lessee, the Group's management exercises judgment in determining if it is reasonably certain to exercise the lease options to extend or terminate the lease at the commencement as well as during the lease term. The carrying value of lease liabilities are revised based on certain variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

5 Critical accounting judgments and key source of estimation uncertainty (continued)

Economic life of right-of-use assets

Right-of-use assets are amortised over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of profit or loss in specific periods.

The Group's right-of-use assets are amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Economic useful lives of right-of-use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

Going concern

The management reviews the consolidated financial position on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the management ensures that they provide adequate financial support to fund the requirements and to ensure the going concern status of the Group.

6 Property, plant and equipment

	Building and leasehold land	Machinery and equipment	Furniture and fittings	Motor vehicles	Tools and lab equipment	Capital work-in-progress	Total
Cost							
At 31 December 2023	13,623,067	55,747,121	194,695	1,243,650	2,543,712	476,106	73,828,351
Additions during the year	9,976	1,202,431	-	-	15,144	-	1,227,551
At 31 December 2024	13,633,043	56,949,552	194,695	1,243,650	2,558,856	476,106	75,055,902
Reclassification	(3,044,791)	3,172,429	(18,015)	(23,927)	(85,696)	-	-
Additions during the year	6,814	1,356,276	-	21,241	294,100	-	1,678,431
At 31 December 2025	10,595,066	61,478,257	176,680	1,240,964	2,767,260	476,106	76,734,333
Accumulated depreciation							
At 31 December 2023	10,427,926	31,142,586	167,928	1,040,063	2,192,972	-	44,971,475
Charge for the year	14,149	2,275,853	1,941	50,298	121,202	-	2,463,443
At 31 December 2024	10,442,075	33,418,439	169,869	1,090,361	2,314,174	-	47,434,918
Charge for the year	14,421	2,884,079	4,061	52,422	184,777	-	3,139,760
At 31 December 2025	10,456,496	36,302,518	173,930	1,142,783	2,498,951	-	50,574,678
Net book value							
At 31 December 2025	138,570	25,175,739	2,750	98,181	268,309	476,106	26,159,655
At 31 December 2024	3,190,968	23,531,113	24,826	153,289	244,682	476,106	27,620,984

6 Property, plant and equipment (continued)

The depreciation charged for the year has been allocated in the consolidated statement of profit or loss and other comprehensive income, as follows:

	31 December 2025	31 December 2024
Cost of sales (Note 23)	3,083,278	2,411,204
General and administrative expenses (Note 25)	56,482	52,239
	3,139,760	2,463,443

7 Investment in associates

	31 December 2025	31 December 2024
Opening balance	2,441,283	2,376,796
Dividends received during the year	-	(63,464)
Share of profit during the year, net	25,625	127,951
Closing balance	2,466,908	2,441,283

Details of the Group's investment in associates are as follows:

Name of the associate	Country of incorporation	Description of shares held	Proportionate ownership interest held 2025	Proportionate ownership interest held 2024
Dhahran Chemical Industries Marketing ("DCIM")	Kingdom of Saudi Arabia	Ordinary shares of SAR100 per share	20%	20%
Rukam Industrial Company ("Rukam")	Kingdom of Saudi Arabia	Ordinary shares of SAR1000 per share	40%	40%

The investment in associates represents the Group's 20% ownership interest in Dhahran Chemical Industries Marketing ("DCIM") and 40% ownership in Rukam Industrial Company, held through one of the subsidiaries. The Group's share in the net assets and results of operations of the associates have been extracted from the management accounts of DCIM and Rukham prepared as at, and for the years ended 31 December 2025 and 2024.

7 Investment in associates (continued)

Summarised financial information of the Group's investment in the associate as extracted from the unaudited management accounts prepared as at, and for the year ended, 31 December is as follows:

The movement in the Group's investment in associates is as follows:

	Dhahran Chemical Industries Marketing Company W.L.L.	Rukam Industrial Company - Kingdom of Saudi Arabia	Total
Percentage of shareholding interest	20%	40%	
At 31 December 2023	1,146,434	1,230,362	2,376,796
Share of profit for the year	124,634	3,317	127,951
Dividends received	(63,464)	-	(63,464)
At 31 December 2024	1,207,604	1,233,679	2,441,283
Share of profit for the year	130,231	(104,606)	25,625
At 31 December 2025	1,337,835	1,129,073	2,466,908

