CGS HOLDING COMPANY

ANNUAL REPORT 2025/26

CGS

Engineering growth, delivering value

For five decades, CGS has combined homegrown engineering expertise, manufacturing capability, and customer-focused innovation to provide increasingly sophisticated solutions that support some of the Kingdom's most critical industries. As we embark on our journey as a listed entity and, as the Kingdom itself forges ahead in its Vision 2030 growth ambitions, we strive to strengthen our knowhow and capabilities, expanding into new opportunities, delivering lasting value to all.

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CGS

OVERVIEW

ABOUT THE REPORT

This Annual Report presents the financial, operational, strategic, and governance performance of Consolidated Gruenenfelder Saady Holding Company (publicly known as Cold Stores Group of Saudi Arabia, or CGS, and referred to in this report as “the Group” or “the Company”) and its subsidiaries for the financial year ended 31 March 2026 (FY26).

This is the Group’s first annual report following its listing on the Saudi Exchange (Tadawul) and has been prepared in accordance with the applicable disclosure requirements of the Capital Market Authority (CMA).

Unless otherwise stated, all financial information contained in this report relates to the consolidated performance of CGS and its subsidiaries for the fiscal year from 1 April 2025 to 31 March 2026 (FY26) and is presented in Saudi Riyals (⃁).

This report has been designed as an interactive PDF to enhance navigation. Chapter titles throughout the document are clickable and will take readers directly to the relevant sections. In addition, selected content is marked with coloured tags: red tags indicate cross-references to related chapters, orange tags identify diagrams, green tags identify tables, and grey tags identify graphs and charts.

Scan the code below to access an interactive HTML version of this report that includes 3D visualisations of the Company’s product range.

https://cgs.com.sa/annualreport25-26

ABOUT CGS

Consolidated Grünenfelder Saady Holding Company (henceforth referred to as CGS Group or, simply, CGS) is a Saudi-based engineering, manufacturing, and services group specialising in temperature-controlled infrastructure, transport refrigeration solutions, and customised engineered applications. Established in 1976 as a Swiss-Saudi joint venture, the Group has built five decades of engineering know-how, local manufacturing capability and customer trust, evolving into one of the Kingdom's leading providers of refrigeration and specialised engineering solutions.

Today, CGS operates through four complementary business segments: Automotive Solutions, Stationary Refrigeration, Customised Solutions, and Aftermarket Services. These segments collectively enable the Group to serve a broad range of industries including food production, logistics, healthcare, pharmaceuticals, industrial manufacturing, telecommunications, energy, and defence.

Supported by Saudi-based engineering expertise, decades of local manufacturing know-how and a nationwide service network, CGS delivers specialised solutions that support critical infrastructure and supply chains across the Kingdom. The Group continues to invest in technology, automation, and engineering capability while leveraging long-standing technical partnerships to enhance product quality, operational excellence, and customer service. Following its listing on Tadawul in FY26, CGS continues to build on its established market position while pursuing opportunities aligned with Saudi Arabia's long-term economic and industrial development priorities.

CGS MISSION

Empowering customers to establish quality standards that safeguard and enhance people's health, safety, lifestyle, and the environment.

CGS VISION

Saudi engineering and innovation, a best-in-class total solutions provider in the MENA region.

CGS VALUES

- Customers are at the heart of all that we do
- We deliver on our promise and go the extra mile
- We work as one dedicated team bound by mutual respect and trust
- We are steadfast in our commitment to integrity in all that we do
- We are committed to growing our skillsets and competency continuously
- We show ownership, holding ourselves accountable and taking proactive action
- We make informed decisions based on data and analysis

KEY METRICS

50 years
of operations

3,000+
customers

500+
employees

First and only open pour technology in the region

Oldest partner of Carrier Transicold in the world

First locally manufactured oil and gas manpower housing

First locally manufactured ambulance to NUPCO specs

⃁ 477 Mn.
revenue

⃁ 46.6 Mn.
net profit

21.8%
gross margin

⃁ 588 Mn.
record order intake

Approx.
⃁ 300 Mn.
backlog

49.4x IPO
over subscription

COMPANY EVOLUTION

Over five decades, CGS has evolved from a refrigeration specialist into one of Saudi Arabia's leading engineering and manufacturing groups. Throughout this journey, the Company has consistently introduced new technologies, expanded local manufacturing capability and developed specialised solutions that support critical industries across the Kingdom. Many products and applications that were once imported are now manufactured locally by CGS, speaking to our long-standing commitment to industrial localisation and capability development.

1976-1989

Laying the foundation

- Commenced operations in Riyadh in 1976
- Established a strategic relationship with Carrier France in 1978
- Expanded operations into Dammam and Jeddah in 1981
- Established Consolidated Grünenfelder Saady in Jeddah in 1983
- Relocated Riyadh operations to the New Industrial City in 1987

1990-2005

Building capabilities

- Introduced modern sandwich panel production lines for refrigerated truck bodies in 1990
- Established in-house sandwich panel manufacturing capability in 1995
- Commissioned dedicated production lines for cold-storage sandwich panels in 2005
- Expanded operations into Bahrain

2012-2023

Diversifying solutions and expansion

- Introduced open-pour technology in 2009, becoming the first company in the region to deploy the capability
- Opened a new sales office and factory in Dammam in 2011
- Opened the Service and Maintenance Centre (SMC) in Riyadh in 2019
- Expanded into medical vehicle solutions in 2020
- Extended engineering capabilities into power, oil and gas manpower camp solutions 2022
- Restructured the business group, establishing the Company

2024-2025

Transformation and public listing

- Brought Bahrain under the Group umbrella
- Converted into a joint-stock company
- Successfully listed on Tadawul, entering a new phase of institutional development

CAPITAL MARKETS SNAPSHOT

Listing profile

Exchange
Saudi Exchange (Tadawul)

Ticker symbol
4147/CGS

First trading date
9 December 2025

Share capital
⃁ 100,000,000

Number of issued shares
100,000,000

Market capitalisation as at 31 March 2026
⃁ 707 Mn.

Par value
⃁ 1 per share

IPO milestone

Nature of the offering
100% secondary offering

Shares offered to the public
30,000,000 (30% of issued share capital)

Selling shareholders
Darat Esmat Bin Abdul-Samad Al Saady Holding Co. and GK Grünenfelder International AG

Over subscription level
49.4 times

Final offer price
⃁ 10 per share

Share performance

The Company's shares commenced trading on the Saudi Exchange (Tadawul) on 9 December 2025 following the successful completion of its IPO. The shares were offered at ⃁ 10.00 per share and closed the financial year at ⃁ 7.07 per share, representing a decline of 29.3% from the IPO price.

Ownership profile

Public float
30%

Major shareholders
Darat Esmat Bin Abdul-Samad Al Saady Holding Co. (35%) and GK Grünenfelder International AG (35%)

Domestic versus foreign ownership
65% domestic; 35% foreign

Dividends paid and proposed

C 01

Prior to the Company's listing on Tadawul, CGS distributed an interim dividend of ⃁ 10 Mn. to shareholders in FY26 while operating as a closed joint stock company. On 22 June 2026, the Board of Directors recommended a final cash dividend of ⃁ 23.3 Mn. (⃁ 0.23 per share), subject to shareholder approval at the forthcoming General Assembly meeting. Further information on dividends paid and proposed during the year is provided in the Shareholder Matters section of the Corporate Governance chapter.

LEADERSHIP PERSPECTIVES

CHAIRMAN'S MESSAGE

The IPO's resounding success has served to further strengthen our already solid foundations and has helped shape our outlook for the coming years as we seek to move decisively, and with renewed vigour, towards our growth ambitions.

It is with great pleasure that I present to you our very first annual report as a listed entity, consequent to an Initial Public Offering (IPO) that generated much publicity and attracted considerable investor demand. The event, which occurred during the latter half of the reporting period, marked a historic milestone for CGS, ushering in a new phase of institutional maturity for the Company. The IPO's resounding success has served to further strengthen our already solid foundations and has helped shape our outlook for the coming years, as we seek to move decisively, and with renewed vigour, towards our growth ambitions.

The strong oversubscription of our IPO revealed clear investor interest and confidence in our Group, increasing market recognition of a long-established business model. In preparation for the listing, CGS also undertook an important evolution in governance, transitioning from a largely family-run, shareholder-led structure towards a more independent and institutionally governed framework with Board oversight. This included, among other developments, the establishment of Board committees, whose stewardship helps unlock new strategic advantages and a newfound reporting discipline that has instilled a stronger sense of accountability.

While governance was always robust at CGS, post-listing it has been further strengthened through investments in in-house legal and audit capabilities, and enhancements in Financial Planning and Analysis (FP&A) as well as internal analytics. Another outcome has been increased transparency as we strive to honour all disclosure requirements mandated by regulators. The institutionalisation of management processes

Chairman's message

has also served to increase efficiencies and drive growth as we move further along our strategic path as we try to find the optimal balance between the entrepreneurial spirit of a family owned businesses combined with the governance and efficiency of a publicly listed entity.

In 2026, as we gear up to celebrate our 50th anniversary since founding, CGS enjoys greater brand recognition than we had prior to our going public, resulting in improved talent attraction and stronger customer confidence. Although, it must be stressed that this reputation was not built overnight and, in fact, reflects decades of product development, engineering innovation and consistent execution that have helped establish CGS as a trusted name across the industries it serves. The increased visibility following the IPO has, however, broadened our engagement with the wider investment community, including institutional investors, highlighting the importance of clearly communicating the fundamentals of our business model. This was, in part, owing to a marked lack of comparable entities in the Gulf Corporation Council (GCC), which meant that CGS remained a challenge to benchmark as a business. The complexities involved in the nature of our business were also a factor, as were the varied drivers that create value. Going forward – and, indeed, starting with this very report – one of our priorities is to expound on our value proposition and provide clarity to our stakeholders on our unique model and the nuances therein.

The Company's growth agenda intrinsically complements that of the Kingdom of Saudi Arabia. Our strategic alignment with Saudi Vision 2030 positions us as a direct enabler of the Kingdom's ambitious food security objectives even as cold-chain regulation sees increased enforcement. Already ahead of the curve as a highly sought-after cold-chain solutions provider in the Kingdom, CGS is preparing to also tap into growing opportunities in defence localisation, healthcare, and tourism, with all four of its segments envisioned to directly benefit from these and other well-established megatrends over the next several years. The Customised Solutions segment, in particular, has proved promising, and we shall continue to invest heavily in its growth. While recent geopolitical tensions have certainly been a cause for concern in the near term, I am optimistic that our strategy and robust governance and management frameworks, coupled with the indispensability of our products and services offering, will ensure a degree of consistency and dependability that our stakeholders can rely on.

In conclusion, I wish to thank our Executive Management team and all our employees for delivering a solid performance at the Group-level during the reporting period, marking notable growth in key segments despite some challenges. As we enter a new fiscal year, I am confident that the foundations have been laid, particularly in the wake of the IPO, for a more determined push towards our strategic goals.

Speaking to the Group's strong financial position, its future prospects and continued commitment to delivering shareholder value, the Board of Directors has recommended a dividend of ⃁ 23.3 Mn. (⃁ 0.23 per share), subject to shareholder approval, following the interim dividend of ⃁ 10 Mn. (⃁ 0.10 per share) already paid. This brings the total dividends for FY26 to ⃁ 33.3 Mn., equivalent to ⃁ 0.33 per share which translates to a total payout of 71.5% of net profit.

I must also take this opportunity to express my sincerest gratitude to former Chief Executive Officer (CEO), Peter Faerber, whose vision and exemplary leadership helped propel CGS to where it is today as a veritable giant in the industry. I also welcome Ruban Bilen, who took over from Peter as new CEO as of 1 May 2026. Ruban, who served as Group Chief Financial Officer (CFO) until the end of April and, under Peter's leadership, helped ensure smooth sailing throughout the IPO process, brings with him a wealth of experience that I have no doubt will play a pivotal role in forging the future fortunes of our Company in the years ahead.

Sinan Al Saady
Chairman

CHIEF EXECUTIVES' MESSAGE

Peter Faerber, Chief Executive Officer until 30 April 2026, and Ruban Bilen, who assumed the role on 1 May 2026, present their joint message.

https://cgs.com.sa/annualreport25-26/leadership_perspectives/chief_executives_message.html

Chief executives' message

Our story of growth has been five decades in the making, with much to show for it; but, in recounting that long and distinguished history, the 2025-26 financial year (FY26) will stand out as a point of transition towards a broader ambition. The landmark shift from a private limited liability company owned by the Al Saady family, the Group's Saudi founding partner, and the Grünenfelder family, its Swiss founding partner, to a publicly listed company represents a significant milestone in the strategic evolution of CGS, and, in that light, we extend a warm welcome to all our shareholders new and old.

FY26 also marked the highest order intake in the Group's history, reaching ⃁ 588 Mn., while backlog increased by ⃁ 110.5 Mn., providing strong visibility over future revenue conversion and supporting the Group's medium-term growth agenda. Against this backdrop, CGS enters its next phase of development with growth increasingly tied to several of Saudi Arabia's own strategic priorities. Our future outlook extends to a grander vision that includes the Kingdom's ambitious diversification objectives, with CGS already operating across several strategic demand areas, including food security, cold-chain infrastructure, energy and industrial applications, labour accommodation developments, defence localisation, and specialised healthcare solutions. Far from being abstract points of alignment, these are sectors in which CGS has built capabilities over many years through engineering expertise, local manufacturing, product development, and execution. This accumulated experience positions the Group to participate in sustained, structurally driven demand growth as these markets continue to evolve. It is our intention, in presenting this inaugural annual report post-listing, to illustrate precisely how that strategy will be actioned over the coming years.

As momentous as the Initial Public Offering (IPO) proved, FY26 was also, in many ways, a year of continuity, with the Group delivering strong overall performance on a solid foundation that had been built and reinforced over many years. At the same time, the year was also shaped by a planned leadership transition, with then Chief Executive Officer (CEO) Peter Faerber stepping down from executive responsibilities following nearly a decade of leadership, and Ruban Bilen assuming the role after serving as Group Chief Financial Officer (CFO) for several years. On top of these developments, the reporting period saw heightened geopolitical tensions across the region contribute to shipping delays, softer customer ordering activity, and short-term business uncertainty during the latter part of the fiscal year.

While the Financial Review section C 02 of this report will discuss the year's performance in detail, we take this opportunity to provide to our valued investors greater insight into the nature of our business, which, due to its breadth and integrated operating model, may not always be immediately intuitive at first glance.

It must be noted at the outset that CGS is not a single-product industrial company; nor is it a collection of disparate business lines. It operates as an integrated engineering and cold-chain solutions platform spanning manufacturing, infrastructure delivery, and life cycle services. Importantly – and this needs some emphasis in order to dispel a not uncommon misconception – CGS does not provide transport services itself, but rather the specialised refrigeration and hardware solutions that enable temperature-controlled logistics operators to function efficiently. Because our strategy is often expressed through four distinct operating segments, the business can at first glance appear somewhat fragmented. In reality, these segments – namely, Automotive Solutions, Stationary Refrigeration, Customised Solutions, and Aftermarket Services – function as an interconnected system, with each complementing the others. Customised Solutions, in particular, reflects the extension of engineering and manufacturing expertise developed through decades of refrigeration expertise into adjacent applications and industries.

