# INVESTOR PRESENTATION

## Q2 2026



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# Contents

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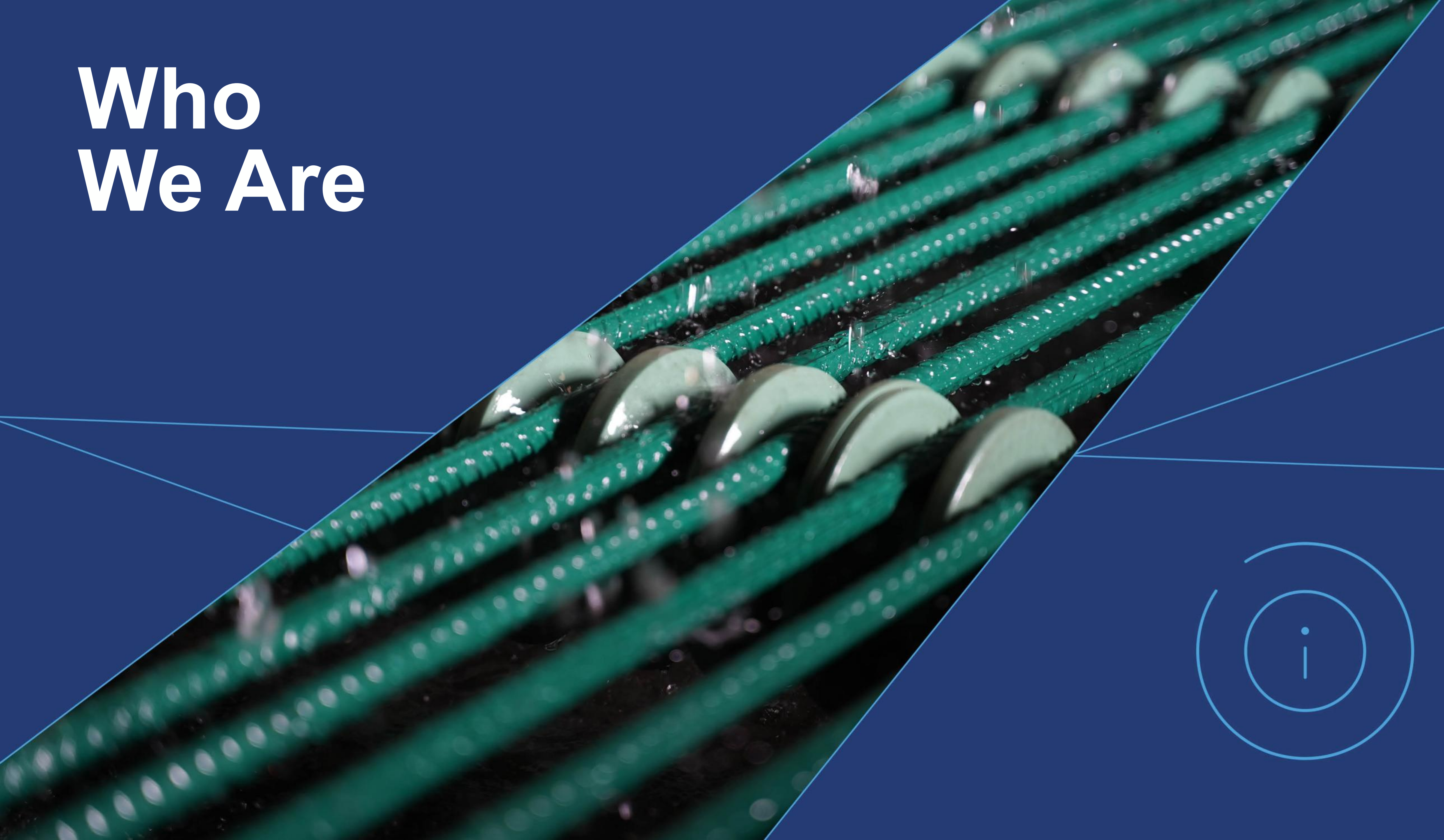
# Who We Are



# About Us

With 45 years of global leadership in the industrial sector, we have been a pioneer in Saudi Arabia since our establishment in 1980. The company is dedicated to excellence across diverse industrial domains, including metal, wood, electrical, and plastic industries, with a strong emphasis on innovation and quality.

Our management team comprises highly experienced and qualified professionals who skillfully navigate the industrial sector's challenges. Known for the superior quality of its products and services, Bawan has earned a significant presence in both regional and international markets, consistently reinforcing its leadership through an unwavering commitment to quality and innovation.

Bawan is dedicated to operational sustainability, employing cutting-edge technologies and equipment. We offer a wide range of products and services tailored to the needs of customers across Saudi Arabia, the Arab region, Africa, the Middle East, and South America.

A leader in the capital industries sector within Saudi Arabia, Bawan is driven by a clear vision and goal to advance the capital goods industry locally and globally. Our story began with the merger of two prominent groups in building materials and industrial investments:

- Abdul Latif and Muhammad Al-Fozan Group, established in 1959.
- Abdul Qader Al-Muhaidib and Sons Group, established in 1934.

Since our founding in Riyadh in 1980, Bawan has maintained a commitment to quality and excellence in specialized industrial products and services, consistently meeting the evolving needs of our customers.



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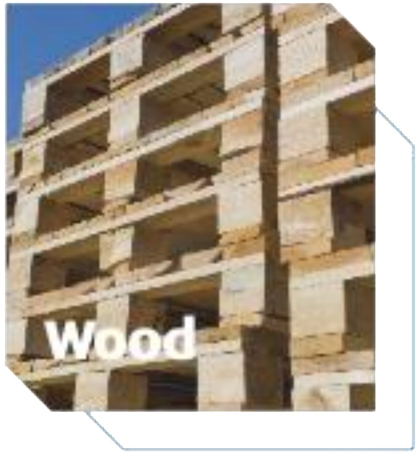
# Our Operations

We operate in 5 sectors




# Our Operations

## Metal Sector

Bawan Metal Industries, a wholly owned subsidiary of Bawan Group, is a prominent player in the competitive metal industry in Saudi Arabia and the Arabian Gulf. Headquartered in Riyadh, Bawan Metal Industries operates five factories: three in Riyadh, one in Dammam, and one in Jeddah. These facilities are structured into four divisions:

- Reinforcement Section
- Metal Works Department

The factories produce a variety of high-quality metal products, including rebar, metal works, iron doors, and aluminum products.

## Wood Sector

The Bawan Wood division encompasses several companies, including Bawan Wood Industries, Al-Raya Trading Company, Inmaa Pallets Company, Unique Lines Logistics Company, and the United Company for Wood and Metal Products.

This sector focuses on producing wooden products for packaging, manufacturing, and construction industries. Bawan Wood operates through factories in Saudi Arabia, the UAE, and Kuwait, positioning itself as a leading company in the local and regional wood industry.

The product range includes pressed doors with inner fillings, solid wood doors, lockers, fire-rated doors, decorative wooden products, melamine-covered panels, and packaging materials such as pallets, boxes, and cable reels.

## Electric Sector

Bawan is a leader in the electrical industries sector, with a significant market presence in Saudi Arabia and the Middle East. This sector includes:

- United Transformers Electric Company
- United Technology of Electric Substation and Switchgears Company

These companies focus on quality manufacturing, strategic HR development, and innovation. Their product portfolio includes medium- and low-voltage products, electrical stations, automation systems, safety systems, and transformers, all meeting international standards (IEC, ANSI). Despite external challenges, the electric sector has achieved steady financial growth.



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# Our Operations (Continued)

## Plastic Sector

The plastic sector is managed through Arnon Plastic Industries Company, a 100% subsidiary of Bawan Group headquartered in Dammam. Arnon operates six production facilities across Saudi Arabia, strategically located in key cities and equipped with advanced technology. The product line includes:

**Polyethylene Foam (PE Foam):**
Rolls and sheets for industrial, construction, and building materials, produced in Dammam, Riyadh, and Jeddah.

**Polystyrene Foam (PS Foam):**
Packaging materials for restaurants, agriculture, and supermarkets, made in Dammam, Riyadh, and Jeddah.

**Polyethylene Terephthalate (PET), Polypropylene (PP), High Impact Polystyrene (HIPS):**
Packaging solutions for the dairy industry, potable water, and food, produced in Dammam and Riyadh.

**High-Density Polyethylene (HDPE):**
Blow-molded containers for the dairy sector, manufactured in Riyadh.

**Extruded Polystyrene (XPS):**
Thermal insulation panels for the building industry, manufactured in Dammam.

## Oil & Gas

Petronash is one of the key players in engineered oil and gas solutions market, operating for over two decades with a strong focus on innovation, reliability, and sustainability. Headquartered in Dubai, the company has expanded its footprint across the Middle East, including integrated manufacturing facilities in Saudi Arabia, Qatar, and an Engineering Centre of Excellence in Chennai, India. It serves clients in over 50 countries, supported by a workforce of 1,000+ employees and 250+ in-house engineers dedicated to delivering end-to-end services—from conceptual design to execution.

Petronash specializes in modular wellsite packages, turnkey solutions for the energy sector, including Control & Integrity Systems, Gas Processing, and Water Solutions. Key products include:

- Modular Wellsite Package (MWP),
- Wellhead control Pannels
- standardized surface completion system
- Chemical Injection Packages for precise chemical dosing.

Additionally, the company manufactures Multiport Selector Valve (MPSV) Skids and Lube Oil Skids for industrial lubrication. These solutions cater to upstream and midstream operations, emphasizing reliability and adaptability for diverse global energy challenges. Petronash’s integrated manufacturing capabilities and partnerships reinforce its role in advancing sustainable energy infrastructure



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# Our Board of Directors Management

**"Building on Solid Foundations"** is not a tagline, it is how Bawan operates.

Over decades, Bawan has been tested by commodity shocks, supply chain disruptions and global economic volatility. Each time, we emerged with stronger margins, a broader portfolio and deeper market positions.

2025 was no different. We delivered solid operational performance across our core sectors, completed the acquisition of Petronash, marked our entry into oil and gas and continued to invest in the industrial capabilities that underpin Saudi Arabia's economic transformation.

The fundamentals that have always defined Bawan remain intact: diversification, disciplined capital allocation and a long-term orientation. As the Kingdom accelerates its industrial ambitions under Vision 2030, Bawan is positioned to grow alongside it.

We are not just weathering cycles. We are building through them.

