

**TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS
PERIOD ENDED MARCH 31, 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS****The shareholders****Takween Advanced Industries**

(A Saudi Joint Stock Company)

Al-Khobar, Kingdom of Saudi Arabia**Introduction**

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

For Al-Kharashi & Co.

Abdullah S. Al Msned
License No. (456)**Riyadh:**

May 13, 2025 G

Thul-Qi'dah 15, 1446 H

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

		March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		444,471	445,955
Intangible assets		1,100	1,190
Goodwill		323,582	323,582
Investments in an associate		88,593	91,516
Total non-current assets		857,746	862,243
Current assets			
Inventories	3	71,648	77,583
Trade receivables	4	164,122	176,389
Due from related parties		49,548	49,125
Prepaid expenses and other assets		37,590	27,225
Investment held at amortized cost		3,477	3,104
Cash and cash equivalents	5	31,294	6,296
Assets held for sale		39,407	42,060
Total current assets		397,086	381,782
TOTAL ASSETS		1,254,832	1,244,025
EQUITY AND LIABILITIES			
Equity			
Share capital	6	764,646	764,646
Other reserves		(74,601)	(74,659)
Accumulated losses		(307,869)	(298,350)
Total equity		382,176	391,637
LIABILITIES			
Non-current liabilities			
Long-term loans	7	96,751	103,176
Lease liabilities – non-current portion		20,946	23,362
Employee benefits		26,180	28,157
Deferred tax		447	445
Total non-current liabilities		144,324	155,140
Current liabilities			
Bank overdraft	5	27,660	-
Current portion of long-term loans	7	44,349	43,541
Short-term loans	7	421,897	412,182
Lease liabilities – current portion		11,121	12,480
Trade payables		92,796	72,466
Due to related parties		1,121	731
Accrued payables and other liabilities		126,250	152,727
Zakat payable		1,737	1,737
Liabilities directly associated with the assets held for sale		1,401	1,384
Total current liabilities		728,332	697,248
Total liabilities		872,656	852,388
TOTAL EQUITY AND LIABILITIES		1,254,832	1,244,025


Imran Ibrahim
Chief Financial Officer (A)


Majed Nofal
Chief Executive Officer



Abdulmohsen Al-Othman
Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

	Note	For the three months period ended	
		2025 (Un-audited) SR '000	2024 (Un-audited) SR '000
Revenue	10, 11	145,001	183,141
Cost of revenue		(126,629)	(156,042)
Gross profit		18,372	27,099
Administrative expenses		(9,841)	(6,429)
Selling, marketing and distribution expenses		(7,259)	(9,788)
Operating profit		1,272	10,882
Finance charges		(13,511)	(15,362)
Other income, net		5,772	2,487
Share in loss of equity-accounted investment		(2,923)	(1,972)
Loss before zakat and income tax		(9,390)	(3,965)
Zakat and income tax		(129)	(32)
Net loss for the period		(9,519)	(3,997)
Other comprehensive income:			
<i>Item that may be reclassified to statement of profit or loss</i>			
Exchange differences on translation of foreign operation		58	(8,373)
Other comprehensive income (loss) for the period		58	(8,373)
Total comprehensive loss for the period		(9,461)	(12,370)
Loss per share (SR)			
Basic and diluted loss per share	12	(0.12)	(0.07)


 Imran Ibrahim
 Chief Financial Officer (A)


 Majed Nofal
 Chief Executive Officer



 Abdulmohsen Al-Othman
 Chairman

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TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

	Share capital SR '000	Other reserves SR '000	Accumulated losses SR '000	Total SR '000
Balance as at January 1, 2024 (audited)	464,646	(63,317)	(197,576)	203,753
Increase in share capital through rights issue (note 6)	300,000	-	-	300,000
Capital increase expenses (note 6)	-	-	(24,219)	(24,219)
Net loss for the period	-	-	(3,997)	(3,997)
Other comprehensive loss for the period	-	(8,373)	-	(8,373)
Total comprehensive loss for the period	-	(8,373)	(3,997)	(12,370)
Balance as at March 31, 2024 (un-audited)	764,646	(71,690)	(225,792)	467,164
Balance as at January 1, 2025 (audited)	764,646	(74,659)	(298,350)	391,637
Net loss for the period	-	-	(9,519)	(9,519)
Other comprehensive income for the period	-	58	-	58
Total comprehensive loss for the period	-	58	(9,519)	(9,461)
Balance as at March 31, 2025 (un-audited)	764,646	(74,601)	(307,869)	382,176