The Automotive Solutions segment remains the bedrock of our operations. As a market leader in temperature-controlled transport, this segment provides scale, consistency, and a broad installed base, the last of which is critical not just for revenue generation but also as a driver of demand for aftersales services. While performance during the reporting period reflected some normalisation in market share and some delays due to the ongoing regional conflict, the Automotive Solutions segment continues to be a stable core of the business.

Stationary Refrigeration occupies a different part of the value chain, providing cold-storage and processing infrastructure that supports food production, logistics, and industrial applications. While margins are typically lower due to the project-based nature of the work, the segment remains an important growth platform and a key contributor to broader market development.

The Customised Solutions segment, meanwhile, represents perhaps the most significant shift in our growth profile. Historically, CGS has been concentrated in cold-chain applications. The Customised Solutions segment has allowed us to extend our engineering and manufacturing capabilities into adjacent applications, including oil and gas, defence, and medical transport solutions. These bespoke projects are more complex and have longer development cycles, but they also help unlock new revenue streams and, importantly, new markets. Defence-related applications, in particular, carry the potential for export-led growth over time, presenting new opportunities and positioning CGS beyond its traditional geographic footprint.

Chief executives' message

Completing the model is Aftermarket Services, which includes maintenance, repair, and, increasingly, technology-enabled monitoring. At present, this segment remains somewhat underdeveloped relative to the size of the installed base with respect to Stationary Refrigeration, though it is also the highest-margin component of the business. Expanding service coverage, particularly in Stationary Refrigeration, is therefore a key strategic priority. We are optimistic that, over time, this will enhance profitability while also strengthening customer retention, creating a more resilient revenue mix in the long run.

These four segments collectively form a system that is largely self-reinforcing. Infrastructure drives demand for temperature-controlled transport solutions; transport expands the installed base; and that installed base generates recurring service opportunities over time. Customised Solutions, meanwhile, extend the Group's reach into more specialised applications requiring increasingly sophisticated engineering and manufacturing capabilities. Underpinning this model is CGS's accumulated Saudi-based technical expertise, which continues to support innovation within existing applications while enabling expansion into new sectors and solution categories. Understanding this interaction is central to understanding how CGS creates value.

To briefly touch on the performance of each of these segments during the year, growth in Customised Solutions and Stationary Refrigeration was strong, supported by increased demand, with Customised Solutions in particular benefiting from a record level of order intake. Automotive Solutions and Aftermarket Services experienced more modest performance, influenced primarily by a normalisation of market share levels, market dynamics, customer ordering cycles, and external factors such as supply chain disruptions due to geopolitical tensions. These pressures reflected a combination of customer caution, delayed ordering cycles, supply chain disruption, and geopolitical uncertainty, rather than any deterioration in the Group's long-term structural demand drivers, which reveals a "recession proof" quality inherent to our business. Prolonged geopolitical disruption may, of course, affect the timing of customer investment decisions, but the underlying need for cold-chain infrastructure remains non-discretionary, and, in fact, will likely increase and accelerate demand in the mid to long term as the region looks to enhance its self-sufficiency.

The Group continues to plan across multiple macroeconomic scenarios and retains the flexibility to adjust operations accordingly, with a clear focus on preserving profitability and cash flow through sustained, disciplined execution. From a profitability perspective, margins remained broadly stable during the year, with a slight compression driven by changes in segment mix. As the contribution from lower-margin, project-based work increases, this effect is to be expected. However, this should be offset over time by the growth of higher-margin service activities and the scaling of more complex engineered solutions. The second half of FY26 also saw a broader tightening in market liquidity across several sectors in the Kingdom, contributing to slower customer decision-making and longer ordering cycles in parts of the market.

Looking ahead, CGS's growth trajectory is tied to both internal execution and external tailwinds. In the near term, Automotive Solutions is expected to develop broadly in line with the overall market, while Stationary Refrigeration continues to benefit from sustained longer-term investment commitments in logistics and cold-chain infrastructure. Aftermarket Services, meanwhile, represents a significant opportunity to increase the share of recurring, higher-margin revenue, supported by an expanding installed base. Customised Solutions, on the other hand, is expected to become an increasingly important contributor to the Group's growth profile, with a particular focus on oil and gas, medical applications, and the gradual development and monetisation of defence-related opportunities.

Over the medium term, the Group is positioned to extend its reach beyond the domestic market. Certain segments, especially Customised Solutions, are inherently exportable, and the development of internationally relevant capabilities will be a major area of focus going forward. This will be supported by continued investment in engineering, product development, and operational capability, alongside a disciplined approach to capital allocation. Importantly, the Group's strong and debt-free balance sheet provides the financial flexibility to pursue these ambitions while maintaining a prudent approach to growth.

The broader operating environment remains favourable. On top of the Saudi Vision 2030 agenda being directly aligned with the very infrastructure that CGS supports, regulatory developments in food safety and cold chain compliance are also set to further increase demand by legally mandating temperature-controlled storage and transport, which will position CGS as a critical enabler of growth.

The new financial year will see the Company focus sharply on executing this strategy, by scaling what works, strengthening what needs more work, and maintaining the discipline required to deliver sustainable, long-term value. The journey ahead promises to be as eventful as it is rewarding. We trust that our investors will stay with us every step of the way.

Peter Faerber
Outgoing
Chief Executive Officer

Ruban Bilen
Incoming
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT AND MARKET CONTEXT

Economic and industrial context

CGS has historically operated and continues to operate in an environment increasingly shaped by Saudi Arabia's ongoing economic transformation, industrial expansion, and growing investment in logistics, manufacturing, and infrastructure. The Kingdom's ambitious diversification agenda under Vision 2030, with heavy emphasis on expanding non-oil industries, is now reshaping demand patterns across a number of sectors that are directly relevant to the strategic interests of the Group, which include logistics, food production, healthcare, pharmaceuticals, telecommunications, defence, tourism, and industrial manufacturing.

Looking at the macro picture, Saudi Arabia remained the largest economy in the MENA region during the reporting period, with GDP reaching ⃁ 4.8 Tn. In 2025, real GDP grew 4.5%, thanks to a rebound in oil output, private sector investment, and sustained economic diversification efforts. Non-oil activities reached a historic milestone in 2023, accounting for 50% of real GDP.

National development programmes continue to support growth across sectors including logistics, healthcare, infrastructure, tourism, telecommunications, and industrial manufacturing, with major public-sector programmes and investment initiatives such as the National Industrial Development and Logistics Program (NIDLP), the National Transformation Programme, the Privatisation Programme, and the Quality-of-Life Programme. The Kingdom is simultaneously pursuing increased self-sufficiency across several strategic manufacturing sectors, including food production, chemicals, and pharmaceuticals.

These trends align perfectly with the Company's own growth ambitions and remain materially relevant to its strategic priorities, with a number of sectors targeted for expansion depending structurally on refrigeration systems, temperature-controlled infrastructure, industrial cooling capability, modular engineering applications, and specialised transport solutions. This is especially relevant within sectors such as healthcare, defence, and industrial infrastructure, where localisation requirements, in-Kingdom value creation initiatives and domestic procurement priorities are increasingly influencing purchasing decisions across government and semi-government entities. The inclusion of ambulance vehicles and related specialised applications within localisation-focused procurement frameworks also continues to support demand for domestically engineered and manufactured solutions.

It is important to note that the operating environment during the latter part of FY26 was influenced significantly by heightened regional geopolitical tensions, which contributed to supply-chain disruptions, shipping delays, and increased customer caution across parts of the market. These conditions affected procurement cycles, project timing and ordering activity in certain areas, particularly where imported components and international logistics were concerned. While these developments certainly created short-term operational and commercial pressures, the Group is confident that the long-term structural demand drivers that underpin its core markets remain intact.

Structural drivers of refrigeration and cold-chain demand

As the Kingdom makes headway towards its self-sufficiency and economic sovereignty objectives, food security remains one of the most significant long-term demand drivers within the operating environment. Saudi Arabia continues to invest heavily in agricultural infrastructure, food processing, cold storage, and supply-chain resilience as part of broader efforts to further bolster domestic food production capabilities and to systematically reduce reliance on importation of food products.

Gross value added (GVA) from food manufacturing increased to ⃁ 357.7 Bn. in 2023 from ⃁ 285 Bn. in 2019, while the government estimates food industry investments of up to ⃁ 75 Bn. by 2035. Saudi Arabia has also committed ⃁ 37.5 Bn. towards strengthening food security and agricultural production, including investment into modern farming methods, cold storage, and refrigeration infrastructure.

The expansion of domestic food production has increased demand for both transport refrigeration and stationary refrigeration systems across the Kingdom. Poultry and red meat production, dairy, frozen foods, fresh food distribution, and food-processing operations all require reliable temperature-controlled transport, storage, and processing capability. Saudi Arabia's poultry industry alone reached 70% self-sufficiency during 2024, supported by investments exceeding ⃁ 1 Bn., while Vision 2030 targets 100% poultry self-sufficiency.

Cold-chain capability is also becoming increasingly important in reducing food loss and improving supply-chain efficiency across the Kingdom. Various studies point to substantial food waste levels in Saudi Arabia, reflecting the operational importance of temperature-controlled storage, transportation, and distribution infrastructure.
As food-security and domestic production objectives intensify, investments into refrigeration systems, cold-chain monitoring, and modern logistics infrastructure are expected to play an increasingly important role in reducing spoilage, improving supply-chain resilience, and supporting production efficiency.

Also central to Saudi Arabia's diversification strategy is the logistics sector. Through ongoing logistics and industrial development programmes, the Kingdom continues to expand ports, rail networks, logistics zones, warehousing infrastructure, and integrated industrial corridors intended to strengthen supply chains, both domestic

Operating environment and market context

and international. The Saudi logistics sector continues to expand, with merchandise trade reaching approximately ⃁ 2 Tn. in 2024, and container throughput reaching 11.38 million TEU. The Kingdom has allocated substantial investment toward logistics and transport infrastructure, including logistics zones, industrial hubs, and integrated cold-chain infrastructure supporting temperature-sensitive goods. CGS believes that the current geopolitical situation may prompt all nations within the wider GCC, particularly Saudi Arabia, to further accelerate plans around alternative logistics routes and infrastructure.

Ongoing geopolitical tensions across parts of the region may also reinforce the strategic importance of domestic and overland logistics capability over time, particularly where supply-chain disruption, shipping delays, or changing trade routes increase reliance on inland refrigerated transport and integrated cold-chain infrastructure within the Kingdom.

The growth of modern grocery retail, foodservice supply chains, and e-commerce is similarly contributing to rising demand for refrigeration infrastructure. Saudi Arabia's grocery retail market recorded sales of ⃁ 147.4 Bn. in 2023, while the ongoing shift toward modern retail formats and online grocery channels continues to increase demand for refrigerated distribution capability, cold storage facilities, and last-mile delivery solutions. E-commerce penetration increased to 7.8% in 2023 from 3.9% in 2018, supporting increased investment into warehousing, fulfilment centres, and temperature-controlled storage infrastructure.

The healthcare and pharmaceutical sectors, meanwhile, are also evolving rapidly as healthcare investment grows. Pharmaceutical localisation, healthcare infrastructure expansion, and stricter regulatory requirements surrounding pharmaceutical transport and storage are increasing demand for compliant refrigeration systems and cold-chain logistics capability. Saudi Arabia's pharmaceutical sector is projected to reach ⃁ 72 Bn. by 2030, driven by increased healthcare investment, localisation initiatives, and growing demand for temperature-sensitive medical products.

Regulatory frameworks established by the Saudi Food and Drug Authority (SFDA) are also contributing to rising demand for specialised refrigeration systems and temperature-monitoring capability. Food transport and pharmaceutical logistics increasingly require strict humidity and temperature-control compliance, calibrated monitoring systems, and dedicated refrigeration infrastructure, with operational data in certain applications also requiring integration and reporting through regulatory platforms and/or government portals.

Another key factor that lays emphasis on the structural importance of refrigeration infrastructure is Saudi Arabia's climate. The Kingdom's natural environment creates an intrinsically high dependence on cooling systems across food distribution, hospitality, pharmaceuticals, industrial operations, and logistics networks, making refrigeration and cold-chain infrastructure a critical operational prerequisite that cannot be foregone, calling for decisive and continual investment.

Demographic and consumption trends

On the demographic front, consumption trends continue to provide additional support to this evolving market landscape. Saudi Arabia's population increased from 30.1 million in 2019 to 34.6 million in 2025 and is projected to continue expanding over the medium term, with the total population expected to reach 36.4 million by 2028. The Kingdom continues to maintain a relatively young demographic profile, with nearly half the population under the age of 29.

Urbanisation, rising employment, and increasing disposable income continue to support higher consumption across foodservice, grocery retail, healthcare, and hospitality sectors. Total consumer expenditure reached ⃁ 1.6 Tn. in 2023, compared to ⃁ 1.3 Tn. in 2019, while disposable income increased from ⃁ 1.4 Tn. to ⃁ 1.6 Tn. over the same period.

The Kingdom's expatriate population, which accounted for 41.2% of the total population in 2023, also continues to support demand across HORECA, grocery retail, and healthcare services.

Tourism development is also contributing to increased demand across hospitality, foodservice, and healthcare-related infrastructure. Saudi Arabia recorded some 30 million inbound arrivals in 2025, while non-religious tourism has also seen significant expansion in recent years. Inbound travel spending increased from ⃁ 98.3 Bn. in 2022 to ⃁ 117.2 Bn. in 2023. Saudi Arabia's long-term objective of attracting 150 million annual visitors by 2030 continues to drive demand for refrigerated food distribution, hospitality infrastructure, and catering-related cold-chain logistics.

While recent geopolitical tensions across parts of the region may create periodic disruption to travel flows, logistics activity, and investment timing in the near term, these developments are not at present expected to alter the Kingdom's long-term structural tourism, infrastructure, and diversification trajectory under Vision 2030.

Technology, industrialisation, and emerging applications

The Kingdom's ongoing technological transformation is contributing to increased demand for specialised cooling and infrastructure solutions. Saudi Arabia continues to expand telecommunications infrastructure, data centres, smart-city projects, and digital infrastructure as part of broader economic modernisation efforts.

Operating environment and market context

The rollout of 4G and 5G infrastructure, growing internet penetration and broader digital infrastructure investment, including selected data-centre-related applications are increasing demand for specialised cooling systems, telecommunications shelters, and modular infrastructure solutions.

The ongoing industrialisation drive is similarly creating opportunities across petrochemicals, power infrastructure, logistics, and industrial manufacturing. The Kingdom plans to increase manufacturing's contribution to GDP substantially by 2030 while continuing to expand factory capacity, industrial projects, and logistics infrastructure.

The oil and gas sector also continues to generate demand for modular structures, mobile accommodation units, and specialised industrial infrastructure supporting remote-site operations and workforce accommodation.

Meanwhile, defence localisation remains an increasingly important national priority, with the Kingdom targeting localisation of more than 50% of military equipment spending by 2030. Rising defence expenditure and localisation initiatives are expected to increase demand for specialised vehicles, mobile infrastructure, modular shelters, and engineered systems.

Healthcare-related mobile infrastructure also represents an emerging area of opportunity. Saudi Arabia continues to expand mobile clinics, ambulance infrastructure, and emergency medical services in support of healthcare accessibility, religious tourism, and large-scale public events.

Market outlook and industry positioning

Saudi Arabia's transport refrigeration solutions market reached ⃁ 511.3 Mn. in 2023 and is projected to expand to ⃁ 776.3 Mn. by 2028, reflecting a CAGR of 8.7% over the forecast period. Growth is expected to remain supported by food production, grocery retail expansion, pharmaceutical logistics, tourism, and continued cold-chain modernisation.