**Mr. Fozan bin Mohammed Al Fozan**
Chairman of the Board

# Our Board of Directors Management

**Mr. Raed bin Ibrahim Al Mudaiheem**
Vice Chairman of the Board

**Mr. Khaled bin Abdulrahman Al Qoaiz**
Board Member

**Mr. Abdulkareem Ibrahim Al Nafie**
Board Member

**Mr. Mohammad bin Abdulaziz Al-Ageel**
Board Member

**Mr. Zeyad bin Abdul Latif Al-Barrak**
Chief Executive Officer

**Mr. Abdullah Abdulrahman Al Rowais**
Board Member

**Mr. Faisel Majed Al Muhaidib**
Board Member

**Mr. Mohammed bin Ahmed Al Baadi**
Board Member

**Mr. Abdulhameed Abdulaziz Al-Ohali**
Board Member



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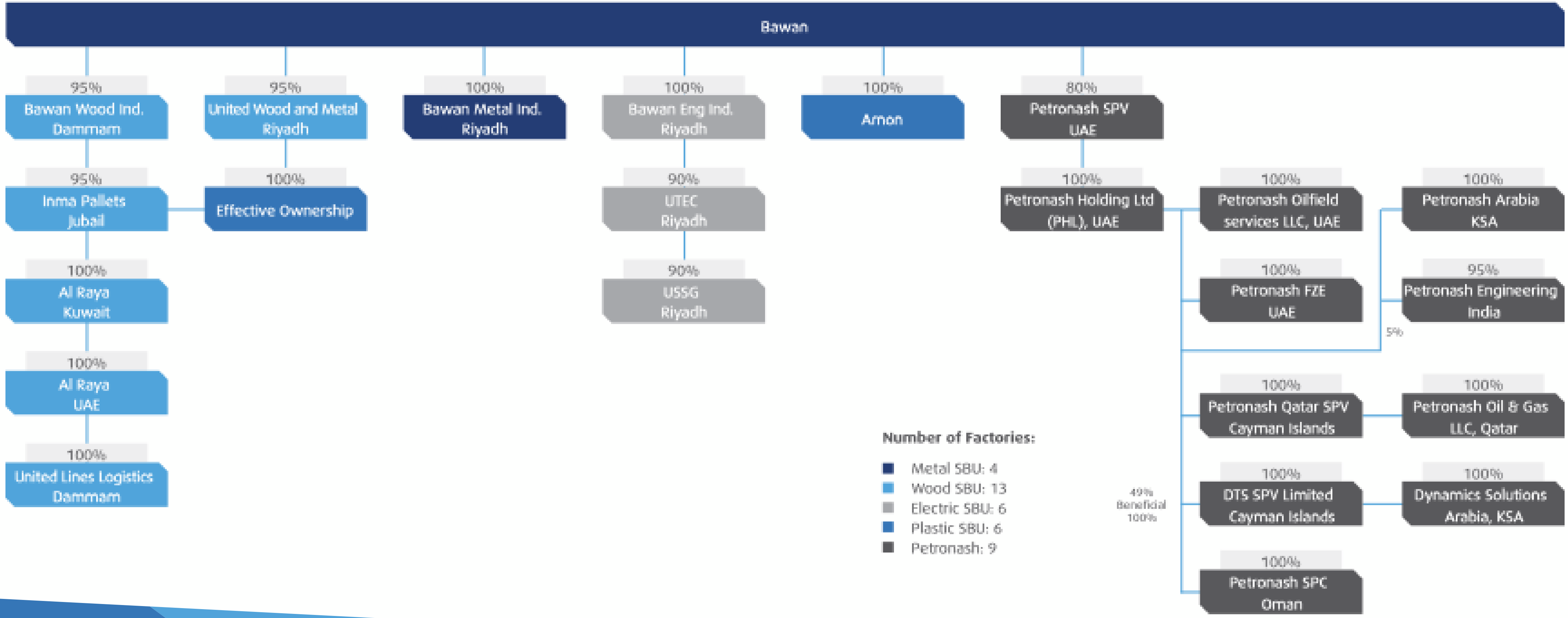
# Group Structure*



# Our Clients

Our Major Clients Expect High Standards

# Our Major Alliances and Partners

## Al Fozan Holding Company

Al Fozan Holding Company was established in 1959 by the founders Abdullatif bin Ahmed Al Fozan and his brother Mohammed bin Ahmed Al Fozan under the name of Abdullatif and Mohammed Al Fozan, which took general trading as a starting point for its journey. They were well known inside and outside the Kingdom for trading in timber and iron, as the company played a significant role in transforming this field of trading to a new qualitative level.

Al Fozan Holding is one of the largest family-owned companies in the Kingdom of Saudi Arabia. It began its business in Al-Khobar and expanded its activities to cover the Gulf region and the Middle East. The company has successfully established its position and diversified its business as one of the fastest-growing success stories in the region, achieving a prominent leadership position today.

Al Fozan Holding is proud of its achievements in the business world, its impact in sustainability, and its credibility in contemporary markets at various levels. The company leverages its expertise under the leadership of a distinguished team across its diverse business areas, including trading, real estate development, manufacturing, and retail.

## Al Muhaidib Group

Al Muhaidib Group "AMG" is one of the largest conglomerates in the Kingdom of Saudi Arabia, headquartered in Dammam with offices in Riyadh and Jeddah. AMG is an investment powerhouse with a diversified portfolio of businesses and an extensive international presence.

Al Muhaidib Group has followed a distinguished path since its foundation in the 1940s. The group was started by the founder as a general trader, and his sons continued the family business success, becoming investors and partners in a wide range of sectors, including food and consumer products, industrial and infrastructure, real estate development, and financial investment.

Established in 1943, the Group is wholly Saudi-owned and holds a substantial share in market-leading organizations across the Food and Retail, Industrial and Infrastructure, Real Estate, and Financial Investment sectors. Since its establishment, Al Muhaidib Group has worked to support Saudi Arabia's sustainable development and remains committed to creating real value in the communities and markets where it operates within the Kingdom and the broader region.

# Vision & Mission

## Vision

Bawan strives to become the leading group in the Kingdom of Saudi Arabia and the Middle East in the capital goods sector.

## Mission

To enhance Bawan's customers loyalty by providing market-leading and innovative products and services, through its existing sectors and new sectors in the future.

# Business Case

Qualified & Experienced Management Team

Strong & Diversified Customer Base

Unique Business Mix

Barriers to Entry

Exposure to high growth sectors

Investment in quality assets, systems, and people

Lengthy customer pre-qualification processes

Long-term customer relationships



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# Key Highlights

# Key Highlights

## SR in millions

| | H1 2026 | *H1 2025 | Q2 2026 | Q1 2026 | Q2 2025 | H1-26 vs H1-25 | Q2 26 vs Q2 25 | Q2-26 vs Q1-26 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | 2,002 | 1,876 | 971 | 1,031 | 966 | 7% | 0.5% | -6% |
| **Operating Income - reported** | 157 | 130 | 79 | 78 | 83 | 21% | -4% | 2% |
| *Operating Income - Effective* | *229* | *170* | *109* | *120* | *106* | *35%* | *3%* | *-9%* |
| **Net income – reported** | 106 | 181 | 54 | 52 | 32 | -42% | 69% | 4% |
| *Net income - Effective* | *164* | *87* | *78* | *86* | *50* | *89%* | *55%* | *-9%* |
| **EBITDA** | 282 | 212 | 135 | 147 | 126 | 33% | 7% | -8% |
| **GP%** | 16% | 14% | 17% | 15% | 16% | 18% | 9% | 15% |

* Petronash was effectively consolidated from 13-Feb-2025

** H1-2025 and Q2-2025 numbers changed due to the revision required under IFRS for PPA related measurement period adjustments. ***Refer to Appendix-1 for more clarification.***

*** Group results were impacted by non-cash accounting adjustment related to Purchase price Allocation (PPA) Exercise of Petronash acquisition which was recorded. This represents the effective numbers after isolating the Group performance from non-cash accounting adjustments. ***Refer to Appendix-1 for more clarification.***



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# Key Highlights

SR in millions

| | Q2 2026 | FY 2025 | Q2-26 Vs FY 2025 |
|---|---|---|---|
| Interest bearing Net debt | 1,117 | 1,222 | -9% |
| Equity | 1,200 | 1,127 | 7% |
| Total asset | 3,762 | 3,810 | -1% |
| Leverage | 2.13 | 2.38 | -10% |
| Current ratio | 1.45 | 1.37 | 6% |



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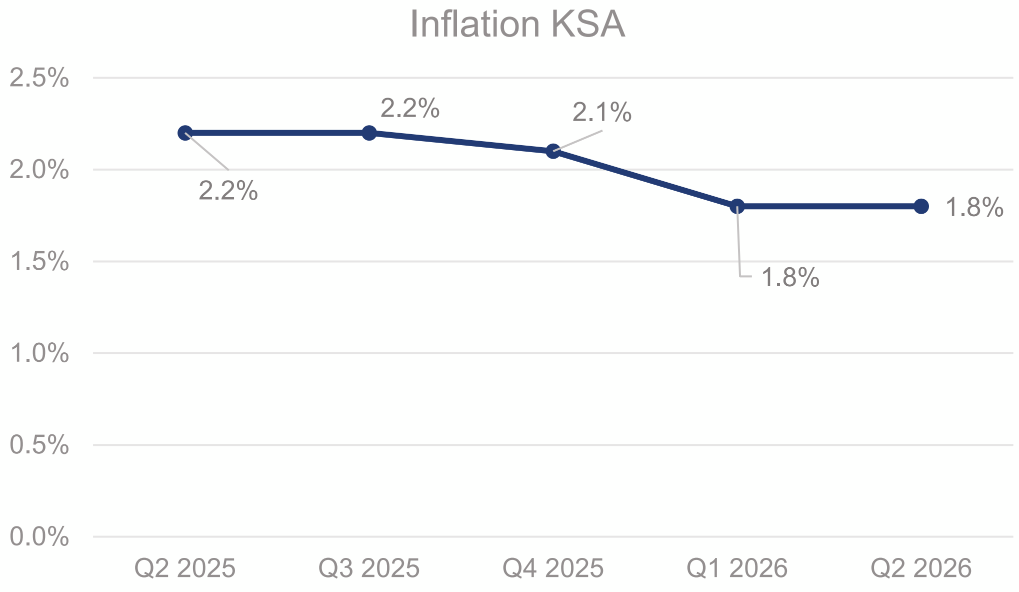
# Macro Overview

# Macro Overview

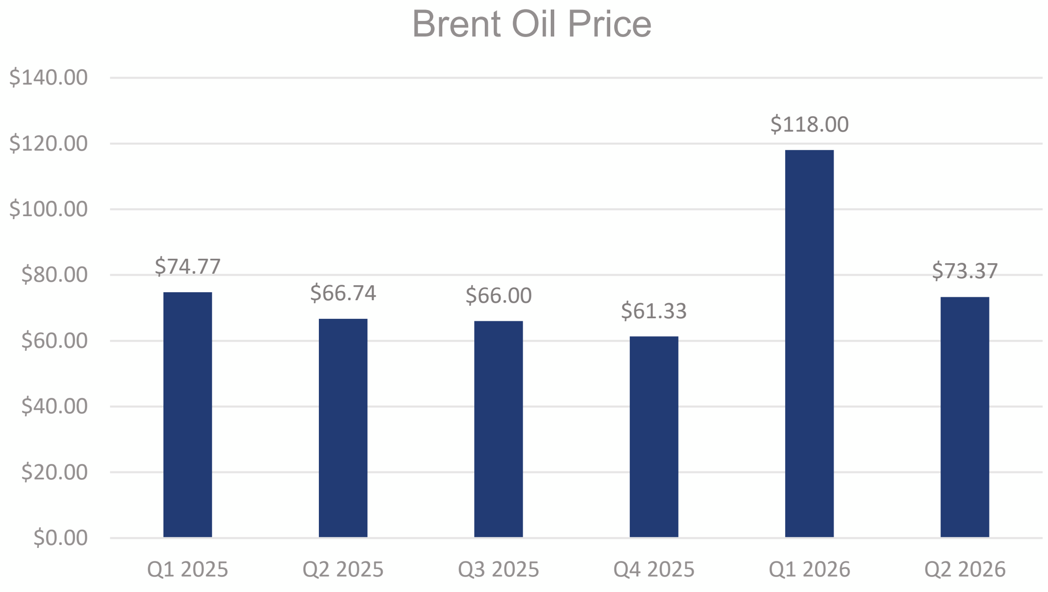
### Inflation

The inflation rate in Saudi Arabia holds steady from Q1 2026 compared to Q2 2026.