Imad Ibrahim
Chief Financial Officer (A)


Majed Nofal
Chief Executive Officer


Abdulmohsen Al-Othman
Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

	For the three months period ended	
	March 31, 2025 (Un-audited) SR '000	March 31, 2024 (Un-audited) SR '000
OPERATING ACTIVITIES		
Loss before zakat and income tax	(9,390)	(3,965)
<i>Adjustments for:</i>		
Depreciation and amortization	9,921	9,130
Write off of asset	-	72
Gain on disposal of property, plant and equipment	(3,187)	-
Reversal of impairment of trade receivables	(812)	(23)
Reversal of allowance for slow moving inventories	-	(9,606)
Finance charges	13,511	15,362
Provision for employee benefits	1,659	1,123
Interest income on investment held at amortized cost	(178)	(100)
Share of loss of equity-accounted investees	2,923	1,972
	<u>14,447</u>	<u>13,965</u>
Movement in working capital:		
Inventories	5,933	15,506
Trade receivables	13,070	14,334
Due from related parties	(423)	(23,814)
Prepaid expenses and other assets	(10,853)	(14,081)
Trade payables	20,330	(27,396)
Due to related parties	390	15
Accrued payable and other liabilities	(26,477)	(30,393)
Cash generated from / (used in) operations	<u>16,417</u>	<u>(51,864)</u>
Employee benefits paid	(3,636)	(1,131)
Zakat and income tax paid	-	(437)
Net cash generated from / (used in) operating activities	<u>12,781</u>	<u>(53,432)</u>
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(8,860)	(16,888)
Proceeds from disposal of property, plant and equipment	6,367	-
(Investment in) / proceeds from disposal of investment held at amortized costs	(195)	1,806
Interest income from investment held at amortized cost	361	305
Net cash used in investing activities	<u>(2,327)</u>	<u>(14,777)</u>
FINANCING ACTIVITIES		
Issued shares net of underwriting commission	-	275,781
Proceeds of loans	342,703	459,264
Repayment of loans	(338,716)	(618,177)
Repayment of principal of lease liability	(3,758)	(1,646)
Finance charges paid	(13,400)	(18,674)
Net cash (used in) / generated from financing activities	<u>(13,171)</u>	<u>96,548</u>
Net change in cash and cash equivalents	<u>(2,717)</u>	<u>28,339</u>
Cash and cash equivalents at the beginning of the period	6,296	(6,409)
Foreign currency translation reserve	55	5,892
Cash and cash equivalents at the end of the period	<u>5</u> <u>3,634</u>	<u>27,822</u>


Imran Ibrahim
Chief Financial Officer (A)


Majed Nofal
Chief Executive Officer


Abdulmohsen Al-Othman
Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Takween Advanced Industries (“the Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 2051044381 issued in Al Khobar on Muharram 9, 1432H (December 15, 2010).

The Company’s registered office is located at Al Khobar, Kingdom of Saudi Arabia.

The principal activities of the Company and its subsidiaries (“the Group”), each of which operates under individual commercial registration, are:

- Owning of factories with various plastic products manufacturing together with maintaining, operating and managing;
- Production of disposable polystyrene cups, lids and other plastic related products;
- Production of non-woven fabrics;
- Production of PET (Polyethylene Terephthalate) pre-forms;
- Manufacturing of, and wholesale trading in plastic containers and films;
- Manufacturing of, and wholesale and retail trading in plastic containers and polyethylene cups, rolls, bags.
- Managing and operating of industrial centers;
- Owning of land for the purpose of establishing and developing factories;
- Establishing industrial institutes and providing and coordinating for training courses related to developing of plastic products;
- Import and export, wholesale and retail trade in various kind of plastic products; and
- Establishing, managing, operating and maintaining different industrial project.

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries as listed below:

	Effective ownership	
	March 31, 2025	December 31, 2024
Saudi Plastic Packaging Systems (“Saudi Packaging”)	100%	100%
Al-Sharq Company for Plastic Industries Limited (“Al-Sharq”)	100%	100%
New Marina for Plastic Industries Company (S.A.E.) (“New Marina”)	100%	100%
Ultra-Pak Manufacturing Company (“Ultra Pak”)	100%	100%

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

These condensed consolidated interim financial statements for the three-month period ended March 31, 2025, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and hence should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2024.

These condensed consolidated interim financial statements have been prepared on the historical cost convention except for where International Financial Reporting Standards (“IFRSs”) requires other measurement basis.