The Group's share in the associates' profits or losses have been extracted from the management accounts of the associates prepared as at, and for the year ended 31 December 2025. The summary financial information of associates as at and for the year ended 31 December 2025 is as follows:

	31 December 2025	31 December 2024
Non-current assets	8,959,629	5,201,621
Current assets	2,488,613	4,882,461
	11,448,242	10,084,082
Non-current liabilities	22,350	-
Current liabilities	4,848,015	994,451
	4,870,365	994,451
Net assets	6,577,877	9,089,631
Group's share in the net assets	2,466,908	2,441,283
	Year ended 31 December 2025	Year ended 31 December 2024
Revenue	629,565	1,715,468
Net profit and total comprehensive income of the associate for the year	389,643	631,463
Group's share in total comprehensive income of the associate	25,625	127,951

8 Right-of-use assets

	Leasehold land	Office premises	Total
Cost			
At 31 December 2023	479,181	-	479,181
Modifications on lease	95,877	-	95,877
Additions during the year	-	62,234	62,234
At 31 December 2024 and 2025	575,058	62,234	637,292
Accumulated amortisation			
At 31 December 2023	283,877	-	283,877
Amortisation charge for the year	81,260	15,559	96,819
At 31 December 2024	365,137	15,559	380,696
Amortisation charge for the year	81,260	15,559	96,819
At 31 December 2025	446,397	31,118	477,515
Net book value			
At 31 December 2025	128,661	31,116	159,777
At 31 December 2024	209,921	46,675	256,596

The amortisation charged for the year has been allocated in the consolidated statement of profit or loss and other comprehensive income, as follows:

	31 December 2025	31 December 2024
Cost of sales (Note 23)	81,260	81,260
General and administrative expenses (Note 25)	15,559	15,559
	96,819	96,819

9 Financial assets at fair value through profit or loss

	31 December 2025	31 December 2024
Opening balance	10,400	10,400
Unrealised fair value gain during the year (Note 24)	57,600	-
Closing balance	68,000	10,400

Financial assets at fair value through profit or loss are denominated in Bahrain Dinars. These consist of marketable equity securities listed on the Bahrain Bourse and are fair valued annually at the close of business on 31 December. Fair value is determined by reference to stock exchange quoted prices.

10 Inventories

	31 December 2025	31 December 2024
Raw materials	9,263,084	12,488,506
Finished goods and work-in-process	6,473,553	5,794,648
Consumable spares	3,310,276	3,237,491
	19,046,913	21,520,645

11 Trade and other receivables

	31 December 2025	31 December 2024
Trade receivables	6,250,265	7,377,935
Less: allowance for impaired of trade receivables	(353,235)	(261,825)
	5,897,030	7,116,110
Amounts due from a related party (Note 32)	442,340	-
Advance paid to suppliers	2,690,842	2,599,659
Prepayments and other receivables	1,291,869	1,270,356
	10,322,081	10,986,125

Trade receivables are generally on 60 to 180 days credit terms and are primarily denominated in Saudi Riyals. It is not the policy of the Group to obtain collateral against trade and other receivables and, therefore, is all unsecured. The carrying value of trade and other receivables classified at amortised cost approximates fair value.

Amounts due from a related party is unsecured, bear no interest and have no fixed repayment terms and are authorised by the Group's management.

11 Trade and other receivables (continued)

The movement in the allowance for impaired trade receivables is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Opening balance	261,825	261,825
Allowance for impaired trade receivables (Note 25)	91,410	-
Closing balance	353,235	261,825

The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Group's historical credit losses experienced over a number of years prior to the year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP) and inflation rate as the key macroeconomic factors in the countries where the Group operates.