The stationary refrigeration market, on the other hand, reached ⃁ 0.9 Bn. in 2023 and is projected to expand to ⃁ 1.3 Bn. by 2028, reflecting a CAGR of 7.6%. Industrialisation, warehousing growth, food processing, healthcare expansion, and hospitality-related investment continue to support demand across industrial and commercial refrigeration applications.

Overall, CGS operates within a market environment supported by multiple long-term structural drivers as visualised in our business model on page 19 D1 of this report. Industrialisation, localisation initiatives including in defence, food security investment, logistics expansion, tourism growth, urbanisation, healthcare development, and increasing regulatory emphasis on temperature-controlled transport and storage all serve to increase the long-term importance and virtual indispensability of the very areas in which CGS specialises. Even as they collectively elevate the national interest, so too do these megatrends enhance the Group's growing value proposition.

Sources: The company prospectus and an internal market research document, supplemented by publicly available data from government agencies, international organisations, and various publications and media outlets.

HOW CGS CREATES VALUE

D 01

Refrigerated bodies and cold chain solutions
Non-refrigerated bodies and semi-trailers

Automotive solutions

Core engineering and manufacturing capabilities

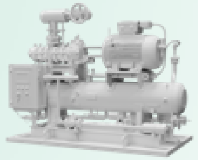
Saudi engineering expertise
Manufacturing capability
Refrigeration knowledge
Carrier partnership
Service network

Ambulances
Oil and gas shelters
Defence applications

Customised solutions

Cold storage
Processing infrastructure

Stationary refrigeration



Aftermarket service

Maintenance
Monitoring
Lifecycle support

Demand drivers

National priorities			Cold-chain demand drivers				Population and infrastructure growth	
Vision 2030	Defence localisation	Industrial localisation	Food security	Cold chain regulation	Logistic expansion	Tourism growth	Population growth	Healthcare

How CGS creates value

CGS operates through an integrated engineering and manufacturing platform built around four complementary business segments: Automotive Solutions, Stationary Refrigeration, Customised Solutions, and Aftermarket Services. These segments collectively enable the Group to participate across the broader cold-chain and specialised engineering value chain while leveraging a shared foundation of Saudi-based manufacturing capability, engineering expertise, systems integration, and lifecycle support.

As illustrated in the graphic, at the core of the business model is CGS's engineering and manufacturing capability, which supports the design, fabrication, assembly, and servicing of specialised temperature-controlled and engineered infrastructure solutions tailored to customer specifications across multiple industries. The Group operates manufacturing facilities in Riyadh serving automotive and customised solutions, supported by operational facilities in Dammam, Jeddah, and Bahrain that enhance customer proximity, service delivery, and project execution. Stationary refrigeration projects, meanwhile, are primarily executed on-site based on client requirements.

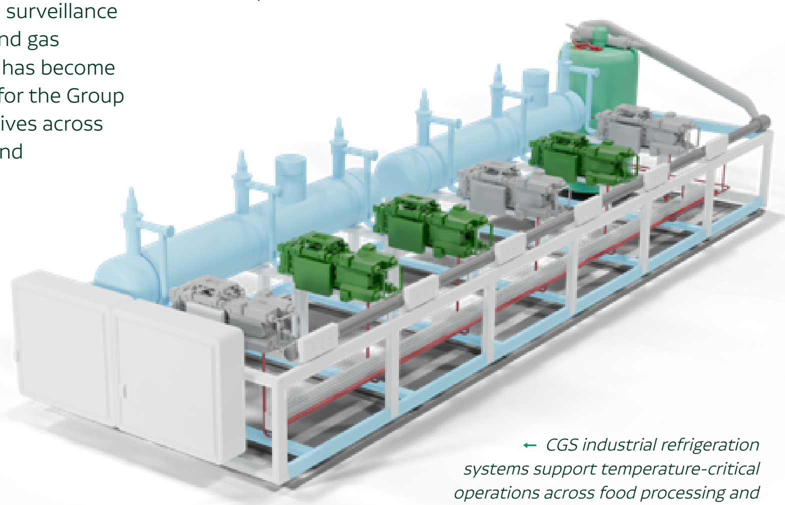
The Automotive Solutions segment represents the Group's largest business line, contributing approximately 52% of FY26 revenue. The segment focuses on temperature-controlled and non-temperature-controlled transportation solutions, including refrigerated truck and trailer bodies, transport refrigeration applications, dry freight bodies, and vehicle conversions supporting food distribution, pharmaceuticals, logistics, and retail supply chains. CGS maintains a leading position within Saudi Arabia's automotive cold-chain segment, supported by long-standing technical collaboration with Carrier Transicold, extensive engineering know-how and one of the region's most advanced manufacturing capabilities for refrigerated bodies and insulated panels.

The Stationary Refrigeration segment focuses on temperature-controlled processing and cold-storage infrastructure. This includes industrial refrigeration systems, cold rooms, blast freezers, pressure management systems, and processing refrigeration applications serving food production, logistics, pharmaceuticals, and industrial customers. Demand within this segment is primarily driven by Saudi Arabia's increasing focus on food security, pharmaceutical distribution, logistics infrastructure, and cold-chain regulation.

The Customised Solutions segment, meanwhile, extends CGS's technical expertise and product development capability into adjacent sectors requiring specialised manufactured infrastructure and systems integration. This includes ambulances, defence shelters, surveillance vehicles, telecommunications shelters, oil and gas manpower housing solutions. The segment has become an increasingly important growth platform for the Group as Saudi Arabia advances localisation initiatives across healthcare, defence, telecommunications, and industrial sectors.

Complementing these operations is the Aftermarket Services segment, which provides maintenance, monitoring, IoT-enabled fleet management and lifecycle support services across the Group's installed base. CGS currently operates one of the Kingdom's broadest refrigeration service networks, reaching almost the entire population. This service platform strengthens customer life cycle partnership, supports operational reliability and provides the Group with recurring revenue streams linked to its installed equipment base.

The Group's integrated model allows these segments to reinforce one another operationally and commercially. Expert knowledge accumulated over a long history of refrigeration manufacturing supports expansion into specialised infrastructure solutions, while the installed equipment base generated through automotive and stationary refrigeration solutions feeds long-term aftermarket service demand. This interconnected model enables CGS to operate as an integrated engineering and cold-chain solutions platform aligned with several of Saudi Arabia's long-term strategic growth priorities, including food security, logistics expansion, healthcare infrastructure, industrial localisation, and defence capability development.



← CGS industrial refrigeration systems support temperature-critical operations across food processing and distribution, using ammonia as a proven and energy-efficient refrigerant.

PRODUCT RANGE

CGS's product portfolio reflects 50 years of applied engineering, local manufacturing experience, and continuous product development across refrigeration, mobility, and specialised industrial applications.

Automotive solutions

CGS automotive solutions combine temperature-controlled logistics expertise with specialised transport engineering to support the safe and efficient movement of goods across the Kingdom. The segment covers a broad portfolio of insulated and dry freight bodies, trailers, and affiliated products designed to address diverse transportation requirements across food, beverage, pharmaceutical, and logistics applications. Building on its longstanding leadership in refrigerated transport, CGS continues to enhance transportation, temperature management, and refrigeration technologies through solutions such as insulated vans, reefer bodies, and trailers.

Scan the QR code below to explore our automotive solutions portfolio through interactive 3D visualisations.

https://cgs.com.sa/annualreport25-26/management_discussion_and_analysis/product_range/automotive_solutions.html

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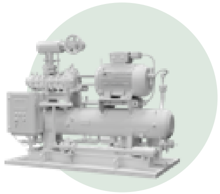

Stationary refrigeration

The stationary refrigeration segment provides engineered temperature-control solutions for industrial and commercial applications where product integrity and operational reliability are critical. The segment includes industrial and commercial refrigeration systems, insulated sandwich panels and specialised cold store doors, delivering integrated solutions that support the storage, processing and handling of temperature-sensitive products across diverse operating environments.

Scan the QR code below to explore our stationary refrigeration solutions portfolio through interactive 3D visualisations.

https://cgs.com.sa/annualreport25-26/management_discussion_and_analysis/product_range/stationary_refrigeration.html

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Customised solutions

CGS customised solutions leverage the Group's engineering and manufacturing capabilities to design and deliver specialised products tailored to unique customer requirements. Spanning telecommunications infrastructure, mobile and defence applications, prefabricated electrical enclosures, and bespoke industrial solutions, the segment addresses complex operational needs through purpose-built systems developed to meet specific technical and performance specifications.

Scan the QR code below to explore our customised solutions portfolio through interactive 3D visualisations.

https://cgs.com.sa/annualreport25-26/management_discussion_and_analysis/product_range/customised_solutions.html

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Product range

Automotive solutions

Reefer body

CGS-manufactured insulated reefer bodies are designed to withstand the harsh climatic and geographical conditions of the Middle East. Our reefer bodies are suitable for the distribution of chilled and frozen foods, dry goods, and other consumable and non-consumable products that require transportation within a monitored, temperature-controlled environment using compatible carrier refrigeration units.

360° VIEW

Semi reefer trailer

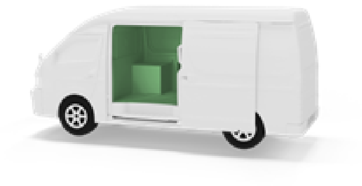
CGS semi reefer trailers are designed to maintain controlled temperatures throughout transit, ensuring perishable cargo remains chilled or frozen and arrives in optimal condition. These refrigerated trailers support the transportation of temperature-sensitive products and are engineered to perform reliably across the demanding operating environments of the Middle East.

360° VIEW

Ice cream body

CGS ice cream bodies are designed and manufactured to maintain the low temperatures required for the transportation of ice cream and similar frozen products. Specially engineered multiple side-door configurations help minimise temperature loss during loading and unloading, ensuring efficient cooling performance and preserving product quality throughout distribution.

360° VIEW



Van insulation

CGS van insulation solutions are designed for the transportation of fresh, frozen, and other temperature-sensitive products in urban environments. Ideal for food, pharmaceutical and healthcare applications, these solutions help maintain product integrity throughout transit while enabling efficient distribution within cities and other areas subject to traffic and access restrictions.

360° VIEW

Product range

Automotive solutions

Sliding door body

CGS sliding door bodies are designed for logistics and distribution applications requiring efficient access, operational flexibility, and cargo protection. Constructed using insulated panels integrated with a robust steel structure, these bodies provide durability and reliable performance across demanding transport operations.

360° VIEW

Shutter door body

CGS shutter door bodies are designed for the efficient transportation of mixed cargo, with the capability to accommodate both dry and temperature-controlled products within a single vehicle. Combining aluminium and steel construction for enhanced strength and durability, these bodies provide a versatile distribution solution while supporting efficient loading and unloading operations.

360° VIEW

Beverage bodies

CGS aluminium beverage bodies are engineered to combine lightweight construction with structural strength, enabling the efficient transportation and distribution of bottled and packaged beverages. Manufactured using high-strength alloy materials, they are designed to withstand demanding payload requirements while maintaining durability and operational efficiency. Their inclined floor and optimised structural design allow direct chassis mounting, resulting in a lower loading height and improved ease of handling.

360° VIEW

Curtain side body

CGS curtain side bodies are designed to facilitate fast and efficient cargo loading and unloading, making them well suited for urban distribution and long-haul transportation. Widely used by logistics operators, these solutions provide convenient access to cargo while supporting the efficient movement of dry goods across diverse transport routes.

360° VIEW

Product range

Automotive solutions

Semi curtain trailer

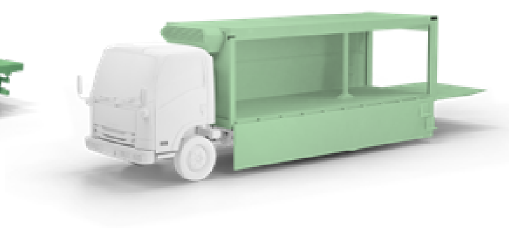
CGS semi curtain trailers are designed for high-capacity cargo transportation, offering efficient loading and unloading for both urban distribution and long-haul logistics operations. Widely used for the transport of dry goods, they can also be equipped with insulated curtains and compatible refrigeration units to support temperature-controlled transportation. Manufactured to international standards, these trailers combine advanced engineering, optimised weight distribution.

360° VIEW

Semi flatbed trailer

CGS semi flatbed trailers are designed and manufactured in accordance with international standards, utilising advanced engineering tools to optimise axle loading, tyre reactions, and overall vehicle performance. Available with a range of chassis features and configurations, these trailers are engineered to deliver reliable performance across diverse transportation requirements.

360° VIEW



Bifold side body

CGS bifold side bodies are designed to facilitate efficient cargo distribution while combining durability with low maintenance requirements. Their distinctive folding-wall design opens upward and downward, providing convenient access to cargo and maximising available loading volume for improved operational efficiency.

360° VIEW

Affiliated product line

Carrier cooling units

Carrier Transicold's direct drive refrigeration units are specifically designed for the transportation of fresh or frozen goods in small-to-medium sized delivery vehicles.

360° VIEW

Anteo tail lifts

Through its partnership with Anteo, CGS offers a range of tail lift solutions designed to support efficient loading and unloading operations across different vehicle types and applications. Available in various configurations, these systems provide lifting capacities ranging from 80 kilogrammes to 2 tonnes, depending on customer requirements.

360° VIEW

Product range

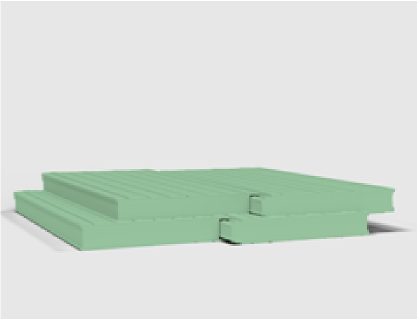
Stationary refrigeration

Industrial refrigeration

CGS delivers industrial refrigeration solutions for large-scale applications requiring precise temperature control to protect products from spoilage and damage. Serving sectors such as food processing, beverage production, dairy, cold storage, logistics, and heavy industry, these systems are designed to support reliable and efficient cooling across demanding operating environments.
The segment incorporates ammonia-based refrigeration technology, recognised for its proven performance, energy efficiency and suitability for large-scale industrial applications.

Commercial refrigeration

CGS provides integrated commercial refrigeration solutions for retail, hospitality, healthcare, and storage applications.
The segment designs, manufactures and installs customised cold and freezer rooms together with associated refrigeration systems, doors, shelving, ramps, and related infrastructure. Engineered to meet specific customer requirements, these solutions support the safe storage, processing and display of temperature-sensitive products while emphasising energy efficiency, ease of operation and long-term reliability.



Insulated sandwich panels

CGS manufactures high-performance insulated sandwich panels designed for refrigeration, cold-storage, and temperature-controlled infrastructure applications. Produced using rigid polyurethane (PUR) foam with a high closed-cell structure, these panels provide excellent thermal insulation, structural integrity and energy efficiency. Available with a range of cladding and finish options to meet specific operational requirements, they form a critical component of the Group's cold-chain and refrigeration solutions portfolio.

Cold stores doors

CGS manufactures specialised hinged and sliding coldstore doors designed for chilled and frozen storage environments. Engineered for thermal performance, durability and ease of operation, these doors integrate seamlessly with the Group's insulated panel systems and refrigeration infrastructure, helping maintain temperature integrity across a wide range of commercial and industrial cold-storage applications.