### Brent Oil Price

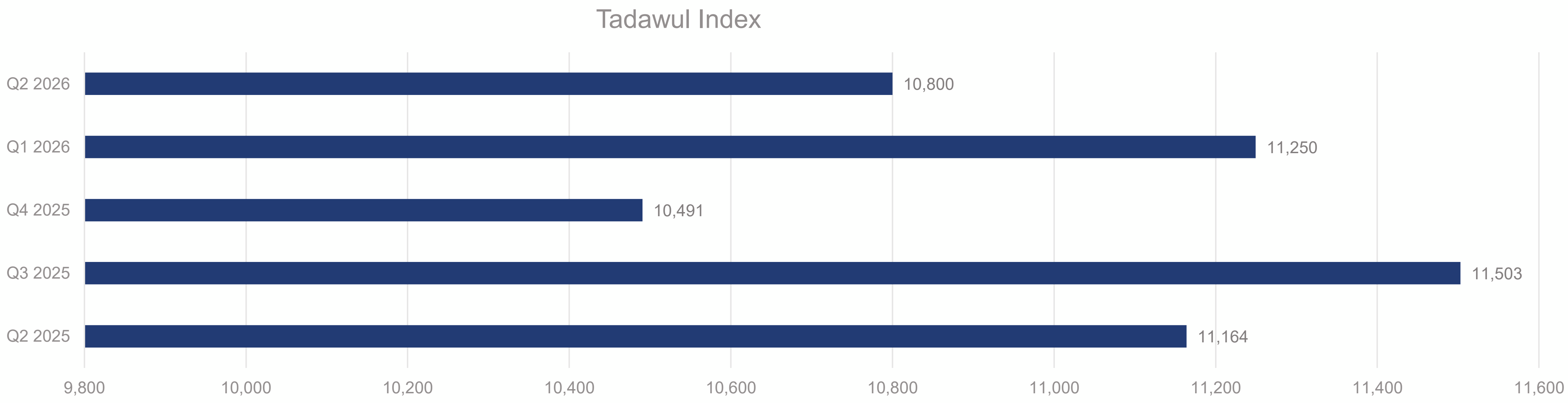
Brent oil prices decreased 38% on June 30th, 2026, compared to Q1 2026 due to improving geopolitical situation during the quarter.



# Macro Overview

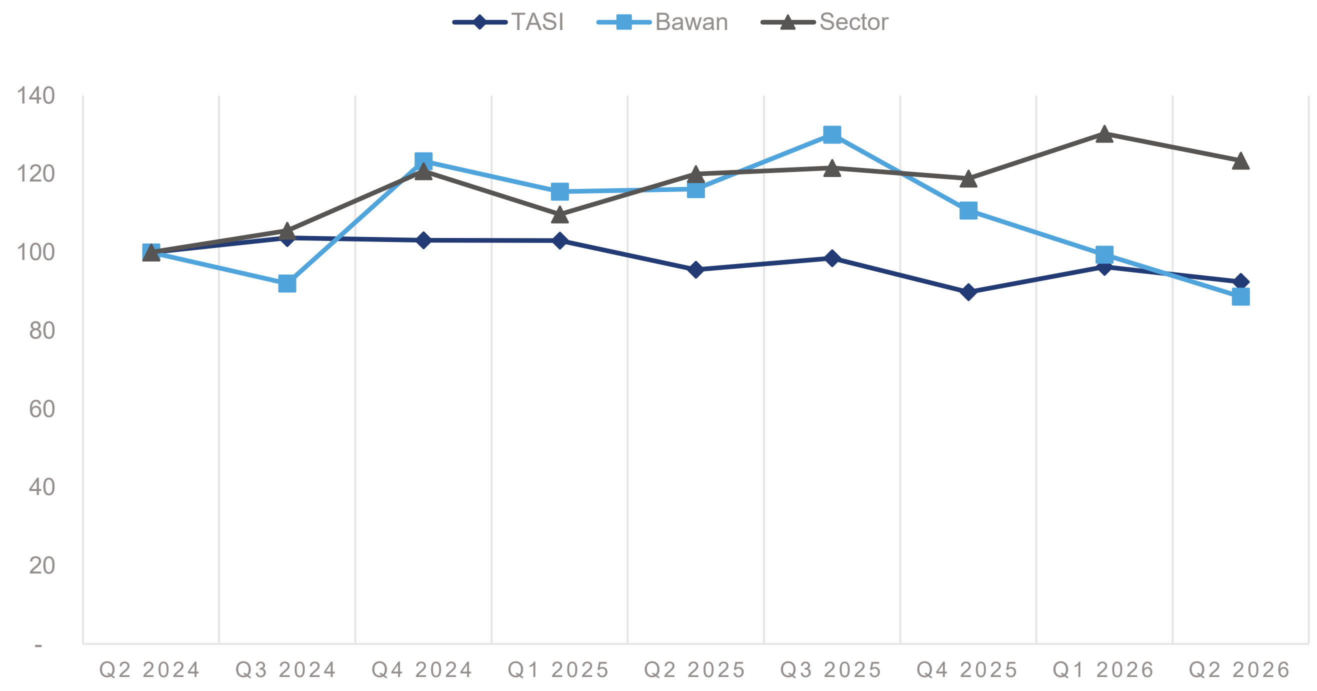
### Tadawul Index

The Tadawul All Share Index (TASI) trend lower as Q2 2026 with drop of 4% compared to last Q1 2026.



# Macro Overview

BAWAN MARKET PERFORMANCE

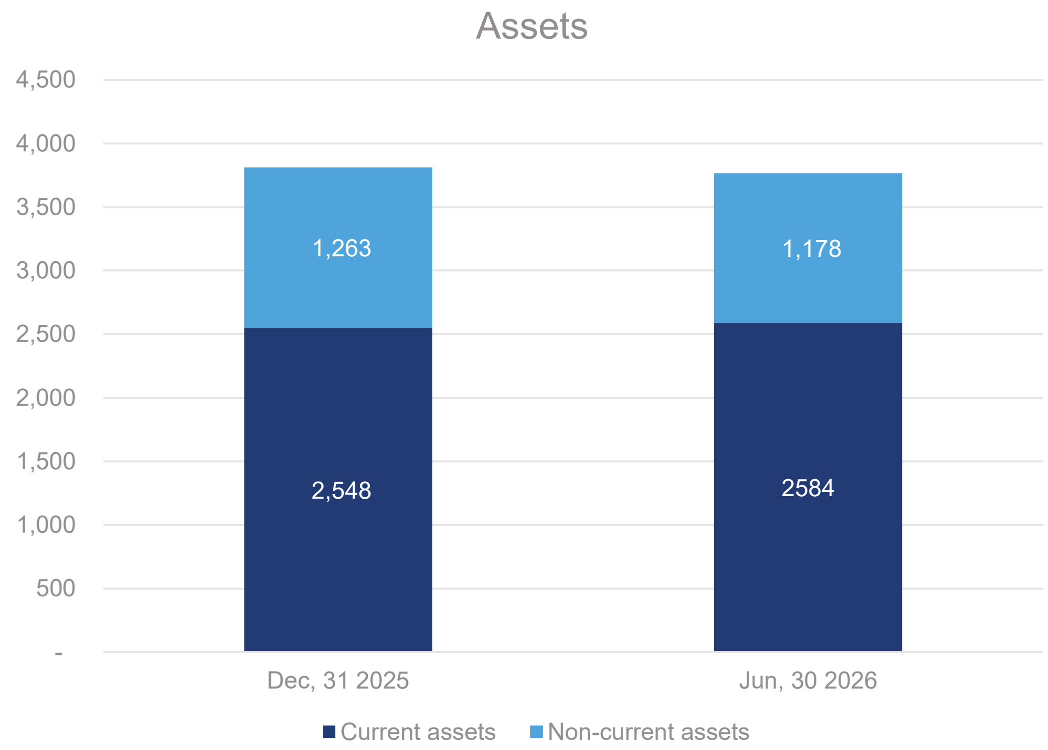


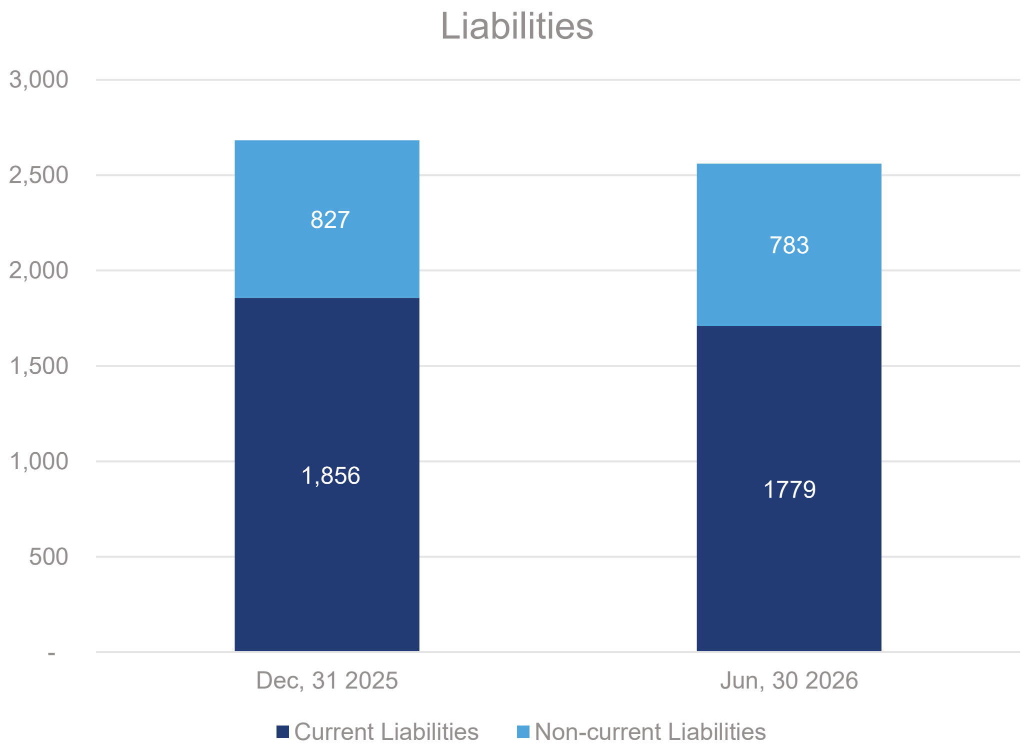

| Key Metrics * annualized | 30-Jun-26 |
|---|---|
| **Bawan** | |
| Market Cap | SAR 2.41 B |
| Shares Outstanding | 60m |
| Price/earning | 16.89 |
| Price / book value | 2.08 |