On that basis, the expected loss allowance for trade receivables was determined as follows:

31 December 2025	Not due	31-90 days overdue	91-180 days overdue	181-360 days overdue	361-720 days overdue	721+ days overdue	Total
Expected loss rate	0%	1.68%	3.70%	18.44%	50.00%	100.00%	
Trade receivables	3,904,564	1,762,744	167,359	90,378	53,605	271,615	6,250,265
Loss allowance	-	30,485	6,382	17,157	27,596	271,615	353,235

31 December 2024	Not due	31-90 days overdue	91-180 days overdue	181-360 days overdue	361-720 days overdue	721+ days overdue	Total
Expected loss rate	0%	10.62%	17.65%	39.37%	75%	100.00%	
Trade receivables	5,611,260	711,024	1,055,651	-	-	-	7,377,935
Loss allowance	-	75,529	186,296	-	-	-	261,825

12 Mudaraba deposits

Mudaraba deposits represent deposits placed with financial institutions, earned profit rates ranging between 6% to 6.80% per annum during year ended 31 December 2025 (2024: between 6% to 6.80% per annum) and have original maturities of more than 90 days but less than 365 days. The profits on these deposits have been recognised over the term of the related contract.

13 Cash and bank balances

	31 December 2025	31 December 2024
Current accounts balance with banks	5,060,946	2,518,493
Cash on hand	4,512	4,225
	5,065,458	2,522,718

The current account balances with banks are non-profit bearing.

13 Cash and bank balances (continued)

The cash and bank balances are denominated in the following currencies:

Currency	31 December 2025	31 December 2024
Saudi Arabian Riyals	856,577	1,752,844
United States Dollars	4,092,573	704,914
Bahrain Dinars	116,308	64,960
	5,065,458	2,522,718

14 Share capital

	31 December 2025	31 December 2024
Authorised		
400,000,000 shares of 100 fils each (2024: 400,000,000 shares of 100 fils each)	40,000,000	40,000,000
Issued and fully paid-up		
200,000,000 shares of 100 fils each (2024: 200,000,000 shares of 100 fils each)	20,000,000	20,000,000

The names and nationalities of the major shareholders who have an interest of 5% or more of the issued and fully paid-up share capital are as follows:

Name of the shareholder	Nationality	Number of shares	Percentage of shareholding of interest 2025	Percentage of shareholding of interest 2024
Mr Rashed Abdullla Al Suwaiket Al Hajri	Kingdom of Saudi Arabia	58,418,336	29.21%	29.21%
Mr Meshal Salem Hazza Alsubaie	Kingdom of Bahrain	10,190,193	5.10%	-

The Group has only one class of equity shares and the holders of the shares have equal voting rights.

The distribution schedule of equity shares, setting out the number of shareholders and percentages in the following categories is as follows:

	Number of shares		Number of shareholders		Percentage of total outstanding shares	
	2025	2024	2025	2024	2025	2024
Less than 1%	82,037,866	77,513,602	1,180	1,162	41.01%	38.76%
1% up to less than 5%	49,353,605	64,068,062	19	21	24.68%	32.03%
5% up to less than 10%	10,190,193	-	1	-	5.10%	-
20% up to less than 50%	58,418,336	58,418,336	1	1	29.21%	29.21%
	200,000,000	200,000,000	1,201	1,184	100%	100%

14 Share capital (continued)

The details of the shares owned by the Directors as at 31 December:

	31 December 2025	31 December 2024
Mr Rashed Abdullla Al Suwaiket Al Hajri	58,418,336	58,418,336
Mr Abdulla Fahad Al-Subaie	100,000	100,000
Mr Abdulla Mubarak Abdulla Al-Suwaiket	-	100,000
Mr Waleed Fahad Abdulrahman Al-Tharman	-	100,000
	58,518,336	58,718,336

15 Statutory reserve

In accordance with the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Group's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the issued share capital is set aside. During the year ended 31 December 2025, an amount of BD53,259 has been transferred to the statutory reserve (2024: BD93,032). The reserve is not available for distribution except for dividend payment as permitted by Bahrain Commercial Companies Law.

16 Other reserves

Share premium

This represents the amount subscribed for share capital in excess of nominal value. Share premium is not available for distribution.

Retained earnings

This represents all other net gains and losses and transactions with shareholders not recognised elsewhere. This reserve is available for distribution.

Revaluation reserve

Revaluation reserve represents surplus arising from the fair valuation of property, plant and equipment of the subsidiary. This reserve is not available for distribution.