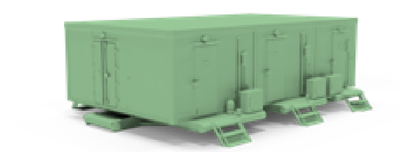
Product range

Customised solutions

Telecommunications solutions

CGS designs and manufactures specialised telecommunications infrastructure solutions tailored to customer specifications and operational requirements. As the first company to develop an STC-approved GSM telecommunication shelter in Saudi Arabia, CGS has established a strong track record in supporting network infrastructure projects across the Kingdom. The portfolio includes telecommunication shelters, Cell-on-Wheels (COW) units for rapid deployment, disaster recovery vehicles and mobile recovery units equipped with masts of up to 40 metres. These solutions have supported leading global telecommunications providers, including Ericsson, Nokia, Motorola, Alcatel, and Lucent Technologies, in the rollout and maintenance of critical communications networks.

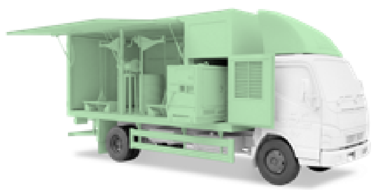
360° VIEW



Offshore and land containers

CGS designs and manufactures modular containerised solutions for industrial, energy, and remote-site applications. The portfolio includes mobile caravans, site offices, and drilling rig facilities engineered to provide durable, functional, and adaptable accommodation and workspace environments. These solutions support operational continuity across demanding onshore and offshore operating conditions while meeting specific customer and project requirements.

360° VIEW



Mobile workshop

CGS designs and manufactures mobile workshop solutions that provide accessible and functional workspaces in a mobile format. These units are intended to support field-based operations by bringing workshop capabilities directly to the point of use, enabling greater operational flexibility and accessibility.

360° VIEW

Mobile clinic/ambulance conversions

CGS designs and manufactures mobile clinics and ambulance conversion solutions tailored to customer and operational requirements. These specialised vehicles are engineered to support healthcare service delivery and emergency response applications, combining mobility, functionality, and customisation to meet the needs of healthcare providers and public-sector organisations.

360° VIEW

Product range

Customised solutions

Defence vehicle solutions

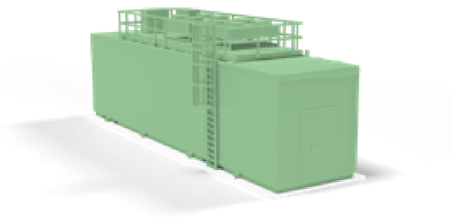
CGS designs and manufactures specialised vehicle-based solutions for defence and security applications. Developed to customer specifications and operational requirements, these solutions are integrated onto a range of vehicle platforms and are intended to support specialised field and mission-critical applications.

360° VIEW

Defence vehicle – ISO containers

CGS designs and manufactures containerised solutions for defence and security applications using ISO container platforms. The portfolio includes mobile cold-room solutions, surveillance units, and mobile telecommunication centres, providing adaptable and transportable infrastructure for specialised operational requirements. These solutions are developed to customer specifications and can be configured to support a range of field-based applications.

360° VIEW



Prefabricated electrical enclosure (PEC)

CGS designs and manufactures prefabricated electrical enclosure solutions for stationary and mobile applications. The portfolio includes electrical enclosures, fire-rated enclosures, transformer-mounted solutions, and enclosure systems integrated onto trailer platforms. Developed to meet specific customer and project requirements, these solutions provide protected and adaptable infrastructure for electrical and industrial applications.

360° VIEW

Custom products

CGS develops customised engineered solutions designed to meet unique customer requirements across a wide range of industries and applications. The portfolio includes specialised vehicles and mobile infrastructure solutions such as premium car carriers, mobile bakeries and food trucks, outside broadcast (OB) vehicles, mobile cold rooms for air cargo operations, firefighting utility vehicles, and mobile workshops.

360° VIEW

STRATEGY

Building an integrated engineering and cold-chain platform for long-term growth

CGS enters its next phase of growth at a time of structural transformation within the Kingdom of Saudi Arabia. As food security, industrial localisation, healthcare infrastructure, logistics capability, and defence readiness continue to grow in strategic importance, the Group's long-established engineering and manufacturing capabilities as well as its unparalleled execution track record position it to directly participate in several of the Kingdom's most important long-term development priorities.

While CGS has historically been associated primarily with transport refrigeration and cold-chain solutions, the Group today operates through a broader integrated engineering platform spanning manufacturing, refrigeration systems, customised engineered solutions, and lifecycle services. As illustrated on **page 19** D 01, the Group's complementary operating segments make up a cohesive, integrated operating model that has allowed the Group to maintain leadership within its traditional markets, while progressively extending its capabilities into adjacent sectors and applications.

The Group's strategy for the years ahead is, therefore, centred on strengthening this engineering and manufacturing foundation while expanding production capacity and broadening its product portfolio. To this end, the Company also intends to deepen customer relationships and further build the organisational capabilities required to sustain long-term growth as a publicly listed company.

This strategy is a natural extension of the Group's long-standing belief that investments in engineering expertise, manufacturing capability, and execution excellence create opportunities to serve new customers, enter adjacent sectors, and expand into increasingly advanced applications over time. The strategy also builds on five decades of accumulated technical knowledge, customer relationships and execution experience that continue to differentiate CGS in the markets it serves. It reflects the Group's vision of becoming a Saudi-engineered, innovation-driven, and best-in-class total solutions provider in the MENA region. As it invests continuously in manufacturing sophistication, automation, technical expertise, and operational scalability, CGS aims to strengthen its position as a leading provider of specialised engineered solutions across both established and emerging sectors.

Realising this vision will require disciplined execution across multiple fronts. The strategic priorities outlined in the following sections focus on strengthening the Group's manufacturing platform, expanding its product portfolio, deepening customer relationships and building the organisational capabilities necessary to support long-term growth as a publicly listed company.

Strategic priorities

Broadening the product portfolio and diversifying revenue streams

While refrigeration and cold-chain infrastructure remain central to the Group's operations, CGS's strategy increasingly focuses on leveraging its engineering and manufacturing expertise to expand into adjacent sectors requiring specialised engineered solutions.

Within the Automotive Solutions segment, the Group also maintains a long-standing relationship with Carrier Transicold, whose refrigeration units are integrated into CGS's transport refrigeration offering across selected applications. This relationship strengthens the Group's refrigeration offering within the automotive segment and supports its ability to deliver reliable, globally recognised transport refrigeration solutions and services to customers across the Kingdom.

Beyond the core refrigeration offering, the expanding Customised Solutions segment is the logical next step of the product portfolio's evolution. Built upon decades of refrigeration expertise, product development and systems integration experience, the segment enables CGS to address a broader range of applications across sectors such as oil and gas, healthcare, telecommunications, and defence.

This includes the development of:

- Specialised vehicle customisation solutions
- Ambulance and mobile healthcare applications
- Surveillance vehicles
- Secure communications vehicles
- Modular and rapidly deployable infrastructure solutions
- Defence-related shelters and applications
- Oil and gas manpower housing solutions
- Advanced stationary refrigeration and processing infrastructure

The Group also intends to continue expanding environmentally friendly technologies and customised transport refrigeration solutions that align with evolving customer requirements and regulatory standards.

It must be emphasised that its diversification strategy does not in any way represent a departure from the Group's core business model. It is instead an extension of CGS's underlying engineering capabilities into adjacent applications where specialised manufacturing expertise, systems integration capability, and operational reliability create competitive advantages.

Strategy

By broadening its product portfolio and expanding into additional sectors, CGS aims to:

- Diversify revenue streams
- Reduce concentration risk
- Strengthen long-term demand visibility
- Improve resilience against cyclical fluctuations
- Position CGS to participate in emerging strategic industries within the Kingdom

Expanding market reach, customer relationships, and regional presence

Our strategy is also centred on broadening our customer base while strengthening long-term relationships within existing markets.

Historically, the Group has maintained a strong presence across the food and beverage, pharmaceuticals, and logistics sectors through its transport refrigeration and cold-chain infrastructure offerings. Going forward, CGS intends to deepen its engagement with both private-sector and government-related entities seeking specialised engineering and manufacturing solutions.

This includes expanding participation in sectors aligned with national strategic priorities, including:

- Food security and cold-chain infrastructure
- Healthcare and emergency-response solutions
- Industrial localisation initiatives
- Defence localisation efforts
- Energy and industrial infrastructure

CGS's integrated operating model is expected to remain an important differentiator in this regard. Combining engineering capability, manufacturing capacity, infrastructure delivery, and lifecycle services within a single platform, the Group seeks to provide customers with end-to-end solutions tailored to specific operational requirements.

CGS also continues to benefit from a broad installed equipment base across the Kingdom, which supports recurring service opportunities through maintenance, monitoring, and lifecycle support activities. The Group's operational footprint currently provides coverage across approximately 96% of the Kingdom's population with its service centres and mobile workshops. Management views the expansion of recurring service revenue as strategically important to strengthening long-term customer retention, improving earnings quality, and supporting more resilient cash generation over time.

Geographically, over the medium term, the Group intends to evaluate selective expansion opportunities beyond the Kingdom, particularly within regional markets. Management believes CGS's Saudi-based engineering capability, manufacturing expertise, execution experience, and an integrated operating model provide a foundation for measured expansion into new geographies aligned with the Group's operational strengths and long-term strategic priorities.

Strengthening leadership and organisational capability

CGS recognises that long-term growth depends not just on manufacturing capability and engineering expertise but also on organisational strength, leadership development, and workforce capability.

The Group, therefore, continues to invest in building a robust management structure capable of supporting a larger and increasingly sophisticated organisation, particularly post-listing.

This includes:

- Leadership development initiatives
- Technical training programmes
- Succession planning
- Workforce capability enhancement
- Organisational development initiatives aligned with long-term strategic objectives

Management aims to foster a culture of continuous learning and operational accountability that supports innovation, agility, and execution discipline across the organisation. As CGS continues to invest in advanced engineering capability, automation, and manufacturing technologies, the Group also aims to strengthen its position as an employer of choice for technical, engineering, and industrial talent within the Kingdom. In doing so, the Group seeks to contribute to the development of local capabilities through the recruitment, training and progression of Saudi nationals, in support of the Kingdom's broader Saudisation objectives.

Strategy

The transition to a publicly listed company also places greater emphasis on governance, reporting discipline, and institutional capability. As CGS continues to scale, the Group expects investments in talent, systems, and organisational infrastructure to remain essential to driving operational excellence and supporting sustainable long-term growth.

The Group's focus on developing internal leadership capability is also intended to support continuity and long-term resilience as the business evolves. In strengthening succession planning and cultivating leadership from within the organisation, CGS strives to ensure that it retains the technical expertise, operational knowledge, and management depth necessary to support future expansion.

Strengthening manufacturing capability and technological leadership

Our competitive positioning is fundamentally rooted in our engineering and manufacturing capabilities. The Group, therefore, continues to prioritise investment in production infrastructure, automation, and advanced manufacturing technologies in order to improve scalability, precision, operational efficiency, and product quality.

CGS continues to invest in strengthening its manufacturing platform as part of its long-term ambition to maintain leadership in specialised engineering and refrigeration solutions. This includes targeted investments across its production footprint, including planned developments in Al Kharj, aimed at enhancing manufacturing capability, increasing production flexibility, and supporting the delivery of increasingly sophisticated solutions. These initiatives align with the Group's broader objective of reinforcing its competitive position while supporting localisation, innovation, and long-term growth.

Our manufacturing platform already incorporates advanced production technologies such as laser cutting systems, CNC machinery, automated welding solutions, and robotic manufacturing capabilities. These capabilities are, in turn, enhanced by design and development tools such as 3D printing, 3D scanning, simulation software, and virtual reality applications, which go on to support product development, prototyping, and design optimisation. Investments in these areas are intended not just to improve production efficiency but also to support increasingly sophisticated engineering applications across sectors such as healthcare, defence, and logistics.

CGS remains the only company in the MENA region that uses open pouring panel technology, operating one of the world's largest presses. The Group also continues to invest in specialised production and testing capabilities aligned with its long-term growth ambitions. Planned infrastructure enhancements include dedicated ambulance production flow lines, testing chambers for defence technologies, and enhanced surface treatment solutions that support the Group's expanding role within specialised engineering applications.

These investments reflect a broader strategic objective to maintain manufacturing superiority while creating the technical and operational platform required to support long-term product diversification and sustainable growth.

Strategy

Enhancing operational efficiency and sustainability

As CGS scales its operations, management remains focused on improving operational efficiency while exploring sustainable manufacturing and operating practices.

The Group continues to pursue lean manufacturing initiatives, process optimisation programmes and automation investments designed to improve productivity, reduce waste, and enhance execution efficiency across its operations.

At the same time, CGS is increasingly incorporating energy-efficient technologies and sustainable operational practices into both its internal processes and customer-facing solutions. The Group is keenly aware of the demand for environmentally responsible engineering solutions across several of its key markets.

Management also believes that operational efficiency and sustainability are increasingly interconnected. While improvements in automation, process discipline, and manufacturing precision certainly support cost efficiency and scalability, more importantly, they contribute to improved environmental performance and long-term operational resilience.

As regulatory standards and customer expectations continue to evolve, the Group expects sustainability considerations to become an increasingly important component of both product development and operational strategy.

Outlook

CGS's long-term strategy is underpinned by several structural themes that the Company believes will continue to support demand growth across the Group's key operating sectors.

These include:

- Continued investment in cold-chain and logistics infrastructure
- Increasing focus on food security and pharmaceutical distribution
- Continued industrial localisation and domestic manufacturing initiatives
- Rising demand for specialised engineered infrastructure
- Expanding healthcare and emergency-response requirements
- Increasing demand for localised defence and industrial manufacturing capability

Against this backdrop, we believe CGS is well positioned to continue expanding its role as an integrated engineering and cold-chain solutions platform within the Kingdom.

The Group's strategy remains focused on balancing growth with operational discipline. While expansion into new sectors and capabilities is expected to support long-term diversification, management remains committed to maintaining strong execution standards, disciplined capital allocation, and prudent working capital management.

As the business scales, CGS intends to continue strengthening the underlying engineering, manufacturing, and organisational capabilities that have supported its development over the past five decades. Management believes these capabilities will remain central to the Group's ability to sustain growth, adapt to evolving market requirements, and continue delivering long-term value to shareholders, customers, and the broader Saudi and regional economy.

PRINCIPAL RISKS AND UNCERTAINTIES

CGS operates across refrigeration, cold-chain infrastructure, customised engineering solutions, transport refrigeration, manufacturing, and related service operations serving multiple sectors including food and beverage, pharmaceuticals, logistics, healthcare, energy, defence, and industrial applications. The nature of these operations exposes the Group to various operational, financial, strategic, regulatory, and market-related risks that may affect business continuity, profitability, liquidity, and long-term strategic objectives.

The Board and management continuously monitor these risks through operational oversight, financial controls, project monitoring, customer engagement, governance processes, and periodic strategic reviews. Risk management remains integrated into the Group's decision-making processes, particularly as the business continues to expand its manufacturing capabilities, diversify its product portfolio, and operate as a publicly listed company.

The principal risks identified by management during FY26 are outlined below.