# Financial Perspective

# Liquidity

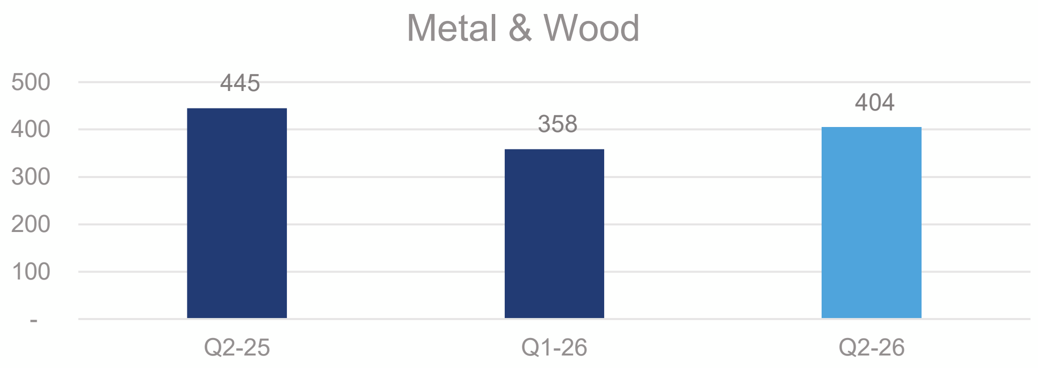
## SR in millions

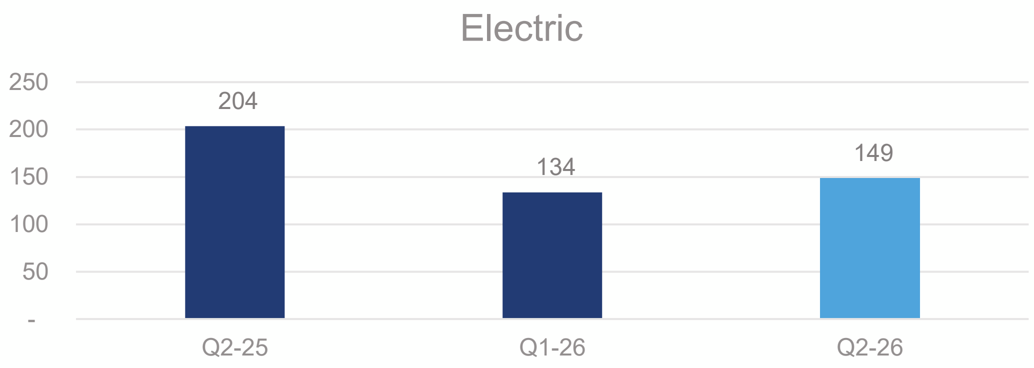


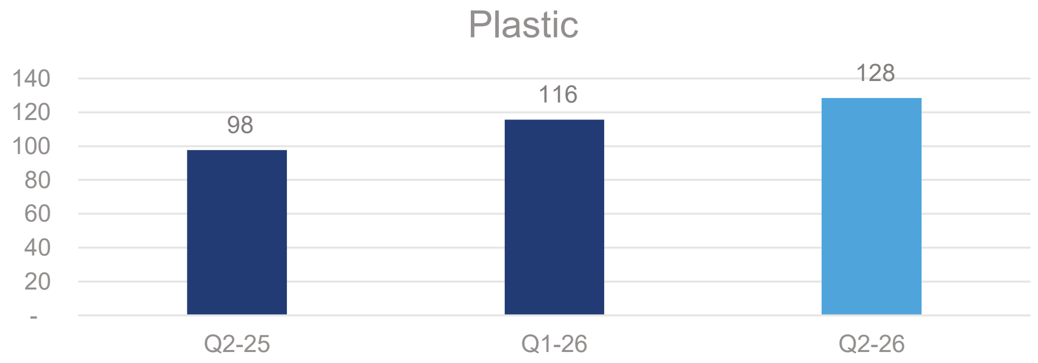



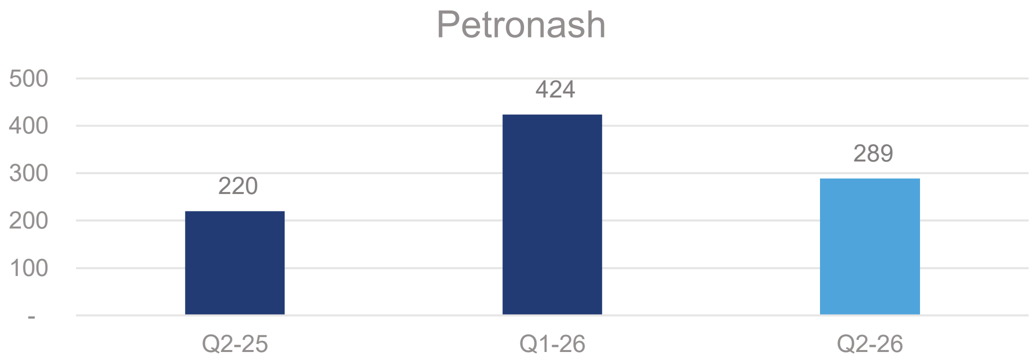
# Segment Revenue

SR in millions



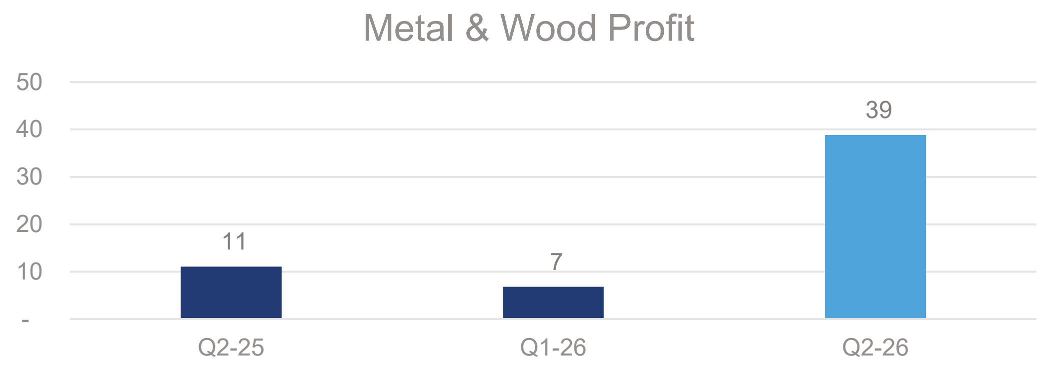



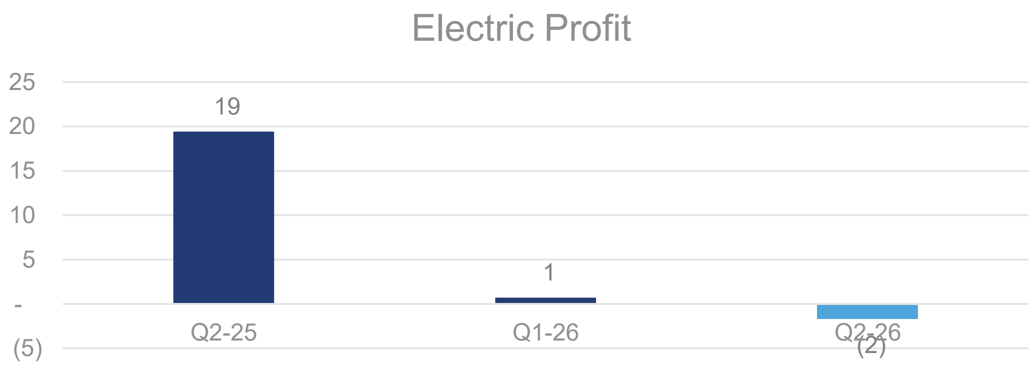



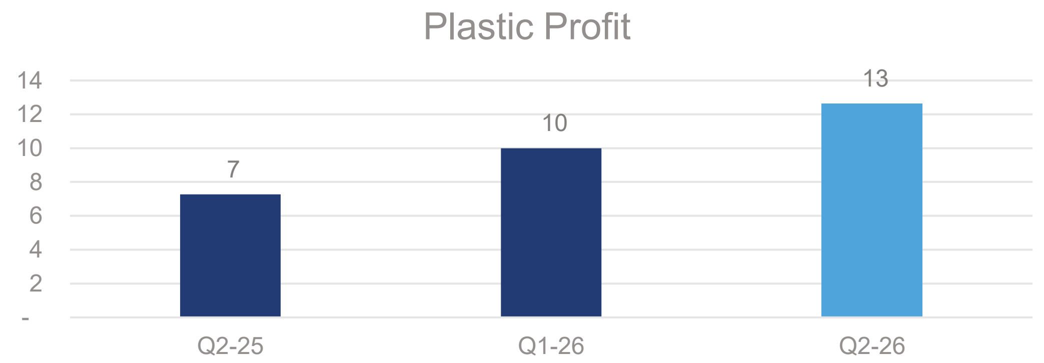



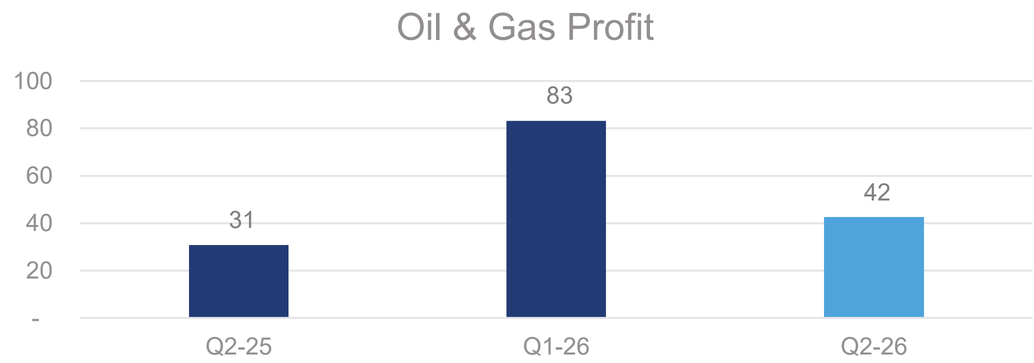
# Segment Profit

SR in millions



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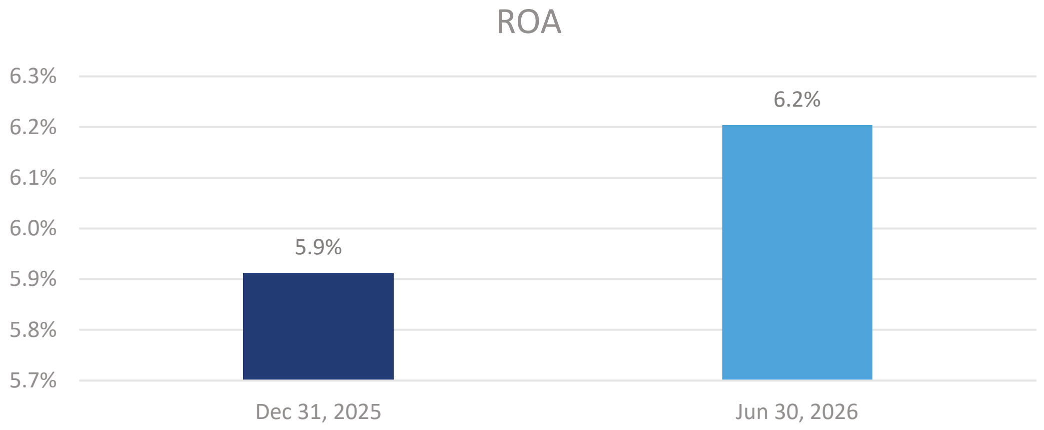
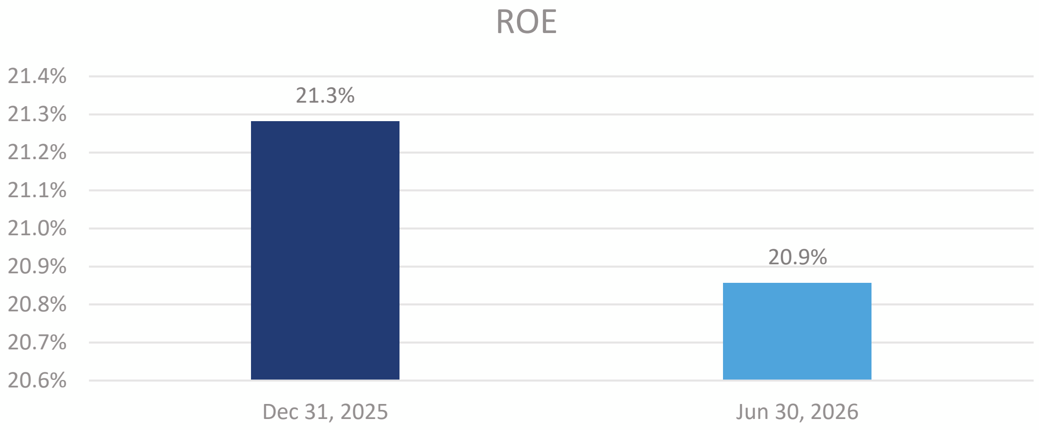