17 Non-controlling interest

	31 December 2025	31 December 2024
Opening balance	8,075,988	7,789,301
Share of non-controlling interest in the total comprehensive income of the subsidiary	187,117	286,687
Closing balance	8,263,105	8,075,988

17 Non-controlling interest

Summarised financial information in relation to the non-controlling interest of the subsidiary, before intra-group eliminations, is presented below:

	Year ended 31 December 2025	Year ended 31 December 2024
Income statement		
Sales	39,116,932	43,828,462
Cost of sales	(36,860,908)	(41,096,521)
Gross profit	2,256,024	2,731,941
General and administrative expenses	(1,423,902)	(1,161,400)
Operating profit	832,122	1,570,541
Other income	825,291	503,121
(Loss)/profit from investments	(104,606)	3,317
Finance costs	(278,413)	(292,167)
Net profit before tax	1,274,394	1,784,812
Provision for zakat	(505,000)	(606,000)
Net profit after tax	769,394	1,178,812
Net profit and total comprehensive income allocated to non-controlling interest	187,117	286,687
Cash flow statement items		
Cash flows from operating activities	5,534,127	3,173,382
Cash flows from investing activities	(1,678,431)	(1,227,552)
Cash flows from financing activities	(1,367,837)	(1,376,218)
Net cash inflows	2,487,859	569,612

	31 December 2025	31 December 2024
Assets:		
Property, plant and equipment	21,919,606	23,289,821
Right-of-use assets	128,661	209,921
Inventories	19,046,912	21,520,645
Trade and other receivables	10,356,113	10,962,974
Cash and cash equivalents	4,941,035	2,453,176
Investment in associate	1,129,074	1,233,679
Liabilities:		
Trade and other payables	8,935,500	8,450,755
Term loans	13,544,100	16,919,575
Employee's terminal benefits	927,513	875,567
Lease liabilities	137,706	217,130
Accumulated non-controlling interest	8,263,105	8,075,988

18 Term loans

	31 December 2025	31 December 2024
Saudi Industrial Development Fund In 1996, the subsidiary obtained a long-term loan from SIDF amounting to SAR323 million by pledging the property, plant and equipment of the subsidiary and the guarantee of the subsidiary's shareholders against the loan. The total withdrawal against this loan amounted to SAR319 million. The subsidiary negotiated with SIDF for the extension of the repayment schedule of the loan in subsequent years. SIDF accepted the subsidiary's proposal and extended the loan repayment period to 35 years beginning from 17 April 2008, with half yearly intervals, vide their letter dated 7/11/1427 Hijri (Arabic date).	13,544,100	14,554,100
Less: current portion of term loans	(1,010,000)	(1,010,000)
Non-current portion of term loans	12,534,100	13,544,100

That portion of the loans which is repayable within one year from the consolidated statement of financial position date is disclosed as current portion of term loans.

19 Lease liabilities

	31 December 2025	31 December 2024
Opening balance	265,400	436,118
Additions during the year	-	62,234
Lease modifications	-	(144,937)
Lease payments	(109,404)	(109,404)
Interest expenses (Note 26)	15,003	21,389
Closing balance	170,999	265,400
Less: current portion of lease liabilities	(101,251)	(94,401)
Non-current portion of lease liabilities	69,748	170,999

Maturity analysis - contractual undiscounted cash flows:

	31 December 2025	31 December 2024
Not later than 1 year	109,404	109,404
Between one year and five years	71,231	180,635
Total undiscounted lease	180,635	290,039

20 Employees' terminal benefits

Local employees

The contributions made by the Group towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2025 amounted to BD11,520 (2024: BD11,040) and BD72,668 (2024: BD41,652) towards the social security contribution for Saudi Nationals employed in the Kingdom of Saudi Arabia.

Expatriate employees

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	31 December 2025	31 December 2024
Opening balance	907,105	864,592
Payments made during the year	(40,295)	(9,595)
Accruals for the year	92,241	52,108
Closing balance	959,051	907,105
Number of staff employed by the Group	90	94

The employees' terminal benefits accrued in the accounting records of the subsidiary in accordance with the Saudi Labour and Workmen Law amounted to BD927,513 (2024: BD875,567).

In accordance with the change in the Social Insurance Organsation ("SIO") regulations made through resolution no. 109 of 2023, effective from 1 March 2024, the employer needs to pay the end-of-service contribution in respect of the expatriate employees registered with SIO and SIO shall disburse the contributed amount to employees on completion of the employment term. The amount accrued by the Company until 29 February 2024, shall be maintained and settled by the Company with the respective employee.

The contributions made by the Company towards the end-of-service gratuity for expatriate nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2025 amounted to BD1,562 (2024: BD1,332).