The principal accounting policies applied in the preparation of condensed consolidated interim financial statements are consistent with those of the previous financial year and the respective corresponding interim reporting period.

The preparation of condensed consolidated interim financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the condensed consolidated interim financial statements. These critical accounting judgements and key sources of estimations were the same as those described in the last annual financial statements.

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

TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Goodwill

Management has performed annual impairment testing of Goodwill amounting to SR 323.58 million as of December 31, 2024. The assessment, which was reviewed by an independent party for the reasonableness of the methodology used by management, included assumptions related to the future sales volume, prices, operating assets, growth rates, terminal value and other related assets. The outcome of these assumptions is highly dependent on the success of the future operations of the Group and market conditions as estimated by management and achieving its plans in future. Management considers these assumptions to be realistic and achievable in view of its operational plan and is confident of its ability to meet these future plans. Management believes that the carrying value of cash generating units' assets including goodwill will not exceed their recoverable amount. Accordingly, no impairment was recorded for goodwill as of December 31, 2024, and March 31, 2025.

2.3 Basis of consolidation

The condensed consolidated interim financial statements incorporate the financial statements of Takween Advanced Industries and of its subsidiaries (the "Group") as detailed in note 1. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.
- The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
- When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
 - the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
 - potential voting rights held by the Company, other vote holders or other parties;
 - rights arising from other contractual arrangements; and
 - any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated interim statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Condensed consolidated interim statement of profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

2.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified condensed consolidated interim statement of profit or loss and other comprehensive income or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded either at fair value on initial recognition for subsequent accounting under IFRS 9, or at the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Use of Judgments and Estimates

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual Consolidated Financial Statement.

2.5 New Standards, Amendments to Standards and Interpretations

A number of new standards, amendments to standards are effective from January 1, 2025, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2025 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. INVENTORIES

	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Finished goods	<u>22,998</u>	28,653
Raw and packaging materials and work in progress	<u>21,949</u>	22,139
Spare parts	<u>28,413</u>	28,500
	<u>73,360</u>	79,292
Allowance for inventories	<u>(1,712)</u>	(1,709)
	<u><u>71,648</u></u>	<u><u>77,583</u></u>

4. TRADE AND OTHER RECEIVABLES

	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Trade receivables – third parties	<u>244,057</u>	257,127
Allowance for impairment for trade receivables	<u>(79,935)</u>	(80,738)
	<u><u>164,122</u></u>	<u><u>176,389</u></u>

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

5. Cash and cash equivalents

	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Cash in hand	179	205
Cash at bank	27,339	6,091
1-month deposit (cash equivalent)	3,776	-
Cash and cash equivalents in the statement of financial position	31,294	6,296
Bank overdraft	(27,660)	-
Cash and cash equivalents in the statement of cash flows	3,634	6,296

During March 2025, the Group obtained short term bank overdraft facility from the commercial bank. The balance is repayable in three months.

6. Share capital

As of March 31, 2025, the Group's share capital was SR 764,646,060 (December 31, 2024: SR 764,646,060), divided into 76,464,606 fully paid shares (December 31, 2024: 76,464,606), each with a nominal value of SR 10.

On February 13, 2024 (Sha'ban 3, 1445H), the shareholders approved the board's recommendation to increase share capital through a rights issue, raising SR 300 million. The rights issue offered 1 new share for every 1.55 shares held, increasing the total share count to 76,464,606 shares. Transaction costs of SR 24.94 million related to the issuance were recorded.

All regulatory requirements for this capital increase were met during 2024.

Summary of share capital

	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Authorized share capital (in shares of SR 10 each)	764,646	764,646
Issued, subscribed and fully paid-up share capital	764,646	764,646

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Reconciliation of number of shares outstanding (in "000")		
Opening balance	76,465	46,465
Increase of shares	-	30,000
Closing balance	76,465	76,465

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

7. BORROWINGS

	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Long-term loans (a)	141,100	146,717
Short-term loans (b)	421,897	412,182

a) Long-term loans

	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Commercial loan	141,100	146,717
Less: current portion	(44,349)	(43,541)
Non-current portion of long-term loans	96,751	103,176

Commercial loan

In 2023, the Group entered a Tawarroq Financing Agreement with local bank for SR 40 million, repayable in quarterly installments from March 2023 to December 2026.

In 2024, the Group entered a Tawarroq Financing Agreement with local bank for SR 80 million, repayable in monthly installments from October 2024 to September 2027. Further, the Group also entered a financing agreement with local financial institution for SR 80 million, repayable in quarterly installments from April 2025 to January 2028.