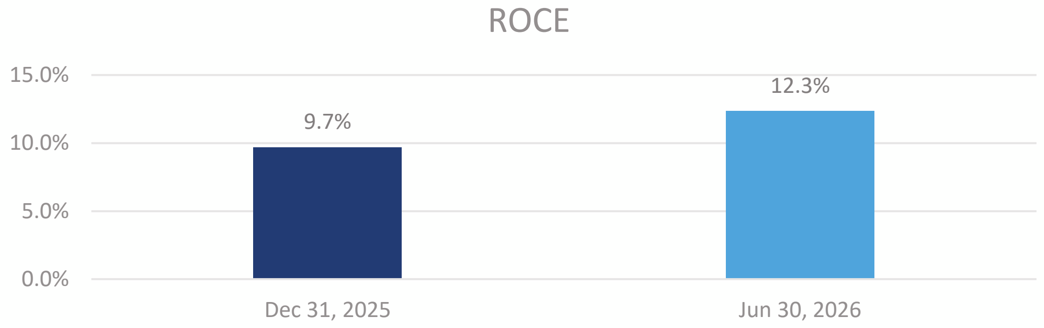
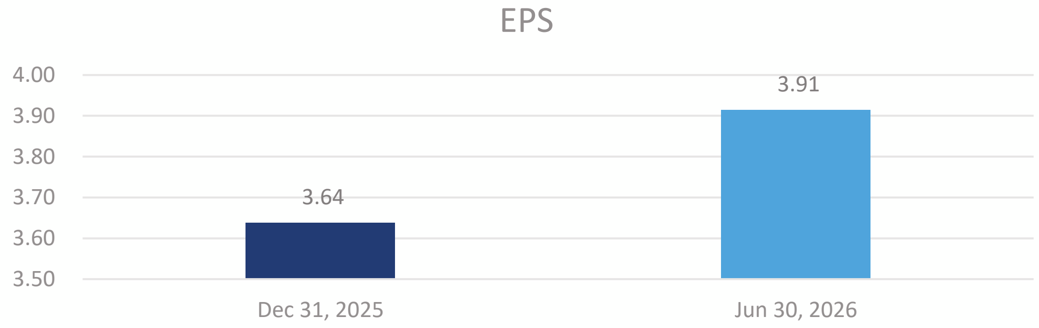
# Bawan Returns Annualized



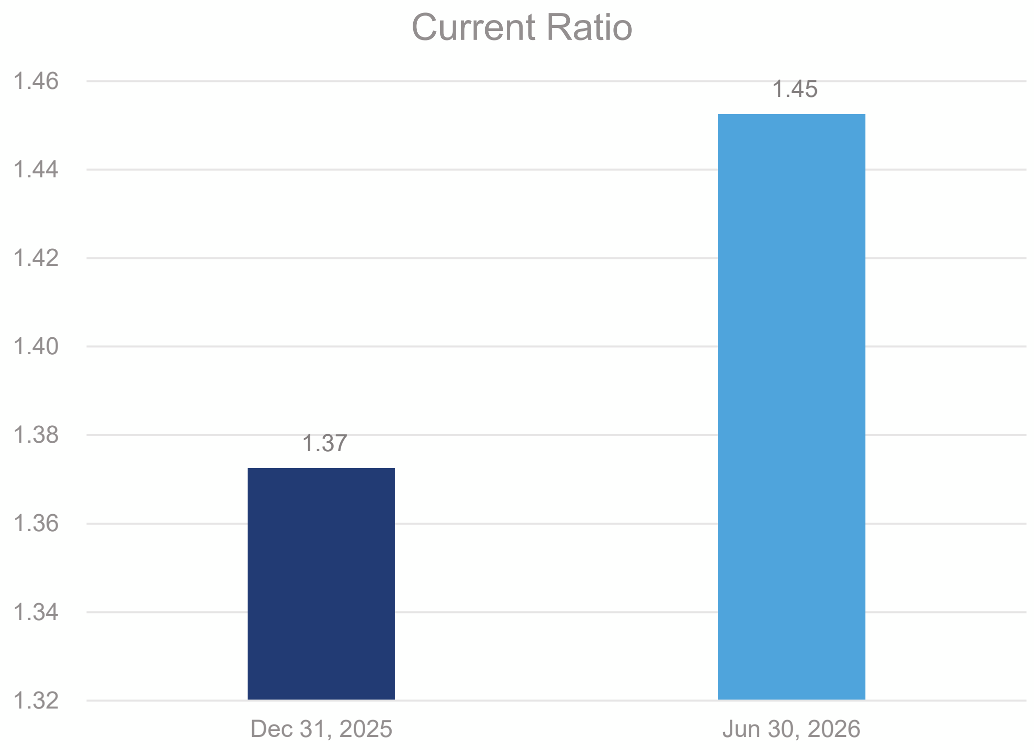



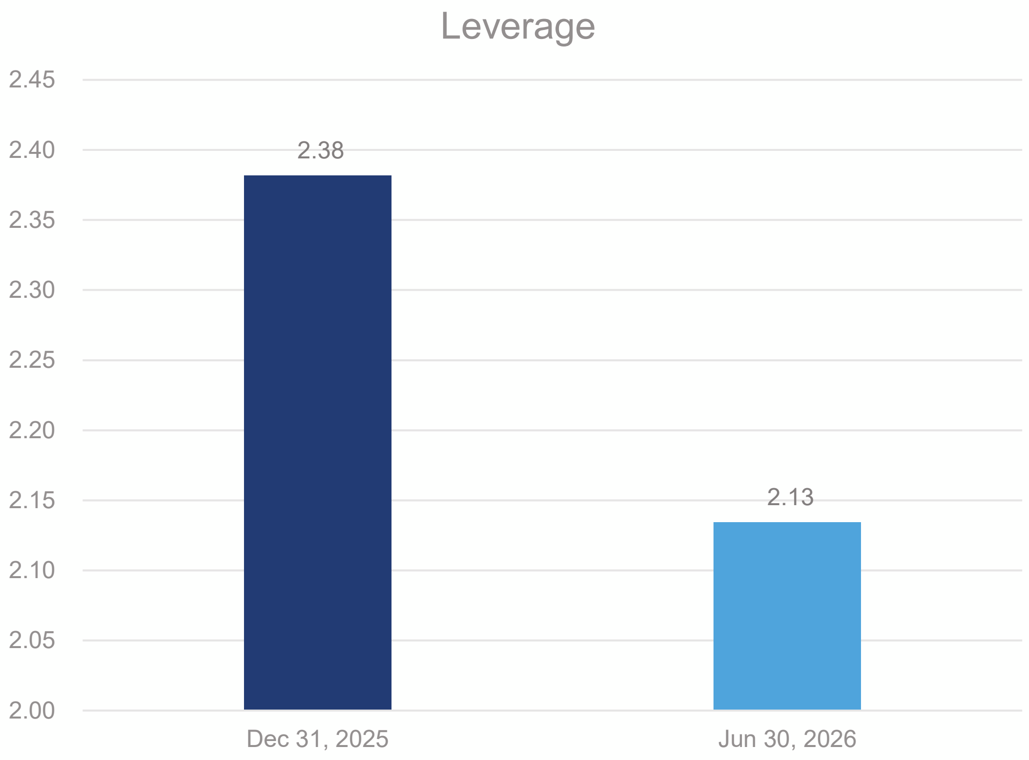




* Annualized Q2 2026 earnings have been calculated based on the underlying effective operating performance, with all non-cash purchase price allocation (PPA)-related adjustments excluded from the results.

# Liquidity & Leverage



# Backlog and Capacity utilization

SR in millions

| Backlog | June 30 2026 |
|---|---|
| Oil & Gas | 1027M |
| Electric | 432M |
| Metal & Wood | 110M |