21 Trade and other payables

	31 December 2025	31 December 2024
Trade payables	4,254,020	5,890,469
Payables to Saudi Electricity Company	2,365,475	2,365,475
Zakat payables	981,316	1,354,406
Accruals and other payables	1,565,335	1,395,272
	9,166,146	11,005,622

Trade payables are normally settled within 30 days from the suppliers' invoice date and are mainly in Saudi Arabian Riyals and Bahrain Dinars. The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Accruals and other payables also include the zakat and income tax payable by the subsidiary.

22 Sales

	Year ended 31 December 2025	Year ended 31 December 2024
Product type:		
Silico manganese	34,091,538	37,710,969
Ferro manganese	5,025,394	5,761,868
Commission income	53,011	111,424
	39,169,943	43,584,261
Contract counterparties:		
Direct to customers	39,169,943	43,584,261
Timing of revenue recognition:		
At a point in time	39,169,943	43,584,261

Geographical information of sales during the years:

	Year ended 31 December 2025	Year ended 31 December 2024
Domestic sales (Kingdom of Saudi Arabia)	33,338,972	30,756,937
Gulf Co-operation Countries (GCC) sales	4,951,058	10,838,291
Kingdom of Bahrain	53,011	111,424
Foreign sales other than GCC and KSA	826,902	1,877,609
	39,169,943	43,584,261

23 Cost of sales

	Year ended 31 December 2025	Year ended 31 December 2024
Raw materials consumed	23,237,196	26,958,429
Electricity charges	6,278,453	5,938,204
Other direct costs	4,223,212	5,890,749
Depreciation on property, plant and equipment (Note 6)	3,083,278	2,411,204
Amortisation of right-of-use assets (Note 8)	81,260	81,260
Insurance expenses	46,503	41,568
	36,949,902	41,321,414

24 Other income

	Year ended 31 December 2025	Year ended 31 December 2024
Electricity subsidy	811,030	355,625
Interest income on mudaraba deposits	61,297	113,743
Unrealised fair value gain on financial assets through profit and loss (Note 9)	57,600	-
Scrap Sales	13,599	-
Dividends income	4,995	-
Reversal of excess provision towards expenses	-	503,121
Gain on lease modifications	-	240,814
Miscellaneous income	662	-
	949,183	1,213,303

25 General and administrative expenses

	Year ended 31 December 2025	Year ended 31 December 2024
Staff costs	494,543	367,655
Selling and distribution expenses	481,851	522,101
Legal and professional fees	243,002	213,158
Allowance for impaired trade receivables (Note 11)	91,410	-
Travel expenses	57,152	55,539
Depreciation on property, plant, equipment (Note 6)	56,482	52,239
Short-term lease rental expenses	51,715	43,096
Repairs and maintenance expenses	35,659	52,385
Amortisation of right-of-use assets (Note 8)	15,559	15,559
Communication expenses	15,482	16,306
Vehicle expenses	14,992	15,142
Other general and administrative expenses	131,073	131,923
	1,688,920	1,485,103

26 Finance costs

	Year ended 31 December 2025	Year ended 31 December 2024
Interest expense on term loans and bank charges	266,221	274,602
Interest expense on lease liabilities (Note 19)	15,003	21,389
	281,224	295,991

27 Provision for Zakat

	Year ended 31 December 2025	Year ended 31 December 2024
Provision for Zakat	505,000	606,000

In accordance with the Saudi Organisation for Certified Public Accountants (SOCPA), Accounting Standard No.11 for Zakat and income tax has set a uniform presentation for Zakat and income tax due on companies with mixed Saudi and foreign partners, as a direct charge to the consolidated statement of profit or loss and other comprehensive income.

28 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December 2025	Year ended 31 December 2024
Net profit attributable to the shareholders of the Parent	532,588	930,320
Weighted average number of ordinary shares in issue during the year	200,000,000	200,000,000
Basic and diluted earnings per share	2.66 fils	4.65 fils

The Company does not have any potentially dilutive ordinary shares, hence, the diluted earnings per share and basic earnings per share are identical.

29 Dividends

Declared and paid

The Board of Directors did not declare any dividend to the shareholders for the year 31 December 2025 (2024: BD500,000 for the year 31 December 2024).