The Group was in breach of certain loan covenants, monitored annually in December. Remedial actions were taken, including obtaining a waiver from the bank for the year ended December 31, 2024.

b) Short term loans

The Group has established credit facility agreements with local banks, which include overdrafts, short-term loans, letters of credit, and guarantees. These facilities bear financing charges at prevailing market rates and are secured by demand notes, promissory notes, and corporate guarantees from Al-Othman Holding Company.

	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Commercial banks	347,811	412,182
Loan from shareholder (b-1)	74,086	-
Short term loans	421,897	412,182

b-1) Loan from shareholder

During the period, the Group entered into a short term financing agreement with its majority shareholder, Al Othman Group of Companies for SR 100 million, The loan bears financial charges at prevailing market rates.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

8. RELATED PARTY DISCLOSURES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

<u>Company</u>	<u>Relationship</u>
Al Othman Group of Companies	Affiliates
Al Ahsa Medical Services Company	Common directorship
Advanced Fabrics Factory Company	Associate

During the period, the Group entered into the following transactions with related parties that are not members of the Group:

<u>Nature of transaction</u>	<u>March 31, 2025 (Un-audited) SR '000</u>	<u>March 31, 2024 (Un-audited) SR '000</u>
Loan from shareholder	74,156	-
Sales during the period	23,227	20,873
Finance cost on loan from shareholder	631	-
Accommodation, food and other miscellaneous expenses	10	23
IT services	-	20
Insurance services	150	150
Purchase of materials	7	175
Rentals	1	2

9. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	<u>March 31, 2025 (Un-audited) SR '000</u>	<u>March 31, 2024 (Un-audited) SR '000</u>
Remuneration	2,859	1,804
House rent allowance	607	407
Employee benefits	222	127
Bonus	173	173
Medical allowance	44	23
Others	676	263
	<u>4,581</u>	<u>2,797</u>
BOD and related committees' remuneration	<u>66</u>	<u>60</u>

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

10. SEGMENTAL INFORMATION

The Group's principal activities are related to the following main business segments, which are its reportable segments.

- **Food packaging:** This segment includes manufacturing and sales of preforms, bottles, caps, cups and lids.
- **Industrial packaging:** This segment includes manufacturing and sales of drums, crates, containers, bags, films, pallets and tubes.

The segments are managed separately because they require different technology and marketing strategies. Segment profit/loss before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

No operating segments have been aggregated to form the above reportable operating segments.

Selected financial information as at 31 March 2025 and 31 March 2024, and for the period then ended, categorized by these business segments, is as follows

	Food packaging	Industrial packaging	Total
	SR '000	SR '000	SR '000
For the period ended March 31, 2025			
External revenue	113,467	31,534	145,001
Inter-segment revenue	285	1,226	1,511
Segment revenue	113,752	32,760	146,512
Cost of revenue	(99,932)	(27,618)	(127,550)
Administrative expenses	(3,216)	(1,498)	(4,714)
Selling, marketing and distribution expenses	(5,474)	(1,785)	(7,259)
Finance charges	(10,033)	(2,142)	(12,175)
Other Income, net	5,175	171	5,346
Segment results	272	(112)	160
As at March 31, 2025			
Segment assets	590,859	147,354	738,213
Segment liabilities	315,931	86,383	402,314
	Food packaging	Industrial	Total
	SR '000	SR '000	SR '000
For the period ended March 31, 2024			
External revenue	149,589	33,552	183,141
Inter-segment revenue	156	345	501
Segment revenue	149,745	33,897	183,642
Cost of revenue	(128,724)	(26,981)	(155,705)
Administrative expenses	(1,284)	(1,156)	(2,440)
Selling, marketing and distribution expenses	(7,057)	(2,731)	(9,788)
Finance charges	(11,001)	(3,313)	(14,314)
Other Income, net	2,102	24	2,126
Segment results	3,781	(260)	3,521
As at December 31, 2024			
Segment assets	604,820	144,388	749,208
Segment liabilities	330,088	83,306	413,394

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

10. SEGMENTAL REPORTING (continued)

(a) Reconciliation of information on reportable segments to the amounts reported in the consolidated financial statements.