# Debt Structure

SR in millions

### Short term debt

| | |
|---|---|
| Dec, 31 2025 | 781,332 |
| June, 30 2026 | 739,712 |

▼ -5%

### Long term debt

| | |
|---|---|
| Dec, 31 2025 | 523,773 |
| June, 30 2026 | 539,563 |

▲ 3%

### Total debt

| | |
|---|---|
| Dec, 31 2025 | 1,305,105 |
| June, 30 2026 | 1,279,275 |

▼ -2%

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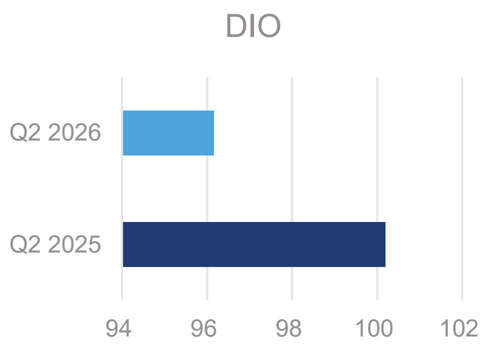
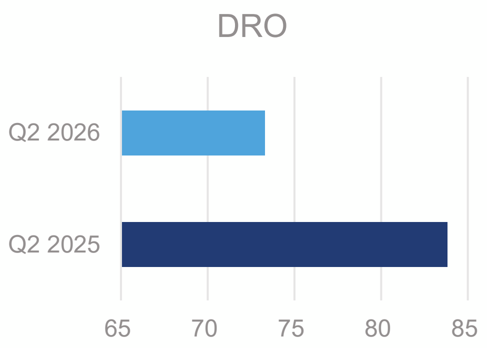
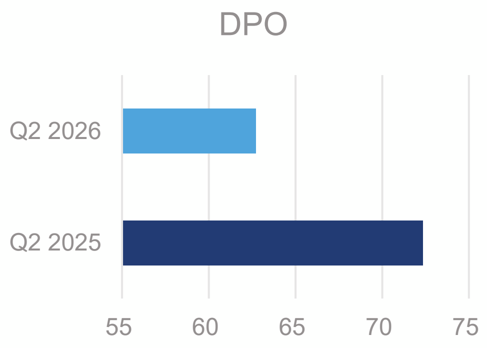
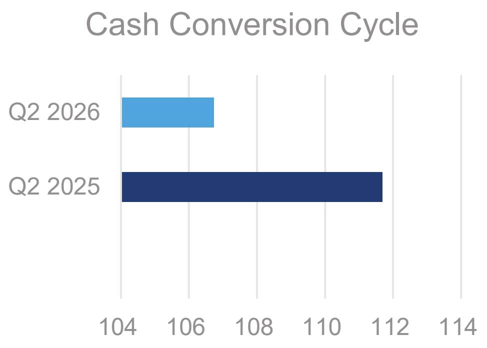
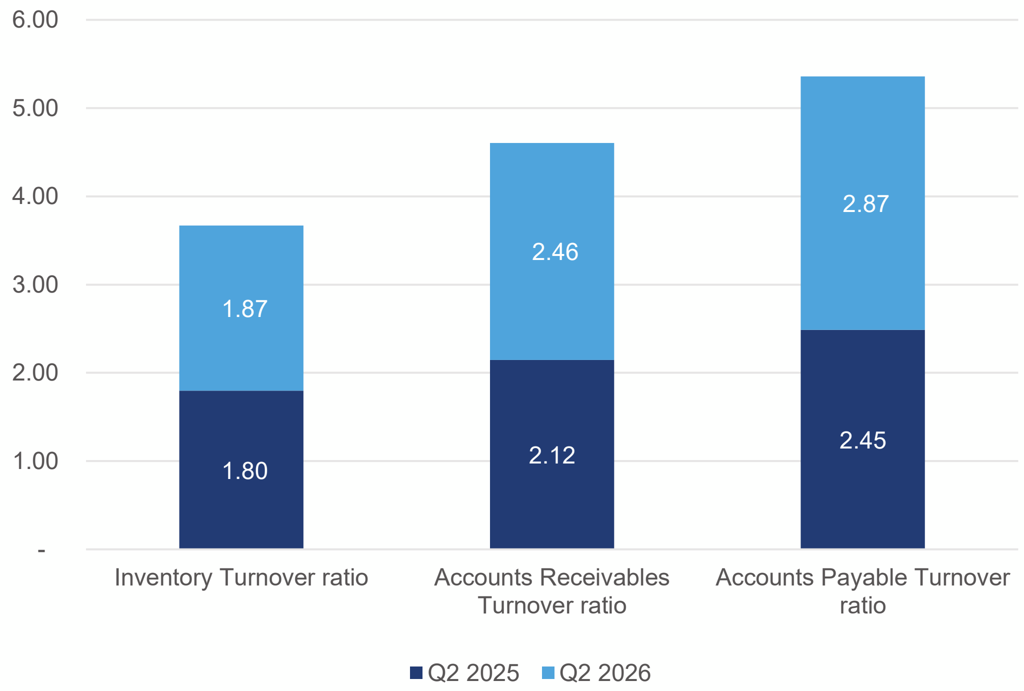
# Proficiency Ratios



# Financial Statements

# Statement of Income

## SR in millions

| | Jun 30, 2025 | Jun 30, 2026 |
|---|---|---|
| | SR'000 | SR'000 |
| Revenue | 1,876,321 | 2,001,842 |
| Cost of sales | (1,617,765) | (1,675,839) |
| **Gross profit** | **258,556** | **326,003** |
| Selling and distribution expenses | (41,550) | (42,686) |
| Administrative expenses | (90,650) | (119,443) |
| ECL allowance on financial assets | 3,224 | (7,184) |
| **Operating profit** | **129,580** | **156,690** |
| Gain or loss on disposal of investments at FVTPL | 2,022 | 107 |
| Fair value gain (loss) on investments at FVTPL | 5 | - |
| Bargain purchase gain on acquisition | 126,452 | - |
| Other income (expense), net | (1,639) | 4,076 |
| Finance charges | (54,019) | (45,613) |
| **Profit before zakat and income tax** | **202,401** | **115,260** |
| Zakat and income tax | (17,099) | (23,593) |
| **Profit for the period** | **185,302** | **91,667** |
| Non-controlling interests | (4,259) | 14,200 |
| **Profit attributable to owners of the Company** | **181,043** | **105,867** |

# Balance Sheet

## SR in millions

| | Dec 31, 2025 | Jun 30, 2026 |
|---|---|---|
| | SR'000 | SR'000 |
| Property, plant and equipment | 800,653 | 804,554 |
| Right-of-use assets | 72,633 | 80,512 |
| Goodwill and other intangible assets | 325,932 | 258,021 |
| Other non-current assets | 63,555 | 34,628 |
| **Total non-current assets** | **1,262,773** | **1,177,715** |
| | | |
| Inventories | 1,027,615 | 976,577 |
| Trade accounts receivable-external & related parties | 1,138,854 | 1,080,936 |
| Investment in financial assets | - | |
| Contract asset | 279,431 | 345,721 |
| Other current assets | 101,686 | 180,869 |
| **Total current assets** | **2,547,586** | **2,584,103** |
| **TOTAL ASSETS** | **3,810,359** | **3,761,818** |
| | | |
| Equity attributable to owners of the Company | 1,090,040 | 1,162,289 |
| Non-controlling interests | 36,738 | 37,898 |
| **Total equity** | **1,126,778** | **1,200,187** |
| | | |
| Loans | 469,065 | 471,738 |
| Consideration Payable | 196,255 | 136,048 |
| Lease liabilities | 56,465 | 64,888 |
| Employee defined benefit liabilities | 105,651 | 109,957 |
| **Total non-current liabilities** | **827,436** | **782,631** |
| | | |
| Trade accounts payable | 754,510 | 675,467 |
| Due to banks | 781,332 | 739,712 |
| Loans-current portion | 54,708 | 67,825 |
| Other current liabilities | 265,595 | 295,996 |
| **Total current liabilities** | **1,856,145** | **1,779,000** |
| **TOTAL LIABILITIES** | **2,683,581** | **2,561,631** |
| **TOTAL EQUITY AND LIABILITIES** | **3,810,359** | **3,761,818** |



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# Summarized Cash Flows

## SR in millions

| | Q2-2025 | Q2-2026 |
|---|---|---|
| | SR'000 | SR'000 |
| Operating Cash flow* | 216,331 | 294,746 |
| Investing cash flows | (187,903) | (119,725) |
| Financing cash flows | (235,564) | (30,170) |
| Cash and cash equivalents | 114,742 | 162,123 |

* Before working capital changes

# Appendix-1

Clarification on numbers reported results

# SUMMARY

*H1-2026 results require explanation of two accounting matters arising from the Petronash PPA finalization in Q4-2025, consistent with the Q1-2026 clarification announcement.*

## 1. Continuing PPA Impact on H1-2026

**SAR 72M** non-cash PPA D&A charged to H1-2026 reported results (Q1: SAR 42M + Q2: SAR 30M, declining as the contract order backlog amortizes down).

**Effective Net Profit (Bawan's share): Q2-26: SAR 78M | H1-26: SAR 164M** vs SAR 87M in H1-25 (+89% YoY).

**Effective Operating Income (Group): Q2-26: SAR 109M | H1-26: SAR 229M** vs SAR 170M in H1-25 (+35% YoY).

**Effective Gross Margin: Q2-26: 20% | H1-26: 19%** vs 15% in H1-25 — ~400bps expansion driven by strategic product mix and Petronash consolidation.

## 2. Revision of H1-2025 Comparatives

**IFRS 3 measurement period adjustments** require H1-2025 comparatives (both Q1 and Q2) to be retrospectively revised in the H1-2026 financial statements.

**Bargain Purchase Gain of SAR 126M** reallocated to Q1-25 (acquisition date). Proportional PPA D&A allocated across Q1-25 (SAR 17M) and Q2-25 (SAR 23M).

**Full-year 2025 totals remain UNCHANGED** — only the inter-quarter allocation has been and will be adjusted.

***Note:** This is NOT a correction of a prior period error under IAS 8.*

# RECAP: WHAT HAPPENED AND WHY THIS CLARIFICATION MATTERS

**1**

### ACQUISITION

*13 Feb 2025*

Bawan acquired 80% of Petronash. PPA disclosed as in-process under IFRS 3.

**2**

### PPA FINALIZED

*Q4 2025*

Intangibles (order backlog, customer relationships, trade name) and fair value uplifts to PP&E identified and measured.

**3**

### PRIOR CLARIFICATIONS

*March 2026*

Full-year SAR 121M PPA D&A catch-up (in Q4-25) and Q1-26 continuing PPA impact + Q1-25 comparative revision explained in prior announcements.

**4**

### H1-26: CONTINUING

*June 2026*

Recurring PPA related non-cash D&A continues (SAR 72M for H1) + IFRS 3 measurement period revision now extended to full H1-2025 comparatives for better presentation.

**FOCUS OF THIS ANNOUNCEMENT:** H1-2026 continues the same two accounting matters introduced in Q1-2026 — the recurring PPA charge against current-period results, AND the IFRS-mandated retrospective revision of prior-year comparatives, now extended to full H1-2025.