Proposed by the Board of Directors

The Board of Directors of the Group has proposed a dividend of BDNil (2024: BD500,000) representing Nil (2024: 2.50%) of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2025 at Nil fils per share (2024: 2.50). The proposed dividend only becomes payable once it has been approved by the shareholders in the Annual General Meeting and accordingly, the proposed dividend has not been accounted for in these consolidated financial statements.

30 Segmental information

Business segments

As at, and for the year ended 31 December 2025	Operating activities	Investment activities	Total
Sales	39,169,943	-	39,169,943
Other income	825,291	123,892	949,183
Operating costs	(36,949,902)	-	(36,949,902)
Provision for Zakat	(505,000)	-	(505,000)
Segment profit	2,540,332	123,892	2,664,224
Net share of profit from investment in associates	-	25,625	25,625
Other expenses	(1,687,509)	(282,635)	(1,970,144)
Net profit for the year	852,823	(133,118)	719,705

Assets and liabilities	Operating activities	Investment activities	Total
Total segment assets	56,134,457	7,940,610	64,075,067
Total segment liabilities	22,157,874	1,682,422	23,840,296

As at, and for the year ended 31 December 2024	Operating activities	Investment activities	Total
Sales	43,584,261	-	43,584,261
Other income	1,099,560	113,743	1,213,303
Operating costs	(41,321,414)	-	(41,321,414)
Provision for Zakat	(606,000)	-	(606,000)
Segment profit	2,756,407	113,743	2,870,150
Net share of profit from investment in associates	-	127,951	127,951
Other expenses	(1,453,567)	(327,527)	(1,781,094)
Net profit for the year	1,302,840	(85,833)	1,217,007

Assets and liabilities	Operating activities	Investment activities	Total
Total segment assets	62,661,626	4,085,667	66,747,293
Total segment liabilities	25,125,394	1,606,833	26,732,227

30 Segmental information (continued)

Geographical segments - secondary reporting format

	Segment assets		Segment liabilities	
	As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
Kingdom of Bahrain	7,940,610	4,085,667	1,682,422	1,606,833
Kingdom of Saudi Arabia	56,134,457	62,661,626	22,157,874	25,125,394
	64,075,067	66,747,293	23,840,296	26,732,227

31 Financial assets and liabilities and risk management

Financial assets and liabilities carried on the consolidated financial position include financial assets at fair value through profit or loss, trade and other receivables (excluding prepayments), Mudaraba deposits, cash and bank balances, term loans, lease liabilities and trade and other payables (excluding employee benefits). The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Capital management

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, term loans, lease liabilities, and trade and other payables less cash and bank balances and mudaraba deposits. Capital includes share capital and reserves attributable to the shareholders of the Company.

	31 December 2025	31 December 2024
Term loans	13,544,100	14,554,100
Lease liabilities	170,999	265,400
Trade and other payables	9,166,146	11,005,622
Less: cash and bank balances	(5,065,458)	(2,522,718)
Less: Mudaraba deposits	(786,275)	(1,388,542)
Net debt	17,029,512	21,913,862
Share capital	20,000,000	20,000,000
Statutory reserve	3,672,526	3,619,267
Share premium	116,328	116,328
Other reserves	8,182,812	8,203,483
Equity attributable to shareholders of the Company	31,971,666	31,939,078
Total capital and net debt	49,001,178	53,852,940
Gearing ratio	34.75%	40.69%

31 Financial assets and liabilities and risk management (continued)

Risk management

The Board of Directors have the overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's risk and compliance function. The Board of Directors receive quarterly reports from the Risk and Compliance Department through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group is exposed, through its operations, to various financial risks which include liquidity risk, operational risk, regulatory risk, investment risk, legal risk, reputational risk, market risk, credit risk and fair value measurement.

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Finance Department headed by the Finance Manager, in coordination with the Managing Director, is primarily responsible for the regular monitoring of the liquidity requirements of the Group. The Board is being provided with quarterly liquidity reports for their review and decision making.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of non-derivative financial liabilities based on the earliest date on which the Group can be required to make payments.