Strategic risks

Dependence on key customers and revenue concentration

Historically, a significant proportion of CGS's revenue has been generated from a relatively concentrated group of customers, particularly within the Automotive Solutions segment. The Group's largest customers operate under varying procurement cycles and multi-vendor sourcing strategies, which may result in fluctuations in order volumes and market share between reporting periods.

In addition, the Automotive Solutions segment continues to represent the largest contributor to Group revenue. Demand within this segment remains influenced by customer fleet expansion plans, replacement cycles, liquidity conditions, van/truck chassis availability, and broader economic activity.

Management continuously monitors customer concentration levels, order pipelines, and segment exposure, while continuing efforts to diversify the Group's revenue base through Stationary Refrigeration, Customised Solutions, and Aftermarket Services. The Group also continues to expand participation across additional sectors and customer categories to reduce reliance on individual customers and applications over time.

Dependence on key suppliers and material agreements

CGS relies on several key suppliers, distributors, and commercial counterparties across its operations. The Group's manufacturing activities depend on the continuity of supply arrangements for components, raw materials, and specialised equipment.

Some agreements contain pricing adjustment mechanisms, termination rights, exclusivity restrictions, or operational obligations that may affect the Group's flexibility and commercial position. Failure to renew key agreements, disruption in supplier relationships or inability to secure alternative suppliers on commercially acceptable terms could adversely affect operations, delivery timelines and profitability.

Management continues to monitor supplier relationships, contractual obligations and procurement exposure, while maintaining ongoing engagement with key counterparties and pursuing diversification across selected supply channels where practical.

Risks related to growth and expansion execution

CGS's long-term strategy includes expansion into additional sectors, applications and geographic markets, alongside continued investment in manufacturing capability and specialised engineering solutions.

Execution of this strategy involves operational, financial and commercial risks, including:

- Risks associated with expansion into new or foreign markets
- Higher initial operating costs
- Delayed market adoption
- Recruitment of specialised personnel
- Financing requirements
- Project execution complexity
- Entry into sectors with different technical and regulatory requirements

Management continues to monitor capital allocation, investment priorities, and operational readiness toward scalability to meet market demand as the business expands into additional applications and manufacturing capabilities.

Risks related to changes in customer behaviour

The automotive solutions market has experienced a growing a shift towards leasing and intermediary financing models with regard to refrigerated transport applications. As customers increasingly prefer leasing arrangements over direct ownership, the Group may experience changes in purchasing behaviour, service requirements, and pricing dynamics.

Principal risks and uncertainties

This shift may reduce demand for certain higher-margin aftersales activities over time while increasing pricing pressure from larger leasing companies with stronger negotiating leverage.

Management continues to monitor evolving customer trends and adapt product offerings, service models and commercial approaches accordingly.

Geopolitical and regional market risk

CGS operates within a regional environment that may periodically experience geopolitical tension, supply chain disruption, and broader market uncertainty. During Q4, towards the end of FY26, heightened regional tensions contributed to shipping delays, softer customer ordering activity, and increased short-term uncertainty across parts of the market.

Prolonged geopolitical disruption could affect logistics networks, procurement timelines, customer investment decisions, market liquidity, and broader economic activity across sectors in which the Group operates. As a business dependent on project execution, imported components, and regional supply chains, CGS remains exposed to operational and commercial disruption arising from these conditions.

Management continues to monitor regional developments closely while maintaining operational flexibility, supplier engagement and scenario-based planning intended to support business continuity and execution resilience.

Reputation and brand risk

The Group's reputation and brand positioning remain important to maintaining customer relationships, supplier confidence, and long-term market participation. Negative publicity, operational failures, product quality issues, cybersecurity incidents, employee misconduct, or customer dissatisfaction could adversely affect the Group's reputation and commercial position.

Management continues to monitor customer satisfaction, service quality, governance practices, and operational performance in support of brand integrity and long-term stakeholder confidence.

Operational risks

Project execution and revenue timing risk

A growing portion of CGS's activities involves project-based refrigeration and customised engineering solutions, where revenue recognition is influenced by execution milestones, delivery schedules, installation progress, and customer readiness.

Consequently, reported revenue in any given period may be affected by shipment delays, installation schedules, procurement timing, or changes in customer implementation plans.

Management monitors project pipelines, backlog conversion, and execution schedules continuously to manage operational capacity, working capital requirements, and revenue visibility. The Group also maintains active engagement with customers and suppliers to minimise disruption to project execution and delivery timelines.

Operational and supply chain risk

CGS depends on the efficient operation of manufacturing facilities, supply chains, logistics networks, and outsourced service providers. Operational disruption resulting from supply chain interruptions, delayed imports, labour shortages, equipment failure, or contractor underperformance could adversely affect production schedules, project execution, and customer deliveries.

The Group also remains exposed to broader regional and global disruptions affecting shipping, procurement, and logistics activity.

Management continues to strengthen supplier relationships, diversify procurement sources, maintain strategic inventory levels where necessary, and monitor procurement planning to minimise operational disruption.

Financial risks

Working capital and liquidity risk

The Group's operations require ongoing investment in inventory, receivables, project execution, and production activities ahead of billing and collection. As a result, working capital requirements may fluctuate depending on project mix, order timing, and customer payment cycles.

Trade receivables and inventory levels remain significant components of the Group's balance sheet. Delays in customer collections, slower inventory turnover, or deterioration in market liquidity conditions could affect operating cash flow and liquidity.

Management regularly monitors receivable aging, inventory turnover, customer credit exposure, and cash conversion metrics, while maintaining focus on working capital discipline and liquidity management.

Principal risks and uncertainties

Fluctuations in currency exchange rates

The Group imports refrigeration equipment, raw materials, and specialised components from international suppliers denominated in foreign currencies. Accordingly, fluctuations in foreign currency exchange rates may affect procurement costs, project profitability, and overall operating margins.

Although the Saudi Riyal is pegged to the US Dollar, the Group may still be exposed to currency fluctuations relating to purchases denominated in other foreign currencies, changes in global supplier pricing structures and indirect impacts arising from international market volatility.

Management continuously monitors foreign currency exposure and procurement commitments, while maintaining pricing reviews, supplier negotiations, and appropriate commercial arrangements intended to minimise the financial impact of currency fluctuations on the Group's operations and profitability.

Risks related to technology and cybersecurity

Information technology and cybersecurity risk

CGS relies increasingly on information technology systems across operational, financial, and administrative functions. Disruption to these systems, cybersecurity incidents, data breaches, or failures in system protection could affect business continuity, operational effectiveness, and the confidentiality of sensitive information.

The Group maintains cybersecurity measures, backup systems and business continuity processes intended to reduce operational disruption and support system resilience.

Management continues to monitor evolving cybersecurity risks as operational reliance on digital systems increases.

Risks associated with automation and Industry 4.0 implementation

CGS continues to invest in automation, robotics and Industry 4.0 manufacturing technologies as part of its broader manufacturing and operational development strategy. These initiatives are intended to improve efficiency, scalability, and production capability across the Group's operations.

Implementation of advanced manufacturing technologies, however, involves operational and execution risks, including system integration challenges, delays in implementation, operational disruption, technology underperformance, and increased dependence on digital infrastructure and specialised technical expertise. Failure to implement these technologies effectively could affect production efficiency, project execution, and expected operational benefits.

Management continues to monitor implementation progress, operational readiness, and technology integration requirements while investing in technical capability, workforce development, and supporting operational infrastructure.

Human capital risks

Human capital and talent retention risk

The Group's operations depend on specialised engineering, manufacturing and technical personnel across refrigeration, fabrication, maintenance and customised engineering applications. Competition for experienced talent within these sectors remains significant.

Failure to attract, retain, and develop qualified personnel could affect execution capability, operational efficiency, and long-term growth initiatives.

Management continues to invest in workforce capability, technical training, succession planning, and organisational development in support of operational continuity and future expansion.

Legal risks

Regulatory, compliance, and legal risk

CGS operates within a regulatory environment involving commercial, industrial, labour, environmental, tax, leasing, and contractual compliance obligations across multiple jurisdictions. Changes in applicable regulations, contractual disputes, non-renewal of permits or non-compliance with legal requirements could expose the Group to operational disruption, financial penalties, or reputational damage.

The Group also remains exposed to risks associated with contractual enforceability, financing agreements, related-party transactions, and evolving tax obligations.

Management continues to strengthen governance processes, internal controls, and compliance oversight as part of the Group's transition and ongoing development as a listed company.

FINANCIAL REVIEW

Year in review

The 2025-26 fiscal year that ended on 31 March 2026 (henceforth referred to as FY26) marked a period of normalisation and transition for CGS, following an exceptionally strong FY25 that saw a higher-than-average market share in the Automotive Solutions segment. Reported revenue in FY26 declined to ⃁ 477 Mn. from ⃁ 504 Mn. year-on-year, driven primarily by a moderation in Automotive Solutions volumes subsequent to the unprecedented performance during the prior year. Other contributing factors included delays in customer orders and shipment disruptions during the final weeks of the fourth quarter, which affected the timing of revenue recognition. Demand conditions also softened towards the latter part of the year, as customers adopted a more cautious investment approach amid growing geopolitical uncertainty and tighter market liquidity.

For CGS, performance during the year under review was shaped by a shift in segment mix. As mentioned, Automotive Solutions moderated after a period of elevated market share, while the Stationary Refrigeration and Customised Solutions continued to grow, supported by larger project activity, deeper engagement with tier-one customers, and continued expansion within existing application areas. This evolving mix reflects a gradual progression towards a more diversified engineered solutions portfolio.

Given that developments towards the end of the year deferred a portion of expected revenue into FY27, CGS's performance during the reporting period should be viewed in the context of the Company's project-based operating model, where the conversion of backlog into reported revenue is greatly influenced by execution timelines and customer readiness. Against this backdrop, CGS entered FY27 with a strong backlog of ~⃁ 300 Mn., providing a reassuring degree of visibility over near-term revenue in the Customised Solutions and Stationary Refrigeration segments.

As discussed elsewhere in this report, FY26 also marked CGS's listing on the Saudi Main Market. Being a secondary offering, the Initial Public Offering (IPO) did not generate proceeds for the Company; however, the listing was significant in that, being an institutional move, it served to enhance governance, market visibility, and organisational readiness as CGS positions itself for its next phase of growth.

Revenue and segment performance

CGS's revenue profile reflects the characteristics of a multi-segment engineering business, where each segment operates under a distinct model, while simultaneously complementing each other. Movements in total revenue are, therefore, best understood through changes in segment mix, project timing, and execution cycles, rather than as a single, underlying trend.

Automotive Solutions, historically the largest contributor to revenue, declined during FY26 following the aforesaid normalisation in market share. Over the longer term, the segment continues to benefit from structural demand drivers including population growth, food security priorities, increasing cold-chain requirements, and tighter regulation aimed at reducing food waste. The Automotive Solutions segment's revenue decline during the reporting period was also affected by delays in customer orders, and shipment disruptions towards year-end. It must be noted that these factors primarily influenced the timing of deliveries and, consequently, revenue recognition, and does not necessarily indicate a material deterioration in the segment's long-term structural demand profile.

Stationary Refrigeration continued to expand during FY26, with further investment in engineering capabilities, particularly in processing applications, contributing to stronger customer confidence and increased market penetration. Revenue in this segment is linked to project milestones and can, therefore, vary across periods depending on the timing of execution and handover. The increased contribution during the year reflects both strong project activity and conversion of backlog.

Customised Solutions also recorded continued growth, driven by expanded penetration of the oil and gas sector. While still growing from a small base, the segment is becoming a key driver of the Group's growth profile, reflecting the gradual expansion of its engineering and manufacturing capabilities into more specialised and increasingly sophisticated applications.

Aftermarket Services experienced lower activity during the year, reflecting softer service volumes in certain areas of the business and the still-developing scale of the Stationary Refrigeration segment portfolio. This notwithstanding, CGS continues to maintain a leading position in the Automotive aftersales services subsegment through its broad service network across the Kingdom. The segment remains strategically important due to its recurring revenue characteristics and long-term margin potential as the installed base continues to expand.

Collectively, segment performance points to a business in transition, from a predominantly automotive-led model towards a more balanced portfolio comprising standardised products, project-based infrastructure, and specialised engineering solutions, each contributing differently to revenue growth and its timing.

Financial review

Revenues over the past five financial years including FY26:

T 01

	FY26 ⃁	FY25 ⃁	FY24 ⃁	FY23 ⃁	FY22 ⃁
Revenue	**477,143,568**	504,337,619	349,147,250	256,845,261	264,781,576
Cost of revenue	**(372,932,676)**	(388,613,694)	(265,310,966)	(201,005,918)	(219,440,364)
Gross profit	**104,210,892**	115,723,925	83,836,284	55,839,343	45,341,212
Net profit	**46,602,502**	66,219,323	45,048,954	25,360,924	30,088,370

Revenue remained overwhelmingly domestic in nature, with the Kingdom accounting for more than 98% of total revenue in FY26.

Detailed information on segment revenue and revenue by geographic market is provided in Notes 32 and 18, respectively, to the consolidated financial statements.

Backlog, order intake, and revenue timing

For CGS, backlog and order intake provide a more reliable indication of underlying activity than reported revenue in any single period. As an increasingly project-based engineering business, revenue recognition, as mentioned earlier, is inherently tied to project milestones, delivery schedules, and customer readiness, all of which can shift revenue timing across reporting periods.

During FY26, the Company recorded a significant increase in backlog to ~⃁ 300 Mn., supported by a record order intake of ⃁ 588 Mn., with Customised Solutions being a key driver alongside continued momentum in Stationary Refrigeration. This reflects sustained demand for larger, project-based installations and specialised applications.

The Company's localisation capabilities and ability to deliver turnkey solutions manufactured within the Kingdom also continue to support customer demand across several strategic sectors.

Delays in shipment, chassis availability, and customer order placement in the final weeks of FY26 resulted in the deferral of certain project completions. These were influenced by a combination of supply chain constraints, customer caution in placing orders, and external disruptions associated with geopolitical tensions during the latter part of the year.

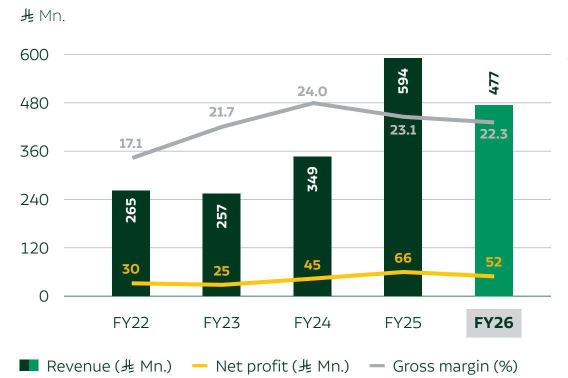
It must also be noted that backlog composition varies by segment, with shorter conversion cycles in Automotive Solutions and longer execution timelines in Stationary Refrigeration and Customised Solutions. This highlights the importance of assessing performance over multiple periods, as revenue recognition may not align with order intake within a single reporting cycle.

Overall, the year-end backlog position supports management's outlook, indicating largely sustained underlying demand and a pipeline of projects expected to drive revenue conversion in FY27 and beyond.

Margins and profitability

Revenue, net profit, and gross margin trend

G 01



Despite the lower revenue and shift in segment mix, CGS maintained underlying profitability in FY26. Gross margin remained broadly stable at approximately 22% compared to nearly 23% in the previous year, reflecting the resilience of our business model as the composition of revenue evolved.