# IFRS 3 REVISION — WHAT CHANGED IN H1-2025 COMPARATIVES

## IFRS 3 Requirement

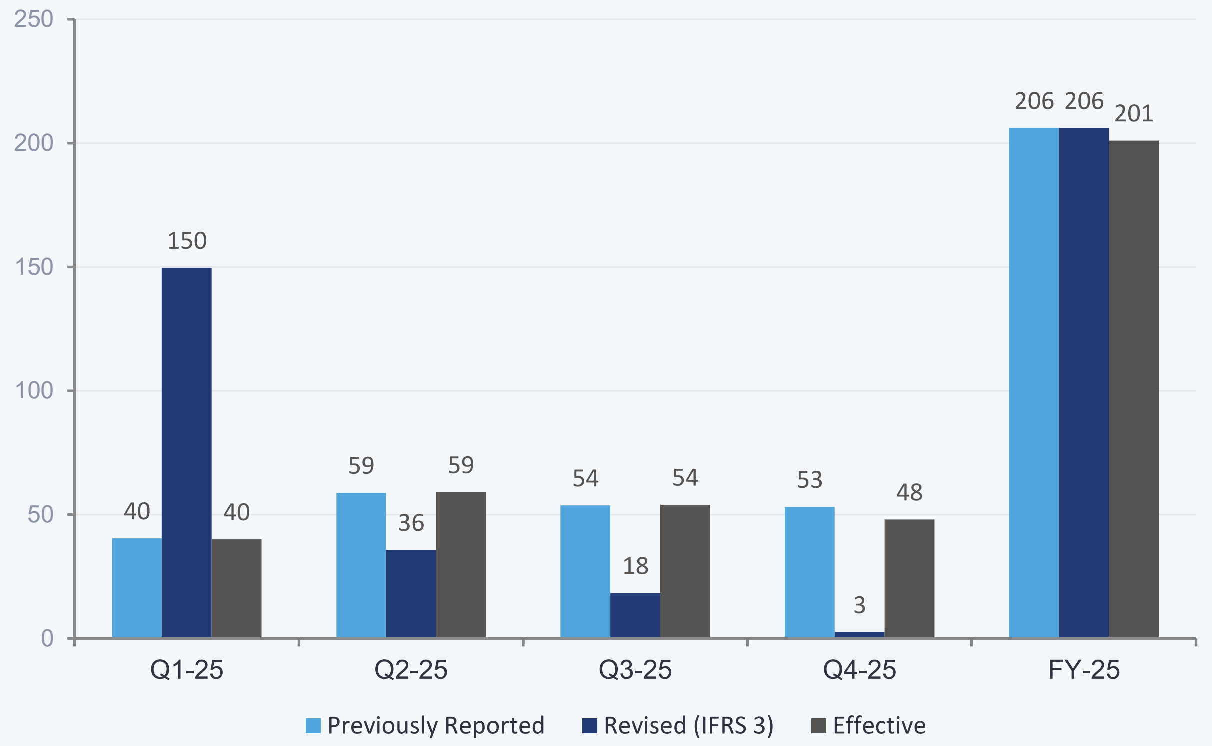
*Adjustments to provisional amounts during the measurement period are recognized as if the accounting for the business combination had been completed at the acquisition date.*

## Adjustments to H1-2025 Comparatives:

- **Bargain Purchase Gain – Q1-2025 only**
  SAR 126M one-off non cash gain, originally booked in Q4-2025 reported results, is now recognized in Q1-2025 (acquisition date quarter).

- **Proportional PPA D&A Allocation – across Q1 and Q2 2025**
  SAR 40M non-cash PPA D&A is now allocated to H1-25 (Q1-25: SAR 17M + Q2-25: SAR 23M), proportional from acquisition date.

**Net Profit by Quarter — FY 2025 (Group Level, SAR M)**




**NOT A PRIOR PERIOD ERROR**

These are measurement period adjustments under IFRS 3 and do NOT constitute a correction of a prior period error within the scope of IAS 8.

**FY 2025 Total: SAR 206M** — **UNCHANGED** under both views.

*Only the inter-quarter allocation has been adjusted.*

# H1-2025 COMPARATIVE — PREVIOUSLY ANNOUNCED vs REVISED

*The H1-2025 net profit comparative shown in the H1-2026 financial statements is materially higher than originally announced — driven by the bargain purchase gain reallocation to Q1-2025, partially offset by proportional PPA D&A allocated across both quarters.*

### Previously Announced

*(as published in H1-2025 results)*

Net Profit (Bawan share)

**SAR 87M**

**Bargain Purchase Gain**

Not yet recognized

**PPA D&A Allocation**

Not yet recognized

*PPA was disclosed as in-process at H1-2025; neither the bargain purchase gain nor PPA D&A had been recorded.*

### Revised Comparative

*(IFRS 3 — shown in H1-2026 FS)*

Net Profit (Bawan share)

**SAR 181M**

**Bargain Purchase Gain**

+ SAR 126M (Q1-25)

**PPA D&A Allocation**

− SAR 32M (Bawan share)

*Reflects acquisition-date economics: bargain purchase in Q1-25 + proportional PPA D&A across Q1 (SAR 14M) and Q2 (SAR 18M) Bawan share.*

### Effective Net Profit

*(underlying performance)*

Net Profit (Bawan share)

**SAR 87M**

**Bargain Purchase Gain**

Excluded (one-off)

**PPA D&A Allocation**

Excluded (non-cash)

*Best basis for like-for-like comparison with H1-2026 effective net profit of SAR 164M.*

**KEY POINT:** When comparing H1-2026 to the H1-2025 comparative shown in the financial statements, investors should look at **EFFECTIVE numbers** for like-for-like comparison.

# REPORTED vs EFFECTIVE PERFORMANCE — Q1, Q2 & H1 2026

*H1-2026 reported results absorb SAR 72M of non-cash PPA D&A (SAR 42M in Q1 + SAR 30M in Q2). Effective figures reveal the underlying operational momentum, most clearly visible on a six-month basis.*

## Net Profit (Bawan's Share)

| | Q1-26 | Q2-26 | H1-26 | H1-25 |
|---|---|---|---|---|
| Reported | 52 | 54 | 106 | 181 |
| Effective | 86 | 78 | 164 | 87 |

**Less: SAR 58M** *non-cash PPA D&A (Bawan's share) in H1-2026*

## Operating Income (Group)

| | Q1-26 | Q2-26 | H1-26 | H1-25 |
|---|---|---|---|---|
| Reported | 78 | 79 | 157 | 130 |
| Effective | 120 | 109 | 229 | 170 |

**Less: SAR 72M** *non-cash PPA D&A (Group) in H1-2026*

## Gross Profit (Group)

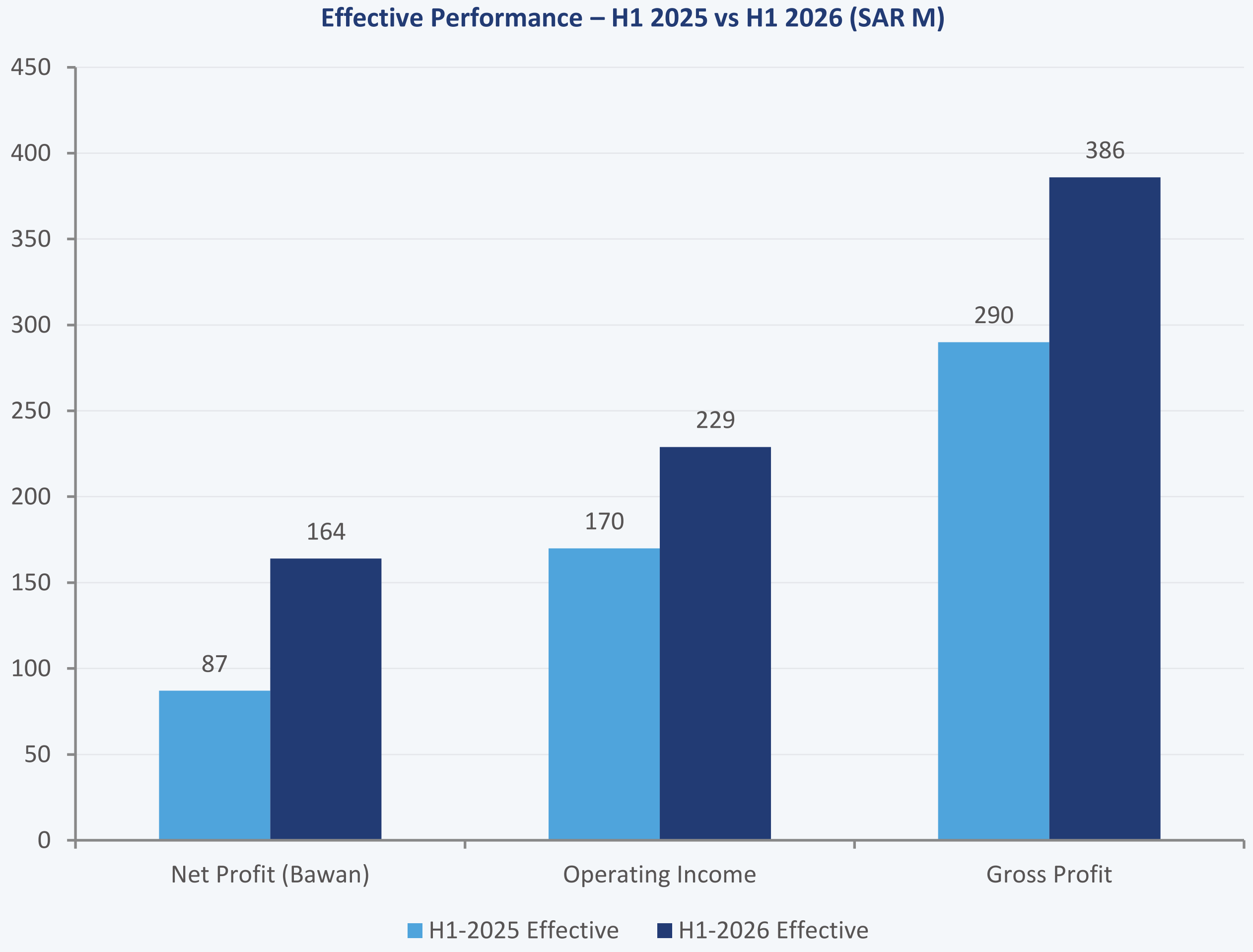
| | Q1-26 | Q2-26 | H1-26 | H1-25 |
|---|---|---|---|---|
| Reported | 156 (15%) | 170 (17%) | 326 (16%) | 259 (14%) |
| Effective | 192 (19%) | 193 (20%) | 386 (19%) | 290 (15%) |

**Less: SAR 60M** *PPA amortization in COGS for H1-2026*

**H1-26 EFFECTIVE VIEW:** Net Profit SAR 164M | Operating Income SAR 229M | Gross Profit SAR 386M (19% margin) — reflecting strong underlying operational momentum across all sectors.

# H1 2026 vs H1 2025 — EFFECTIVE PERFORMANCE COMPARISON

*On a like-for-like effective basis, H1-2026 shows strong year-on-year growth across all key metrics, driven by full Petronash contribution, strategic product mix, and margin expansion.*