At 31 December 2025	Total	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 years	More than 2 years
Interest bearing	13,544,100	252,500	3,122,975	1,010,000	9,158,625
Non-interest bearing	9,166,146	9,166,146	-	-	-
	22,710,246	9,418,646	3,122,975	1,010,000	9,158,625

At 31 December 2024	Total	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 years	More than 2 years
Interest bearing	14,554,100	252,500	3,122,975	1,010,000	10,168,625
Non-interest bearing	11,005,622	11,005,622	-	-	-
	25,559,722	11,258,122	3,122,975	1,010,000	10,168,625

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people and systems or external events. The Group seeks to minimise this risk by continuously framing policies and procedures to identify, control and manage these risks. As at 31 December 2025 and 2024, in the opinion the management, operational risk exposures are considered to be acceptable in the circumstance.

31 Financial assets and liabilities and risk management (continued)

Risk management (continued)

Investment risk is defined as the uncertainty about the future benefits to be realised from an investment. The Group has well-defined policies for managing investment risk. These policies cover investment authority limits and investment assessment practices. The Board of Directors in coordination with the Chief Executive Officer studies the impact of transactions on the Group's consolidated statement of financial position and monitors the investment portfolio on a continuous basis. Every investment application is reviewed by a designated body depending on the size and the nature of the transaction. Fair valuation is generally conducted on a quarterly basis. The Group has a policy to ensure the conservatism convention and to make the necessary provisions when they are warranted.

Regulatory risk is the risk of non-compliance with regulatory and legal requirements in the Kingdom of Bahrain and Kingdom of Saudi Arabia. The Group's Compliance Department is responsible for ensuring all regulations are adhered to on timely basis.

Legal risk includes the risk of unexpected losses from transactions and/or contracts not being enforceable under applicable laws or from unsound documentation. The Group deals with several external law firms to support it in managing the legal risk.

Reputation risk is the risk that negative perception regarding the Group's business practices or internal controls, whether true or not, will cause a decline in the Group's investor base and lead to costly litigations which could have an adverse impact on the liquidity of the Group. The Board of Directors examines the issues that are considered to have reputation repercussions for the Group and issues directives to address these.

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in profit rate, currency rate, and equity price risk. The Group closely monitors the market forces and suitably revises the strategy to minimize the market risk.

Profit rate risk

It is the policy of the Group that significant borrowings are obtained by way of fixed profit rate that is most advantageous in the local market. Although the Group considers that this policy does not entirely eliminate the risk of paying profit rates in excess of market rates nor eliminates fully cash flow risk associated with variability in profit payments, however, is in the opinion that it achieves an appropriate balance of exposure to these risks. The Group's term loans bear fixed profit rate while the other financial liabilities are non-profit bearing. In the opinion of the Group's management, risk exposures to fluctuations in profit rate are minimal.

Equity price risk

The Group holds equity investments in other companies for strategic purpose. The Board of Directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstance.

The effect of a 5% increase/decrease in the value of the equity investments as at 31 December 2025, all other variables held constant, would have resulted to an increase/decrease in profit or loss of BD3,400 (2024: BD520) and net assets will correspondingly increase/decrease by the same amount.

Currency rate risk

Currency rate risk is the risk that the value of a financial asset or liability will fluctuate due to changes in foreign exchange rates. The Group's foreign currency transactions are primarily in United States Dollars and other GCC currencies which are effectively pegged to the Bahrain Dinar. Accordingly, management assesses the Group's exposure to currency rate risk as insignificant.

31 Financial assets and liabilities and risk management (continued)

Risk management (continued)

As at 31 December 2025 and 2024, the Group's financial assets and financial liabilities were denominated in the following currencies:

Financial assets

	United States Dollars		Bahrain Dinars		Saudi Arabian Riyals		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Trade and other receivables (excluding prepayments)	-	-	-	-	6,339,370	7,116,110	6,339,370	7,116,110
Cash and bank balances	4,092,573	704,914	116,308	64,960	856,577	1,752,844	5,065,458	2,522,718
Investment in an associate	-	-	-	-	2,466,908	2,441,283	2,466,908	2,441,283
Financial assets at fair value through profit or loss	-	-	68,000	10,400	-	-	68,000	10,400
	4,092,573	704,914	184,308	75,360	9,662,855	11,310,237	13,939,736	12,090,511

Financial liabilities

	Bahrain Dinars		Saudi Riyals		Total	
	2025	2024	2025	2024	2025	2024
Term loans	-	-	13,544,100	14,554,100	13,544,100	14,554,100
Trade and other payables (excluding employee benefits)	230,646	189,392	8,935,500	10,816,230	9,166,146	11,005,622
	230,646	189,392	22,479,600	25,370,330	22,710,246	25,559,722