Margin movement during the year was driven by mix effects rather than any operational weaknesses. A higher contribution from Stationary Refrigeration, which carries a relatively lower margin profile due to its project-based, on-site nature, diluted margins on a blended basis. Automotive Solutions continues to benefit from scale and standardisation, while margins within Customised Solutions can vary significantly depending on project scope, technical specifications, and application complexity. Aftermarket Services remains the highest-margin segment, although the long-term opportunity for scale expansion remains more pronounced within the Stationary Refrigeration segment portfolio.

Financial review

At the operating level, profitability was impacted by an increase in overheads, with general and administrative expenses rising to ⃁ 34.8 Mn. from ⃁ 32.4 Mn. This reflects continued investment in organisational capability, including talent, governance, and systems, associated with the Company's transition to a listed entity. Higher bad debt provisions, driven primarily by the Company's expected credit loss (ECL) methodology rather than realised losses, also contributed to the increase in operating costs during the year.

As a result, operating margin moderated to approximately 11% from ~14% in FY25. This reflects the combined effect of segment mix and a higher cost base associated with transitioning to a listed entity, rather than deterioration in core profitability. Overall, CGS demonstrated the ability to sustain earnings quality while progressing towards a more diversified and project-driven revenue profile.

Working capital and cash conversion

CGS's cash conversion profile reflects the dynamics of a project-based engineering business. While the Company operates with a relatively capex-light model, growth can absorb working capital, as materials, labour, and execution costs are incurred ahead of billing and collection.

Trade receivables increased to ⃁ 75.1 Mn. from ⃁ 64.5 Mn., while contract assets stood at ⃁ 18.3 Mn. at year-end, consistent with higher levels of project activity and invoicing towards year-end. Despite the increase in receivables, collection performance remained healthy, with days sales outstanding (DSO) levels broadly stable at 60 days, while receivables more than 90 days past due remained at 20% of total trade receivables. Collection cycles during the second half of the year were also influenced by broader liquidity conditions across parts of the market.

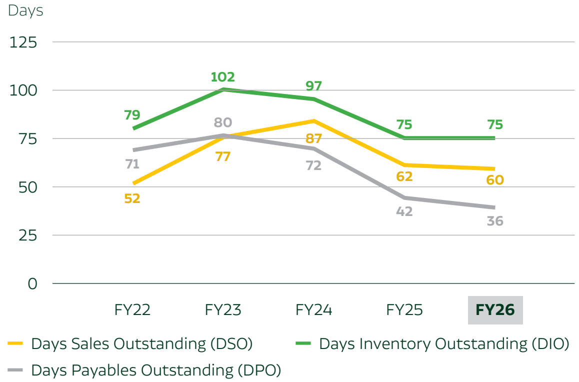
Inventory declined to ⃁ 74.9 Mn. from ⃁ 78.2 Mn., despite continued project activity, indicating improved inventory discipline and more efficient working capital management. This is notable given the Company's reliance on components, materials, and imported equipment across its core segments.

Trade payables increased to ⃁ 42.6 Mn. from ⃁ 31.7 Mn., while contract liabilities decreased to ⃁ 35.1 Mn. from ⃁ 45.4 Mn. These movements reflect changes in project execution and billing cycles, with a greater share of activity captured in receivables and contract assets, and a lower level of customer advances at year-end.

Overall, CGS maintained a healthy working capital position during FY26, despite executing a larger and more complex order book. The Company's cash conversion profile continues to reflect the operating characteristics of a project-based business, with working capital movements aligned to project execution, billing, and collection cycles.

Working capital

G 02



Cash conversion cycle increased to approximately 99 days in FY26 compared to 95 days in FY25, reflecting changes in working capital levels.

Balance sheet, funding, and capital position

CGS closed FY26 with a strong balance sheet and no debt, providing financial flexibility as it enters its next phase of growth as a listed company. Cash and cash equivalents increased to ⃁ 87.7 Mn. from ⃁ 68.6 Mn., while total liabilities remained broadly stable at ⃁ 136.6 Mn.

Equity increased to ⃁ 200.1 from ⃁ 162.7 Mn., driven by increasing retained earnings during the year. Reflecting these developments, the Group's current ratio improved to 2.49x from 2.12x in FY25, reinforcing its strong liquidity position and capacity to meet short-term obligations.

CGS's capital position remains conservative, characterised by no financial leverage and a strong liquidity position. This provides resilience against working capital fluctuations, geopolitical uncertainty and broader cyclical pressures, while preserving the financial flexibility to support the Company's long-term strategic objectives and the pursuit of future growth opportunities.

Financial review

Financial position over the past five years including FY26:

T 02

	FY26 ⃁	FY25 ⃁	FY24 ⃁	FY23 ⃁	FY22 ⃁
Current assets	272,863,164	232,911,891	228,451,169	154,302,304	149,088,198
Non-current assets	63,929,181	65,597,563	45,168,300	31,125,927	28,089,885
Total assets	336,792,345	298,509,454	273,619,469	185,428,231	177,178,083
Current liabilities	109,686,676	109,635,807	140,213,766	88,695,291	103,069,476
Non-current liabilities	26,971,762	26,159,522	18,671,489	17,239,713	16,832,722
Total liabilities	136,658,438	135,795,329	158,885,255	105,935,004	119,902,198

During FY26, the Company did not have any outstanding bank loans or other borrowings. Also, the Company did not issue any transferable debt instruments, convertible instruments, warrants, or subscription rights, nor were there any transfers, grants, redemptions, purchases, or cancellations of such instruments during the year.

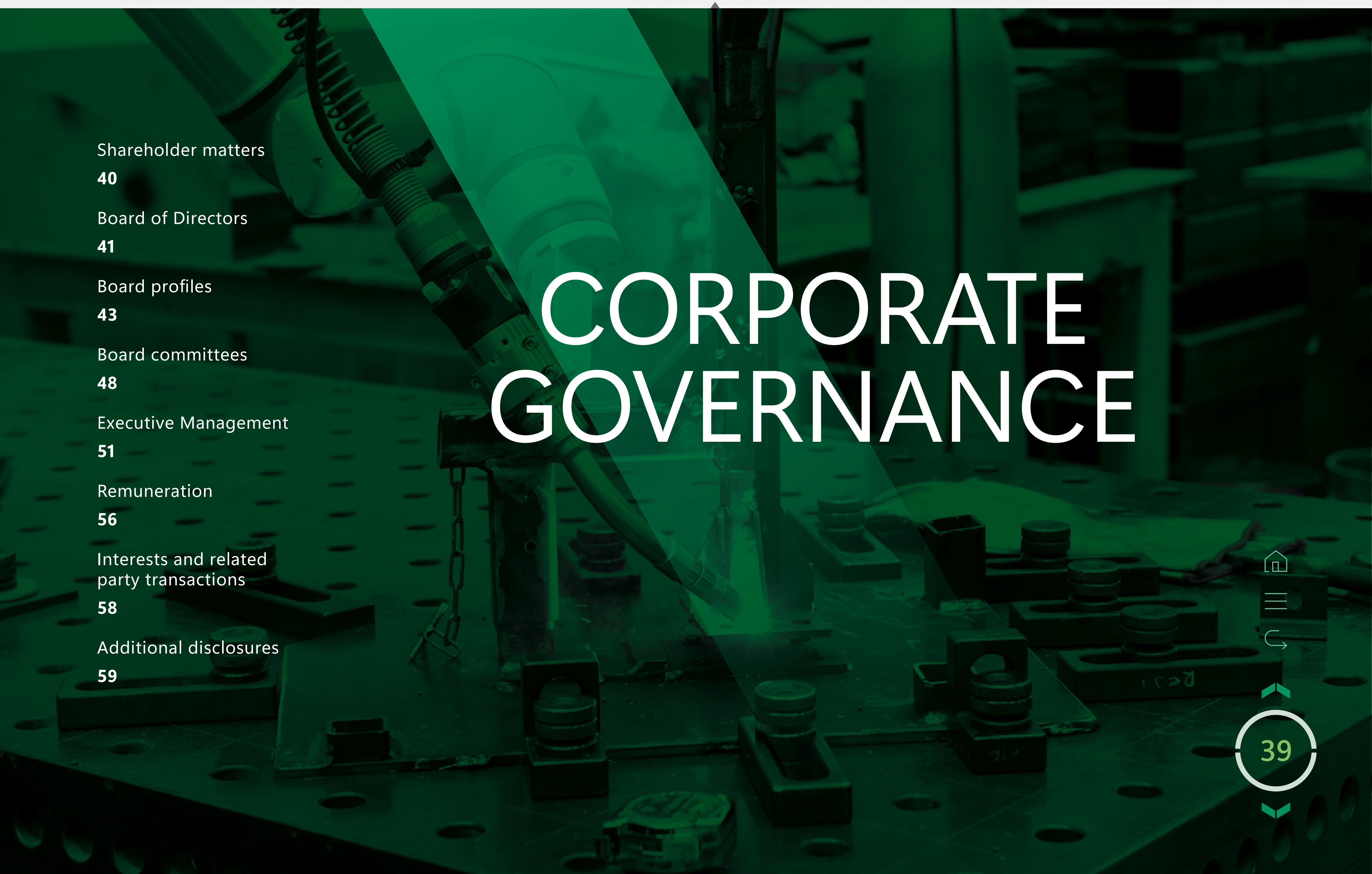
Outlook

As already noted, CGS enters FY27 with a strong backlog of approximately ⃁ 300 Mn., providing visibility over revenue conversion in the near term. Activity is expected to be supported by continued momentum in Stationary Refrigeration and Customised Solutions, alongside a more normalised contribution from Automotive Solutions.

Revenue timing is likely to remain a key consideration, particularly as a greater share of the order book comprises larger and more complex projects. A portion of the delays experienced in FY26 is expected to convert in the new financial year, although execution timelines, customer readiness, and delivery schedules may continue to influence the timing of reported revenue.

Segment mix will remain an important determinant of overall margin levels. While growth in Stationary Refrigeration and Customised Solutions supports diversification, it may also affect blended margins depending on project scope and execution. Aftermarket Services continues to represent a longer-term opportunity to enhance margin quality as the installed base expands.

Overall, CGS is positioned for continued growth, supported by a strong balance sheet, record backlog, sustained sector demand, and investments in stronger foundations of a public company platform. As the business scales, disciplined working capital management and capital allocation will remain critical to translating growth into sustainable cash generation.



CORPORATE GOVERNANCE

SHAREHOLDER MATTERS

Dividend policy

Dividends are subject to the recommendation of the Board of Directors and approval by shareholders at the General Assembly and depend on the Company's financial performance, cash flow position, capital expenditure requirements, and other relevant considerations. The Company intends to distribute a portion of its annual profits to shareholders; however, it does not have a fixed dividend payout policy and may retain earnings to support its operations, growth, and strategic priorities. There can be no assurance that dividends will be distributed in any given year.

Prior to the Company's listing, distributions were made at the subsidiary level; following the establishment of the holding company structure, any future distributions will be made at the Company level.

Waiver of dividend rights: No arrangements or agreements were identified during the year under which any shareholder of the Company waived any rights to dividends.

Substantial shareholders

As of 31 March 2026, the Company had two substantial shareholders, each holding 35% of its issued share capital: Darat Esmat Bin Abdul-Samad Al Saady Holding Company and GK Grünenfelder International AG.

These shareholdings give rise to indirect beneficial ownership by Mr. Esmat Abdul-Samad Al Saady, who holds an indirect interest in the Company through his ownership of Darat Esmat Bin Abdul-Samad Al Saady Holding Company, and by Mr. Marcel Albert Grünenfelder and Mr. Albert Peter Grünenfelder, who hold indirect interests through their respective ownership structures within GK Grünenfelder International AG.

No changes in the Company's substantial shareholders or their respective shareholdings were identified during the year.

Requests by the Company to review the shareholders' register

T 03

Company Request no.	Request date	Reasons for request
1.	20 Jan 2026	Update of shareholder ownership records with ZATCA
2.	2 Apr 2026	Year-end shareholder register verification
3.	12 May 2026	Extraordinary General Assembly Meeting
4.	12 May 2026	Extraordinary General Assembly Meeting

Dividends distributed and/or proposed during the year

T 04

	Interim dividends Q1 (30 Jun 2025)	Interim dividends Q2 (30 Sep 2025)	Interim dividends Q3 (30 Dec 2025)	Final dividend (proposed at year-end) Q4 (31 Mar 2026)*	Total dividends
Dividend payout ratio (% of net profit)	N/A	N/A	N/A	N/A	71.5
Dividend amount (⃁)	10,000,000	No dividends	No dividends	23,300,000	33,300,000

** The Board recommends a final dividend of ⃁ 23.3 Mn., subject to shareholder approval. The Q1 interim dividend payout ratio is calculated based on net profit for the quarter ended 30 June 2025. The final dividend payout ratio and total dividend payout ratio are calculated based on net profit for the year ended 31 March 2026. The proposed final dividend remains subject to shareholder approval.*

BOARD OF DIRECTORS

The Company is managed by a Board of Directors comprising seven directors appointed by the Ordinary General Assembly of Shareholders. The number of independent directors must not be fewer than two directors or one-third of the total number of directors, whichever is greater. The duties and responsibilities of the Board are defined in the Company's Bylaws and Internal Corporate Governance Manual.

The tenure of directors, including the Chairman, is a maximum of four years per term, and directors may be reappointed for additional terms. As an exception, the Company's first Board of Directors was appointed for a three-year term pursuant to the Shareholders' Resolution dated 8 December 2024. The current three-year term of the Board commenced on 8 December 2024 and will end on 8 December 2027.

General assembly meetings

The Company was listed on the Saudi Exchange (Tadawul) on 9 December 2025, and no General Assembly meetings were held during FY26. An Extraordinary General Assembly meeting was held on 12 May 2026, subsequent to the end of the fiscal year and therefore outside the reporting period.

Board responsibilities and duties

The Board of Directors is responsible for the overall stewardship of the Company, acting in the best interest of all shareholders to safeguard and enhance long-term value. While certain authorities may be delegated to committees or management, the Board retains ultimate accountability for the Company's performance, governance, and strategic direction. In no case shall the Board grant a general or unlimited authorisation.

The Board held four meetings during FY26.

T 05

Name	Board role	Status	Number of meetings: 4			
			1st meeting 28 Apr 2025	2nd meeting 22 Jul 2025	3rd meeting 29 Sep 2025	4th meeting 17 Nov 2025
Sinan Esmat Abdul-Samad Al Saady	Chairman	Non-Executive	Yes	Yes	Yes	Yes
Marcel Albert Grünenfelder	Vice Chairman	Non-Executive	Yes	Yes	Yes	Yes
Eman Fawaz Hamza Al-Sayrafi	Director	Independent	Yes	Yes	Yes	Yes
Raad Abdulaziz Mohammed Al-Abdulkadr	Director	Independent	Yes	Yes	Yes	Yes
Sami Abdulkarim Mohammed Hashem Al-Zohaibi	Director	Independent	Yes	Yes	Yes	Yes
Fahd Saleh Ali Al-Hathloul	Director	Independent	Yes	Yes	Yes	Yes
Albert Peter Grünenfelder	Director	Non-Executive	Yes	Yes	Yes	Yes

The Board's key responsibilities include:

- Setting and overseeing the Company's strategy, business plans, and financial objectives, and ensuring that appropriate resources are in place to achieve them
- Monitoring performance against established targets and key performance indicators, and overseeing major capital expenditures and strategic investments
- Establishing and maintaining effective internal control and risk management frameworks, including safeguarding the integrity of financial reporting and ensuring the timely identification, assessment and management of risks
- Approving the organisational structure and overseeing human capital planning to support the Company's strategic objectives
- Determining the types of remuneration granted to Company employees, including fixed remuneration, performance-linked remuneration, and share-based remuneration
- Ensuring compliance with applicable laws, regulations, and disclosure requirements, and promoting transparency in communications with shareholders and stakeholders
- Overseeing the Company's financial position, cash flows, and relationships with financing parties
- Reviewing and approving interim and annual financial statements and the Board report prior to publication
- Establishing policies governing conflicts of interest, related party transactions, and stakeholder engagement
- Notifying the Ordinary General Assembly of any businesses and contracts in which a Board member has a direct or indirect interest, accompanied by a special report from the Company's external auditor

Board of Directors

- Recommending key matters to the General Assembly, including capital structure changes, profit distribution, and the use of reserves
- Establishing Board committees, defining their mandates, and monitoring their performance
- Setting specific policies, standards, and procedures for Board membership, subject to approval by the General Assembly
- Promoting ethical conduct, corporate values, and a culture of accountability across the organisation
- Ensuring that effective communication channels are in place to keep shareholders informed of material developments

Board and committee performance evaluation

No external Board performance evaluation was conducted during FY26. The Company has developed a Board performance evaluation template, which is expected to be implemented at the earliest opportunity.