**Net Profit (Bawan)**

**+89% YoY**

SAR 164M vs SAR 87M

**Operating Income**

**+35% YoY**

SAR 229M vs SAR 170M

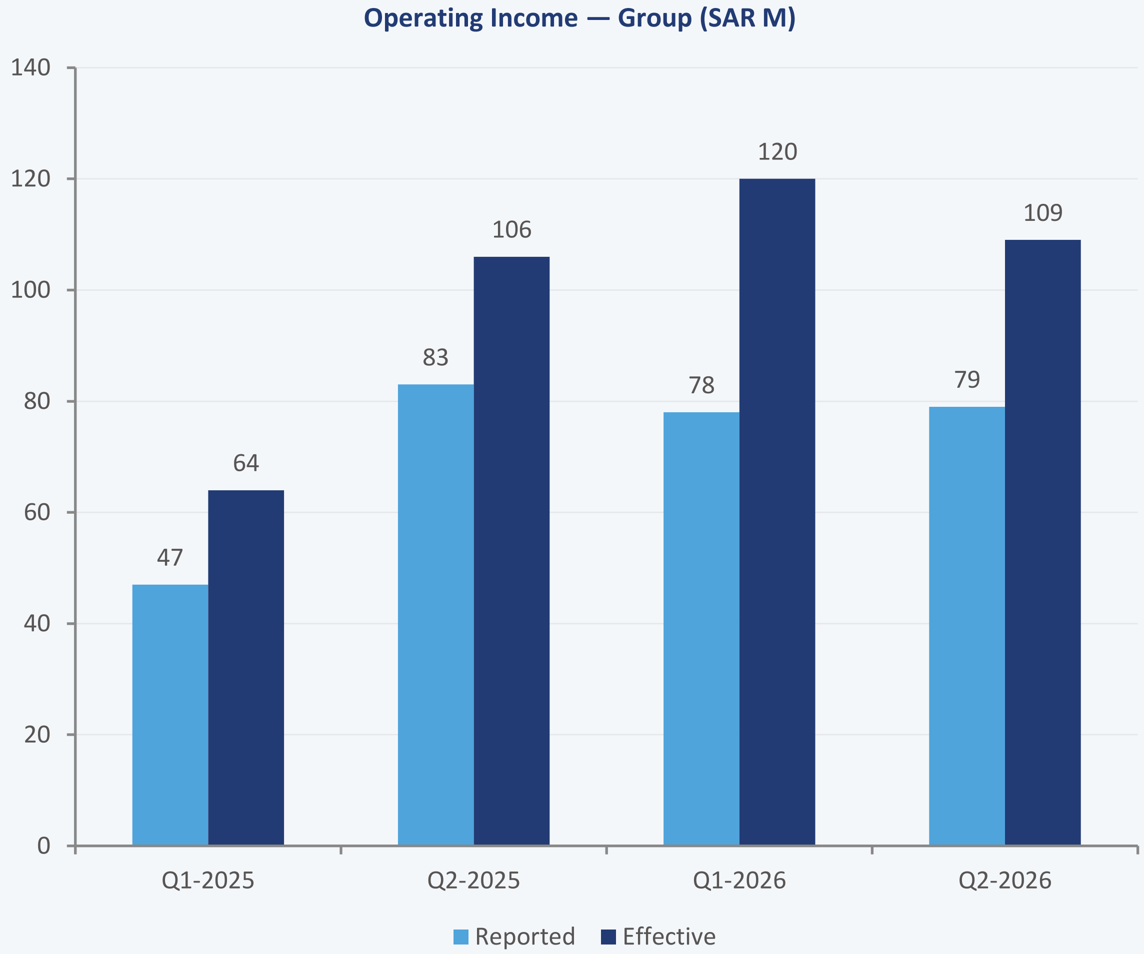
**Gross Margin Expansion**

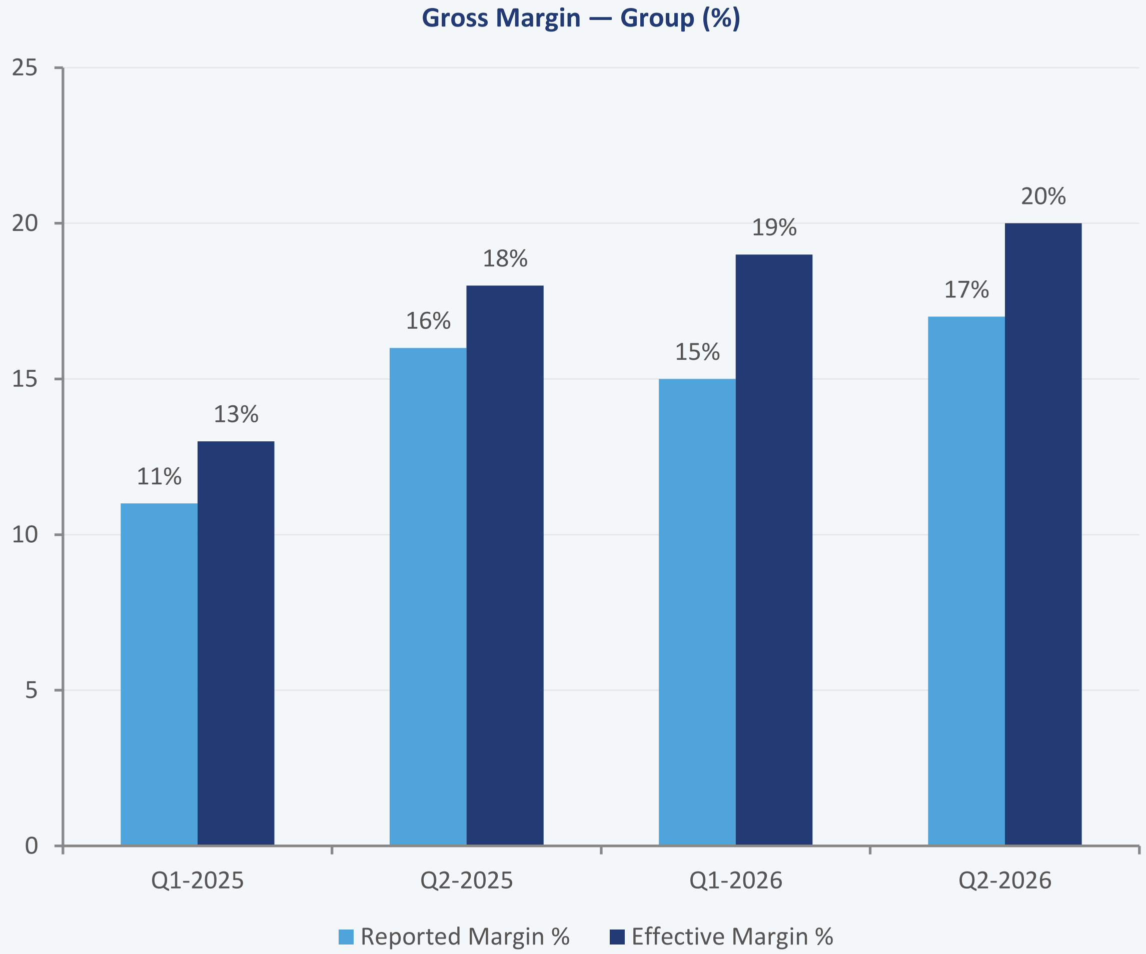
**15% → 19%**

~400bps expansion driven by strategic product mix, Petronash consolidation, and better margin in metal products.

# QUARTERLY TRAJECTORY — OPERATING INCOME & GROSS MARGIN

*Both operating income and gross margins show consistent improvement on an effective basis. Reported figures reflect non-cash PPA charges that mask the underlying commercial momentum.*



# FORWARD-LOOKING — PPA AMORTIZATION SCHEDULE

*PPA-related D&A is declining as the contract order backlog amortizes down. The backlog is expected to be fully amortized by end of FY 2026, after which quarterly PPA charges will drop materially.*

| Intangible Asset / Adjustment | Initially Recognized | FY 2025 Amortization | Q1 2026 Amortization | Q2 2026 Amortization | Remaining Balance | Remaining Useful Life |
|---|---|---|---|---|---|---|
| **Contract Order Backlog** | SAR 180M | (SAR 95M) | (SAR 35M) | (SAR 23M) | **SAR 27M** | *Est. 6 months* |
| **Customer Relationships** | SAR 210M | (SAR 18M) | (SAR 5M) | (SAR 5M) | **SAR 181M** | *8.5 years* |
| **Trade Name** | SAR 34M | (SAR 3M) | (SAR 0.8M) | (SAR 0.8M) | **SAR 29M** | *8.5 years* |
| **Fixed Assets (Fair Value Uplift)** | SAR 36M | (SAR 5M) | (SAR 1M) | (SAR 1M) | **SAR 29M** | *Mixed* |
| **Total** | **SAR 460M** | **(SAR 121M)** | **(SAR 42M)** | **(SAR 30M)** | **SAR 266M** | — |

**H2 2026 EXPECTATION**

## ~SAR 15M/qtr.

*PPA D&A expected to decline as the contract order backlog amortizes down through H2-26.*

**2027 ONWARDS**

## Material Decline

*Order backlog fully expensed by end of FY 2026; accordingly quarterly PPA charge drops significantly from 2027.*

**REPORTED-EFFECTIVE GAP**

*Reported vs effective gap in profits expected to narrow through H2-2026 and then materially compress as the order backlog gets fully amortized.*

# GEOPOLITICAL UPDATE — RESILIENCE & ACTIVE RISK MANAGEMENT

*Middle East geopolitical tensions intensified during H1-2026. Bawan's diversified regional footprint, disciplined risk management and proactive customer engagement have maintained operational continuity and financial resilience across the Group.*

1

## Diversified Sourcing

Multi-country supplier base across our sectors segments, reducing dependency on any single origin and safeguarding supply chain continuity.

2

## Operational Efficiency

Ongoing focus on cost efficiencies, operational discipline, and disciplined margin management has supported profitability through the cycle — reflected in H1-26 gross margin expansion to 19% (vs 15% in H1-25).

3

## Close Customer Engagement

Proactive dialogue with customers on delivery timelines, inventory positioning and demand planning secures order flow despite few force majeures from customers as well as by us. Diversified customer base across sectors and geographies further mitigates concentration risk.

### Impairment Assessment

## No Impairment Indicators Identified

Management has assessed all operating sectors as at the reporting date. Based on this assessment, no indicators of impairment exist that would require recognition of an impairment charge.

*Accordingly, no impairment charge has been recognized in the interim condensed consolidated financial statements.*

**FORWARD OUTLOOK:** The Group continues to monitor the evolving geopolitical situation closely. The potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

# KEY TAKEAWAYS

1

## Strong H1-2026 Underlying Performance

Effective net profit attributable to Bawan reached SAR 164M in H1-2026 (+89% YoY vs SAR 87M in H1-2025). Effective gross margin expanded to 19% (vs 15% in H1-2025), driven by strategic product mix, Petronash consolidation and higher-margin from metal products.

2

## Reported Numbers Reflect Non-Cash PPA Impact

H1-2026 reported results absorb SAR 72M of non-cash PPA D&A (Q1: SAR 42M + Q2: SAR 30M). Charge is declining sequentially as the contract order backlog amortizes down and is expected to decline further through H2-2026.

3

## H1-2025 Comparatives Have Been Revised

Under IFRS 3, the H1-2025 comparative in the H1-2026 financial statements reflects the bargain purchase gain reallocation to Q1-25 (SAR 126M) and proportional PPA D&A allocated across Q1-25 (SAR 17M) and Q2-25 (SAR 23M). Full-year 2025 totals remain unchanged.

4

## Geopolitical update

Bawan is closely monitoring the geopolitical situation in the region and will continue to effectively manage its supply chain, operational and customer-related risks across its industrial segments, leveraging pricing flexibility and inventory cover where appropriate. However, given the evolving nature of the situation, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

***Bawan Company remains committed to transparency and delivering long-term value to its shareholders.***

# DISCLAIMER

This presentation has been prepared by Bawan Company ("the Company") for informational purposes only and is intended to provide additional context to the interim financial results announcement for the six-month period ended 30 June 2026.

The financial information presented herein is based on the Company's condensed consolidated interim financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia.

Comparative information for the three-month and six-month periods ended 30 June 2025 has been retrospectively revised in accordance with IFRS 3 (measurement period adjustments) and accordingly will not reconcile to figures previously announced for that period. Full-year 2025 totals remain unchanged. These adjustments do not constitute a correction of a prior period error within the scope of IAS 8.

Certain figures presented as "Effective" or "Underlying" represent non-IFRS measures and are provided solely to assist investors in understanding the impact of the Purchase Price Allocation exercise on reported results. These measures should not be considered in isolation or as alternatives to IFRS measures.

Forward-looking statements contained in this presentation are based on management's current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially.

**For further information, please contact: IR@bawan.com.sa**

# Thank You!



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