Certain corporate expenses and related assets and liabilities (primarily the Group's headquarters) are not allocated to individual segments. Further, certain consolidation adjustments relating to elimination of inter-company balances are also adjusted. The reconciliation of these amounts are as follows;

	March 31, 2025 (Un-audited) SR '000	March 31, 2024 (Un-audited) SR '000
Revenues		
Segment revenue	146,512	183,642
Elimination of inter-segment revenue	(1,511)	(501)
Consolidated revenue	145,001	183,141
Loss before zakat and income tax		
Segment results	160	3,521
Unallocated amounts	(9,550)	(7,486)
Consolidated loss before zakat and income tax	(9,390)	(3,965)
	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Total assets		
Segment assets	738,213	749,208
Unallocated assets	926,987	917,365
Consolidated adjustments	(410,368)	(422,548)
Consolidated total assets	1,254,832	1,244,025
Total liabilities		
Segment liabilities	402,314	413,394
Unallocated liabilities	543,811	524,728
Consolidated adjustments	(73,469)	(85,734)
Consolidated total liabilities	872,656	852,388

(b) Geographic information

The geographic information analyses the Group's revenue and non-current assets by the company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	March 31, 2025 (Un-audited) SR '000	March 31, 2024 (Un-audited) SR '000
Revenue		
Kingdom of Saudi Arabia	120,205	159,778
Other countries	24,796	23,363
	145,001	183,141
	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Non-current assets		
Kingdom of Saudi Arabia	440,758	438,192
Egypt	4,813	8,953
	445,571	447,145

(c) Major customer

Revenue from one customer of the Group's both Food and Industrial packaging segments represented approximately SR 23.2 million (2024: SR 22.9 million) of the Group's total revenues.

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11. REVENUE

(a) Revenue streams

The Group generates revenue primarily from the sale of food and industrial packaging products to its customers (refer note 10).

	March 31, 2025 (Un-audited) SR '000	March 31, 2024 (Un-audited) SR '000
Revenue from contracts with customers	<u>145,001</u>	<u>183,141</u>

(b) Critical judgements in recognizing revenue and allocating transaction price

The Group recognizes revenue when a customer obtains control of the goods at a point in time i.e on delivery of goods. Revenue is measured based on the consideration specified in the contract with the customer. Transaction price is allocated based on the standalone selling prices of the goods, generally the Group has single performance obligation i.e delivery of the goods. Apart from the above there is no other critical judgement required in recognizing revenue.

(c) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (note 10).

	Food packaging SR '000	Industrial packaging SR '000	Total SR '000
For the period ended March 31, 2025			
<i>Primary geographical markets</i>			
Kingdom of Saudi Arabia	92,473	27,732	120,205
Other countries	20,994	3,802	24,796
	<u>113,467</u>	<u>31,534</u>	<u>145,001</u>
<i>Timing of revenue recognition</i>			
Products transferred at a point in time	113,467	31,534	145,001
External revenue as reported in Segmental reporting (note 10)	113,467	31,534	145,001
For the period ended March 31, 2024			
<i>Primary geographical markets</i>			
Kingdom of Saudi Arabia	130,028	29,750	159,778
Other countries	19,561	3,802	23,363
	<u>149,589</u>	<u>33,552</u>	<u>183,141</u>
<i>Timing of revenue recognition</i>			
Products transferred at a point in time	149,589	33,552	183,141
External revenue as reported in Segmental reporting (note 10)	149,589	33,552	183,141

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11. REVENUE (continued)

(d) Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	Note	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Trade receivables – Gross	4	244,057	257,127
Contract liabilities (advance from customers)		108,422	133,863

The contract liabilities primarily relate to the advance consideration received from customers before the goods are delivered. The amount of SR 22.89 million included in advance from customers as at December 31, 2024 has been recognized as revenue in 2025 (2024: SR 20.60 million).

12. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the periods 2024 and 2025.

The weighted average number of shares has been retrospectively adjusted for the prior period to reflect the element of the rights issue as required by IAS 33, "Earnings per share":

The basic and diluted loss per share are as follows:

	March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited)
Net loss for the period	(9,519,697)	(3,997,369)
Weighted average number of ordinary shares	76,464,606	60,597,934
Basic and diluted earnings per share	(0.12)	(0.07)

13. CONTINGENCIES AND COMMITMENTS

The Group had the following contingencies and commitments:

	March 31, 2025 (Un-audited) SR '000	December 31, 2024 (Audited) SR '000
Letters of guarantee and others	2,052	1,948
Capital commitments against purchase of property, plant and equipment	2,774	33,256

14. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require adjustment of or disclosure in these Condensed Consolidated Interim Financial Statements.

15. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the Board of Directors for issuance on May 13, 2025 corresponding to Thul-Qi'dah 15, 1446 H