Role of the Chairman

Without prejudice to the competencies of the Board, the Chairman is responsible for leading the Board, supervising its operations, and ensuring the effective performance of its duties in accordance with the Companies Law, its Implementing Regulation, and the Company's Bylaws.

The Chairman's key duties include:

- Ensuring that Directors receive complete, clear, accurate, non-misleading, and timely information
- Ensuring that the Board discusses all fundamental matters effectively and in due course
- Representing the Company before third parties, in line with applicable laws and the Company's Bylaws
- Encouraging Directors to perform their duties effectively in the interest of the Company
- Maintaining effective communication channels with shareholders and conveying their views to the Board
- Promoting constructive engagement between the Board and Executive Management, and among executive, non-executive, and independent Directors
- Fostering a Board culture that supports constructive challenge and open discussion criticism
- Preparing Board meeting agendas in consultation with Directors, the CEO, and, where relevant, the external auditor and the CEO, and taking into consideration any matter raised by a Director or by the external auditor
- Convening periodic meetings with non-executive Directors without Executive Management present
- Notifying the Ordinary General Assembly of any business or businesses and contracts in which a Director has a direct or indirect interest, supported by the relevant auditor's report where required. The notification shall include the information provided by the Director to the Board under Article 28(14) of the Corporate Governance Regulations, and shall be accompanied by a special report from the Company's external auditor

Shareholder communication with the Board

The Board of Directors recognises the importance of maintaining transparent and effective communication with shareholders. In line with its governance responsibilities, the Company ensures that material information relating to its performance and developments is disclosed in a timely and accessible manner, enabling shareholders to remain informed and exercise their rights.

Shareholder inputs, including proposals and comments raised through formal channels such as General Assembly meetings and regulatory disclosures, are communicated to the Board through established reporting mechanisms. The Board, including non-executive Directors, is kept apprised of such matters to support informed oversight and decision-making. The Company also maintains formal communication channels, including its official website and designated contact points, to facilitate ongoing engagement with shareholders.

BOARD PROFILES

1

Sinan Esmat Abdul-Samad Al Saady

Chairman – Board of Directors

2

Marcel Albert Grünenfelder

Vice Chairman – Board of Directors

3

Eman Fawaz Hamza Al-Sayrafi

Member – Board of Directors

4

Raad Abdulaziz Mohammed Al-Abdulkadr

Member – Board of Directors

5

Sami Abdulkarim Mohammed Hashem Al-Zohaibi

Member – Board of Directors

6

Fahd Saleh Ali Al-Hathloul

Member – Board of Directors

7

Albert Peter Grünenfelder

Member – Board of Directors

Board profiles

Sinan Esmat Abdul-Samad Al Saady

Chairman – Board of Directors

Age: 43 years

Nationality: Saudi

Position: Chairman

Date of appointment (current term): 8 December 2024

Academic qualifications:

- Corporate Development Program certificate, Stanford University, USA (2019)
- Certificate in real estate finance, design and leadership program, Harvard University, USA (2019)
- Certificate in real estate finance and development program, Massachusetts Institute of Technology (MIT), USA (2016)
- BA in Finance and Economics, Boston College, USA (2003)

Current positions:

- Chairman, Board of Directors, CGS (since 2024)
- Member, Nomination and Remuneration Committee, CGS (since 2024)
- Board Member, General Entertainment Authority (GEA), a Saudi government authority in the entertainment sector (since 2024)
- Chairman of the Audit Committee at the General Entertainment Authority
- Board Member, Cool Inc Catering, a Saudi limited liability company in hospitality and tourism (since 2020)
- Director, NBK Wealth Management, a Saudi limited liability company in banking and wealth management (since 2017)
- Chairman, Audit Committee, NBK Wealth
- Member, NRC Committee, NBK Wealth
- Board Member and Chief Executive Officer, Darat Esmat Bin Abdul-Samad Al Saady Holding Company, a Saudi limited liability company in investment (since 2016)
- Vice Chairman, ARSA Executive Contracting Company, a Saudi limited liability company in sports and entertainment (since 2009)

Notable professional experience:

- Director at the Company (2019–2024)
- Board Member, Al Balad Al Ameen Development and Real Estate Enhancement Company, a Saudi closed joint stock company in urban development (2018–2024)
- Board Member, Muheel Facilities Management, a Saudi limited liability company in facilities management (2016–2021)
- Board Member, Abdul Latif Jameel United Real Estate Finance Company, a Saudi limited liability company in real estate finance (2014–2020)
- Senior Managing Director, Abdul Latif Jameel Properties, a Saudi limited liability company in real estate (2013–2020)
- Board Member, Wasl Saudia, a Saudi limited liability company in logistics and transportation (2012–2019)
- Partner, Hemaya United Middle East Commercial Investment Company Limited, a Saudi limited liability company in asset management (2007–2019)
- Board Member, Al Duwaliya Al Mutaaddida Urban Management and Development Company Limited, a Saudi limited liability company in real estate (2011–2013)
- Business Planning and Analysis, Saudi National Bank (SNB), a Saudi listed joint stock company in banking (2003–2007)

Marcel Albert Grünenfelder

Vice Chairman – Board of Directors

Age: 69 years

Nationality: Swiss

Position: Vice Chairman

Date of appointment (current term): 8 December 2024

Academic qualifications:

- Diploma in commercial vehicle design and engineering, Technical College of Engineering, Germany (1981)
- Federal diploma in automotive mechanics, GK Grünenfelder AG, Switzerland (1977)

Current positions:

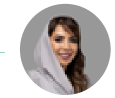
- Vice Chairman of the Company (since 2024)
- Member, Nomination and Remuneration Committee, the Company (since 2024)
- Director, Al Saadi Refrigeration Air Conditioning, a Bahraini limited liability company in air conditioning and refrigeration (since 2021)
- Owner, Familienholding Marcel Grünenfelder, a Swiss public limited company in holding activities (since 2020)
- Co-owner, Gasthaus zur Traube AG, a Swiss public limited company in hospitality (since 2015)
- Co-owner, GK Grünenfelder International AG, a Swiss public limited company in holding activities (since 2014)
- Co-owner, GK Grünenfelder Group AG, a Swiss public limited company in automotive (since 2005)
- Director, Cold Stores Group of Saudi Arabia, a Saudi limited liability company in industrial and refrigeration (since 1997)
- Director, Consolidated Grünenfelder Saady Company, a Saudi limited liability company in industrial and refrigeration (since 1997)

Board profiles

Notable professional experience:

- Director at the Company (2020–2024)
- Director and Chief Executive Officer, GK Grünenfelder AG (1990–2018) – Swiss public limited company in automotive (Chief Compliance Officer 1990–2004; Director and CEO 2005–2018)
- Director, Owner and Chief Executive Officer, GK Grünenfelder International AG (2005–2018) – Swiss public limited company in holding activities
- General Manager, Coldstores Group of Saudi Arabia (2005–2018) – Saudi limited liability company in industrial and refrigeration
- General Manager, Consolidated Grünenfelder Saady Company (1983–2018) – Saudi single shareholder limited liability company in industrial and refrigeration (General Manager 1983–1984; Assistant and Deputy General Manager 1984–1990; Deputy Manager 1997–2005; General Manager 2005–2018)
- General Manager, Al Saadi Refrigeration Air Conditioning (1984–2018) – Bahraini limited liability company in air conditioning and refrigeration (Assistant and Deputy General Manager 1984–1990; Deputy Manager 1997–2005; General Manager 2005–2018)
- Assistant General Manager, Cold Stores Group of Saudi Arabia (1981–1983) – Saudi limited liability company in industrial and refrigeration

Eman Fawaz Hamza Al-Sayrafi



Member – Board of Directors

Age: 40 years

Nationality: Saudi

Position: Director

Date of appointment (current term): 8 December 2024

Academic qualifications:

- BA in English literature, Umm Al-Qura University, KSA, 2008

Current positions:

- Chief Executive Officer, GMG KSA (since January 2026)
- Chairman, Nomination and Remuneration Committee, CGS (since 2024)

Notable professional experience:

- Chief Human Resources Officer, Tam Development, a Saudi listed joint stock company in commercial and professional services (since 2024)
- Chief Human Resources Officer, Cool Inc Catering, a Saudi limited liability company in hospitality and tourism (2020–2024)
- Head of Business Development – Development and Marketing, My Clinic, a Saudi limited liability company in healthcare (2017–2020)
- Multiple human resources roles, Bupa Arabia for Cooperative Insurance, a Saudi listed joint stock company in insurance (2008–2017)

Raad Abdulaziz Mohammed Al-Abdulkadr

Member – Board of Directors

Age: 45 years

Nationality: Saudi

Position: Director

Date of appointment (current term): 26 February 2025

Academic qualifications:

- BA in Business Administration (banking services and entrepreneurship), Beirut University, Lebanon (2004)

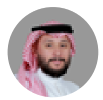
Current positions:

- Director, Infonas, a Bahraini closed joint stock company in telecommunications (since 2021)
- Managing Director and Partner, Al Abdulkader Furniture Co. Ltd., a Saudi limited liability company in furniture (since 2021)
- Director, Intrepid, a Canadian private equity firm in investment (since 2018)
- Director, Hometown, a UAE limited liability company in hospitality (since 2016)
- Director and Audit Committee Member, ANB Capital, a Saudi closed joint stock company in securities and investment (since 2016)
- Director, MxCare, a UAE limited liability company in security services (since 2014)
- Director, Al Faraby Medical, a Saudi limited liability company in healthcare (since 2012)
- Director, Knowledge Net, a Saudi listed joint stock company in technology (since 2012)
- Director, Al-Afaq International Schools, a Saudi limited liability company in education (since 2008)
- Chief Executive Officer, Abdulaziz Al-Abdulkader Contracting Establishment, a Saudi sole proprietorship in contracting (since 2002)

Board profiles

Notable professional experience:

- Vice Chairman and Partner, Al Abdulkader Furniture Co. Ltd., a Saudi limited liability company in furniture (2002–2021)
- Director, 2Connect, a Bahraini limited liability company in technology (2012–2016)
- Director, Osool & Bakheet Investment Company, a Saudi closed joint stock company in securities and investment (2009–2012)



Sami Abdulkarim Mohammed Hashem Al-Zohaibi

Member – Board of Directors

Age: 49 years

Nationality: Saudi

Position: Director

Date of appointment (current term): 8 December 2024

Academic qualifications:

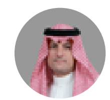
- BSc in Chemical Engineering, King Fahd University of Petroleum and Minerals (KFUPM), KSA (2000)

Current positions:

- Director at the Company (since 2024)
- Chief Executive Officer, Alshiaka, a Saudi limited liability company in men's fashion and lifestyle (since 2024)

Notable professional experience:

- Chairman, Alshiaka, a Saudi limited liability company in men's fashion and lifestyle (2021–2023)
- Managing Director – Entertainment and Tourism, Dallah Albaraka Holding Company (2019–2021) and Fawasel Advanced for Entertainment and Tourism (2021–2022), both Saudi closed joint stock companies in entertainment and tourism
- Partner, Elixir, a Saudi professional firm in consulting services (2017)
- Marketing Manager, Procter & Gamble, a Saudi company in manufacturing and marketing (2000–2005)



Fahd Saleh Ali Al-Hathloul

Member – Board of Directors

Age: 52 years

Nationality: Saudi

Position: Director

Date of appointment (current term): 8 December 2024

Academic qualifications:

- MBA (majoring in finance), Colorado State University, USA (1998)
- BSc in Computer Information Systems, King Saud University, KSA (1995)

Current positions:

- Director at the Company (since 2024)
- Chairman, Audit Committee, the Company (since 2024)
- Board Member and Chairman of the Audit Committee, Ardara Development Company (formerly Al Wadi Development Company), a Saudi closed joint stock company in real estate development (since 2023)
- Chairman, Audit Committee, EEC, a Saudi public joint stock company in real estate (since 2023)
- Audit Committee Member, Rua Al Madinah Holding, a Saudi closed joint stock company in real estate (since 2021)
- Audit Committee Member, Communications, Space and Technology Commission (CITC), a Saudi government agency in communications and information technology (since 2021)
- Audit Committee Member, Jeddah Development & Urban Regeneration Co., a Saudi closed joint stock company in urban development (since 2020)
- Audit Committee Member, Water Transmission and Technologies Company, a Saudi closed joint stock company in water transmission (since 2020)
- Director and Partner, Saleh Al-Hathloul Development Co., a Saudi limited liability company in project management and real estate development (since 2005)

Notable professional experience:

- Director and Chairman of the Audit Committee, Al Balad Al Ameen Development and Real Estate Enhancement Company, a Saudi closed joint stock company in urban development (2018–2024)
- Director, Makkah Rail Company, a Saudi closed joint stock company in transportation (2020–2022)
- Director, Makkah Oasis Real Estate Development Company, a Saudi closed joint stock company in real estate development (2019–2022)
- Director of Internal Audit and Control, Al Safi, a Saudi closed joint stock company in the dairy industry (2003–2005)
- Senior Credit Analyst, Saudi Industrial Development Fund, a Saudi government fund in industrial development (1999–2003)

Board profiles

Albert Peter Grünenfelder

Member – Board of Directors

Age: 61 years

Nationality: Swiss

Position: Director

Date of appointment (current term): 8 December 2024

Academic qualifications:

- Swiss federal diploma as a certified vehicle designer, Zofingen Training Center, Switzerland (1990)
- Diploma in business studies, St. Gallen Business School, Switzerland (1987)
- Swiss federal diploma in automotive mechanics, GK Grünenfelder AG, Switzerland (1985)

Current positions:

- Director at the Company (since 2024)
- Member, Audit Committee (since 2024)
- Director, Al Saadi Refrigeration Air Conditioning, a Bahraini limited liability company in air conditioning and refrigeration (since 2021)
- Member, Commercial Vehicles Committee, Swiss Automotive Association, a Swiss association in automotive (since 2021)
- Owner, Meteira AG, a Swiss public limited company in holding activities (since 2020)
- Chief Executive Officer and Chief Financial Officer, Gasthaus zur Traube AG, a Swiss public limited company in hospitality (since 2015)
- Director, Cold Stores Group of Saudi Arabia, a Saudi limited liability company in industrial and refrigeration (since 2018)
- Director, GK Grünenfelder International AG, a Swiss public limited company in holding activities (since 2014)
- Director, Chief Executive Officer and Chief Financial Officer, GK Grünenfelder Group AG, a Swiss public limited company in automotive (since 2005)