31 Financial assets and liabilities and risk management (continued)

Risk management (continued)

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 is mainly exposed to credit risk in respect of its credit sales and cash and cash equivalents. In respect of credit sales, it is the practice of the Group to evaluate each new customer for credit worthiness before entering into contracts. The management also regularly monitors the credit worthiness of its existing customers through review of trade receivables ageing analysis. The Group mainly provides credit only to large size, established and well-known companies. Concentrations of credit risk with respect to trade receivables are limited due to the Group's small number of customers that have a variety of end markets in which they operate. The management believe that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables. In respect of its bank balance, cash is placed with national and multi-national banks with good credit ratings.

The Group does not enter into derivatives to manage credit risk, although in certain isolated cases, may take steps to mitigate such risks if it is sufficiently concentrated. The carrying amounts of the financial assets represent the Group's maximum exposure to credit risk.

A significant amount of bank balances is held with the following institutions:

	Rating as at 31 December 2025	Balance as at 31 December 2025	Rating as at 31 December 2024	Balance as at 31 December 2024
Alinma Bank	A-	791,585	A-	498,314
Saudi National Bank	A	3,699,811	A-	297,484
Kuwait Finance House	A	19,853	BB+	19,853
Arab Banking Corporation	BBB-	-	BB+	37,037
Arab National Bank	A-	488,952	BB+	221,316
Ithmaar Bank	B+	836,545	B+	1,392,163
Various	N.A.[2]	10,475	N.A.[2]	1,440,868

[1] *Fitch's long term issuer default rating*
[2] *Rating not available*

Fair value measurement

Fair value is the amount 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 following table sets out the fair value hierarchy of financial instruments measured at fair value on recurring basis along with valuation techniques and significant unobservable inputs used in determining the fair value measurement of financial instruments as well as the inter-relationship between unobservable inputs and fair value:

	Fair value at 31 December	Level of hierarchy	Valuation technique used and key inputs	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value
Financial assets at fair value through profit or loss	BD68,000 (2024: BD10,400)	L1	Quoted prices from stock exchanges	Not applicable	Not applicable

32 Related parties transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, key management personnel and their close family members and such other companies over which the Group or its shareholders, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management. Further, there are no loans due from any of the Directors of the Group.

Key management personnel compensation

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group including the Chief Executive Officer of the Group.

	Year ended 31 December 2025	Year ended 31 December 2024
Remuneration of top six employees of key management personnel including remuneration paid and provision Director, CEO, CFO and deputies of the Company	341,450	296,948

Remuneration paid to the Board of directors during the year ended 31 December 2025 amounted to BD13,000 (2024: BD13,000).

A summary of amounts due from a related party is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Rukam Industrial Company (Note 11)	442,340	-

Amounts due from a related party is unsecured, bear no interest, have no fixed repayment terms, and are authorised by the Company's management.

33 Notes supporting statement of cash flows

IAS 7 "Statement of Cash Flows" requires additional disclosures about changes in an entity's financing liabilities arising from both cash flow and non-cash flow items.

	1 January	Obtained during the year	Finance cost accrued	Principal repaid during the year	Finance costs paid	31 December
2025						
Term loans	14,554,100	-	232,299	(1,010,000)	(232,299)	13,544,100
2024						
Term loans	15,564,100	-	274,602	(1,010,000)	(274,602)	14,554,100

34 Zakat

The subsidiary of the Company has accrued the amount of Zakat in accordance with the regulations of the General Authority of Zakat and Income Tax (GAZT), Kingdom of Saudi Arabia. The Saudi shareholders of the subsidiary will be liable for the payment of Zakat (SABAYEK).

35 DMTT and GloBE Rules Impact

The OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules') apply to multinational enterprise (MNE) groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years. In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities of the group for fiscal years commencing on or after 1 January 2025.

As per the Group's preliminary assessment, it has concluded that it is not in scope for the Bahrain DMTT law or the GloBE rules as:

- it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

36 Events after the reporting period

There were no significant events subsequent to 31 December 2025 and occurring before the date of the report that are expected to have a significant impact on these consolidated financial statements.