Notable professional experience:

- Director at the Company (2020–2024)
- Vehicle Mechanic and Junior Supervisor (1985–1989), and Chief Financial and Technical Officer (1990–2004), GK Grünenfelder AG – Swiss public limited company in automotive

Fai Dakhel Saad Alawad

Board Secretary Manager

Age: 29 years

Nationality: Saudi

Position: Board Secretary Manager

Date of appointment (current term): 13 April 2026

Academic qualifications:

- BSc in Law, Princess Noura University, KSA (2019)
- Master in Business Admirative, Mohammed Bin Salman College, USA (2027)

Current positions:

- Board Secretary, CGS (since 2026)
- Legal and Compliance Manager, CGS (since 2025)

Notable professional experience:

- Legal, Governance & Board Secretary Manager at a Saudi listed holding company, leading legal, governance and compliance matters across the holding company and its subsidiaries
- Extensive experience in corporate governance, board and committee management, regulatory compliance and legal advisory within publicly listed and large corporate environments
- Managed and coordinated Board, Audit Committee, and Nomination & Remuneration Committee activities, including preparation of board packs, governance frameworks, policies, resolutions, and Extraordinary General Assembly documentation
- Led legal review, drafting, and negotiation of commercial agreements and corporate documentation, with focus on risk mitigation, liability allocation, compliance, data protection, contractual safeguards and dispute-related matters
- Supported major corporate transitions and executive appointments while coordinating with external auditors, regulators, shareholders, senior executives and cross-functional stakeholders
- Professional experience within NEOM/TOPIAN, contributing to strategic, governance and operational initiatives within a high-profile transformation environment
- Previous experience with Americana Restaurants, gaining exposure to corporate operations governance, and large-scale business environments
- Currently pursuing a Masters in Management at Prince Mohammed Bin Salman College (MBSC), complementing practical legal and governance expertise with advanced business and leadership studies

BOARD COMMITTEES

CGS has a number of committees, which are formed based on the Company's needs, circumstances, and conditions to enable it to perform its tasks effectively in addition to fulfilling relevant legal requirements. These committees include the Audit Committee and the Nomination and Remuneration Committee. The following is a summary of the structure, responsibilities, and members of each committee:

Audit Committee

The Audit Committee consists of three members appointed pursuant to the Board resolutions dated 11 December 2024 and 26 February 2025. The Audit Committee's term commenced on 11 December 2024 and will remain in effect until 8 December 2027. The term of an Audit Committee member who also serves on the Board of Directors may not exceed their term as a Director. The following table lists the members of the Audit Committee:

T06

Name	Committee role	Status	Number of meetings: 4			
			1st meeting 7 Jul 2025	2nd meeting 15 Sep 2025	3rd meeting 10 Nov 2025	4th meeting 5 Feb 2026
Fahd Saleh Ali Al-Hathloul	Chairman	Independent Director	Yes	Yes	Yes	Yes
Mohammed Noman Mohammed Habis	Member	Non-Board Member	Yes	Yes	Yes	Yes
Albert Peter Grünenfelder	Member	Non-Executive Director	Yes	Yes	Yes	Yes

Responsibilities of the Audit Committee

The Audit Committee supports the Board in overseeing the integrity of financial reporting, the effectiveness of internal control and risk management systems, and the Company's compliance with applicable laws and regulations.

Its core responsibilities include reviewing interim and annual financial statements and key accounting judgements; assessing the adequacy of internal control, risk management, and IT control frameworks; and overseeing the performance, independence, and effectiveness of both internal and external audit functions. The Committee evaluates internal audit plans and findings, monitors the implementation of corrective actions, and recommends the appointment and remuneration of internal and external auditors.

In addition, the Committee ensures compliance with regulatory requirements, reviews related-party transactions, and oversees mechanisms for reporting misconduct. It maintains open communication with management, internal audit, and external auditors, resolves audit-related issues, and reports regularly to the Board on its activities, findings, and recommendations.

Audit Committee activities during FY26

During FY26, the Audit Committee undertook a range of activities in support of its oversight responsibilities, including:

- Reviewing quarterly and annual financial statements, key accounting judgments, and related disclosures prior to their submission to the Board;
- Assessing the independence, objectivity, professional competence, and remuneration of the External Auditor, reviewing audit findings, and recommending the auditor's appointment and remuneration to the Board and shareholders;
- Overseeing the establishment of the Company's Internal Audit function, including approval of the Internal Audit Charter and annual audit plan;
- Reviewing internal audit reports, monitoring audit activities, and following up on the implementation of corrective actions; and
- Reviewing compliance matters, related-party transactions, and the Company's governance and reporting mechanisms during the year.

Results of the annual review of internal controls

In the opinion of the Audit Committee, as at 31 March 2026, and based on the information presented to it by Executive Management and the reports issued during the year by the Internal Auditor and the External Auditor, no material deficiencies were identified in the internal control environment, that would materially affect the integrity and fairness of the financial statements, the efficiency of the Company's operations, or its compliance with the relevant laws and regulations. The Committee further emphasises that any control system, by its nature, cannot provide absolute assurance, but rather provides reasonable assurance in light of the approved controls and procedures.

Audit Committee recommendations on the External Auditor

The Audit Committee reviewed the proposal for appointing Ernst and Young as the External Auditor for the financial year ending 31 March 2026 and interim periods, assessed the firm's independence, professional competence and proposed audit fees, and recommended the appointment and remuneration to the Board for onward submission to the General Assembly. The Committee also assessed the independence and objectivity of the External Auditor and confirmed that no circumstances came to the Committee's attention that would compromise such independence during the year.

There were no Audit Committee recommendations relating to the appointment, dismissal, performance assessment, or determination of the remuneration of the external auditor that conflicted with Board resolutions or were disregarded by the Board during FY26.

Profiles of non-Board committee members

Mohammed Noman Mohammed Habis

Member – Audit Committee

Age: 46 years

Nationality: Saudi

Date of appointment: 26 February 2025

Academic qualifications:

- BSc in Architecture, King Abdulaziz University, KSA (2004)
- MSc in Property Management (international real estate), University of Oxford, UK (2008)

Current positions:

- Chief Executive Officer, Al-Gharbia Development and Investment Limited, a Saudi limited liability company in real estate development and investment (since 2021)
- Advisor to the Board of Directors, Sanadak, a Saudi unlisted joint stock company in real estate (since 2023)

Notable professional experience:

- Chief Executive Officer (2019–2021) and Audit Committee Member (2021–2024), Al Balad Al Ameen for Development and Urban Regeneration, a Saudi closed joint stock company in real estate investment (2019–2021)
- Member, Chamber of Commerce and Industry, a non-profit organisation in commerce (2019–2021)

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three members appointed pursuant to the Board resolution dated 11 December 2024. The term of the Nomination and Remuneration Committee commenced on 11 December 2024 and will remain in effect until 8 December 2027. The term of a Nomination and Remuneration Committee member who also serves on the Board of Directors may not exceed their term as Director. The following table lists the members of the Nomination and Remuneration Committee:

T 07

Name	Committee role	Status	Number of meetings: 3		
			1st meeting 2 Jun 2025	2nd meeting 10 Nov 2025	3rd meeting 19 Jan 2026
Eman Fawaz Hamza Al-Sayrafi	Chair	Independent Director	Yes	Yes	Yes
Sinan Esmat Abdul- Samad Al Saady	Member	Non-Executive Director	Yes	Yes	Yes
Marcel Albert Grünenfelder	Member	Non-Executive Director	Yes	Yes	Yes

Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee supports the Board in overseeing Board composition, succession planning, and remuneration practices, ensuring alignment with the Company's strategic objectives and governance standards.

Its nomination responsibilities include developing policies and criteria for Board and Executive Management appointments, evaluating candidates, and recommending appointments and reappointments. The Committee reviews the structure, size, and composition of the Board and Executive Management, assesses required skills and independence, and oversees succession planning and leadership development. It also defines role descriptions, evaluates Board effectiveness, and establishes procedures for filling vacancies.

In its review and evaluation role, the Committee periodically assesses the performance, composition, and effectiveness of the Board and Executive Management, oversees induction programmes for new Directors, and implements structured self-assessment processes.

In relation to remuneration, the Committee develops and reviews policies governing the compensation of Directors, Board committees, and Executive Management, ensuring alignment with performance and market practices. It recommends remuneration packages, monitors their implementation, and ensures transparency through appropriate disclosures, including the annual remuneration report. The Committee also reviews broader compensation and incentive frameworks across the Company.

The Committee reports regularly to the Board on its activities, recommendations, and findings, and ensures clear segregation of responsibilities between the Board, management, and the Committee.

EXECUTIVE MANAGEMENT

1
Peter Faerber
Chief Executive Officer
(from 2018 to April 2026)

2
Ruban Bilen
Chief Executive Officer
(from May 2026)

3
Amit Lahoti
Chief Financial Officer
(from May 2026)

4
Helmi Hussein
General Manager – Engineering and Production

5
Feras Al-Jumaa
General Manager – Human Resources

6
Tomas Quinn
General Manager – Sales

7
Jalal Ali Mahmoud Alfar
General Manager – Refrigeration

8
Andrew Wilson
Vice President – Operations

9
Muhammad Javed Manzoor Ahmad
Internal Audit Manager

Executive Management

Peter Faerber

Chief Executive Officer

*(from 2018 to April 2026)**

Age: 63 years

Nationality: Swiss

Date of appointment: 1 February 2018

Academic qualifications:

- BSc in Economics and Business Administration, University of Applied Sciences, Switzerland (1992)
- Federal advanced diploma of higher education in air conditioning and refrigeration systems engineering, Higher Vocational College, Switzerland (1988)
- Federal diploma of vocational education and training in heating systems engineering, Vocational College, Switzerland (1982)

Notable professional experience:

- Regional Director – Middle East and Africa, Mungo Fastening Technology, a UAE limited liability company in building materials (2012–2015)
- Group General Manager – Door Automation Division, Kaba Door Systems Ltd, a UK public company in control systems (2004–2012)
- Transformation Manager, Kaba Holding AG, a Swiss public company in control systems (2001–2004)
- Product and International Project Manager (1992–1994); Product Manager (1994–1996); Sales Representative – Orléans (1996–1998); Sales Manager – Arkansas and West Tennessee (1998–2000); Marketing Director – Benelux (2000–2001), Hilti, a global publicly listed company in construction tools and materials
- Building Automation Project Manager, Robert Aerni Engineering Ltd, a Swiss limited liability company in engineering (1982–1989)

** Peter Faerber served as Chief Executive Officer for the duration of the reporting period, retiring effective 30 April 2026, following the end of the fiscal year. Ruban Deep Singh Bilen was appointed as Chief Executive Officer effective 1 May 2026.*

Ruban Bilen

Chief Executive Officer

*(from May 2026; CFO: June 2024 to April 2026)**

Age: 49 years

Nationality: Canadian

Date of appointment: 2 June 2024

Academic qualifications:

- BCom in Commerce, McMaster University, Canada, 1999

Notable professional experience:

- Regional Chief Financial Officer – Middle East and Africa, KONE, a company in vertical transportation solutions (2016–2023)
- Chief Financial Officer – Canada, KONE, a Canadian joint stock company in vertical transportation solutions (2013–2016)
- Vice President of Operations (2012–2013); Senior Finance Manager – Global Business Lines (2009–2012); Senior Finance Manager – Integration (2008–2009), AECOM Technology, a company in engineering consulting
- Finance Manager – Global Financial Planning and Analysis (2006–2008); Senior Finance Manager (2004–2006); Senior Financial Analyst (2003–2004), Earthtech Inc, a company in engineering consulting
- Commercial Finance Manager (2001–2003); Financial Analyst – Financial Management Program (1999–2001), General Electric, a company in water treatment

** Ruban Bilen served as Chief Financial Officer throughout the year under review and was appointed as Chief Executive Officer effective 1 May 2026, subsequent to the retirement of Peter Faerber following the end of the reporting period.*

Executive Management

Amit Lahoti

Chief Financial Officer

*(from May 2026)**

Age: 45 years

Nationality: British

Date of appointment: 17 May 2026

Academic qualifications:

- Harvard Business School, US – General Management Programme (2019)
- Chartered Accountant (ACA), The Institute of Chartered Accountants of India (2003)
- B.Com (Honours), University of Calcutta, India (2002)

Notable professional experience:

- Vice President and Regional General Manager, South-East Asia, Amcor (2023–2025)
- Vice President and General Manager, Asia, Ball Corporation (2017–2023)
- Vice President, Finance and Strategy – Africa, Middle East and Asia, Ball Corporation (2014–2017)
- Several finance leadership roles across Europe, the Middle East and Asia, Ball Corporation (2010–2014)
- Various roles in assurance and financial consulting, Deloitte, the UK and the UAE (2004–2010)
- Associate, PricewaterhouseCoopers, India (2000–2003)

** Amit Lahoti was appointed Chief Financial Officer subsequent to the reporting period (FY26) on 17 May 2026*

Helmi Hussein

General Manager – Engineering and Production

Age: 58 years

Nationality: Palestinian

Date of appointment: 1 April 2001

Academic qualifications:

- BEng in Electrical Engineering (communications and electronics), Beirut Arab University, Lebanon (1998)

Notable professional experience:

- Design Engineer (2001–2004); Deputy Factory Manager (2004–2008); Factory Manager (2008–2011); Production Manager (2011–2018), Cold Stores Group of Saudi Arabia, a Saudi limited liability company in industrial and refrigeration

Feras Al-Jumaa

General Manager – Human Resources

Age: 38 years

Nationality: Saudi

Date of appointment: 15 March 2015

Academic qualifications:

- CIPD Level 7 Human Resources certificate, ICS Learn, UK (2023)
- BA in Economics and Management, King Abdulaziz University, KSA (2015)

Notable professional experience:

- Group Human Resources Manager (2016–2022); Human Resources Manager (2015–2016), Cold Stores Group of Saudi Arabia, a Saudi limited liability company in industrial and refrigeration
- Human Resources Manager, Alkaffary Group, a Saudi limited liability company in retail (2008–2015)
- Administrative Officer, Thimar Al Jazirah Company, a Saudi limited liability company in pharmaceuticals (2006–2008)

Executive Management

Tomas Quinn

General Manager – Sales

Age: 47 years

Nationality: Irish

Date of appointment: 20 September 2010

Academic qualifications:

- Diploma in heating, ventilation, air conditioning and refrigeration engineering, Technological University, Ireland (1999)

Notable professional experience:

- Director – Dammam and Bahrain Branch and Carrier Division (2016–2018); Manager – Riyadh Workshop and Carrier Division (2010–2016), Cold Stores Group of Saudi Arabia, a Saudi limited liability company in industrial and refrigeration
- Owner and Managing Director, I.C. Refrigeration, a Spanish limited liability company in refrigeration (2005–2010)
- Sales Manager (2002–2005); Workshop Manager (2000–2002), Abbar, a Saudi limited liability company in refrigeration
- Refrigeration Engineer, Ballinlough, an Irish limited liability company in refrigeration (1996–2000)

Jalal Ali Mahmoud Alfar

General Manager – Refrigeration

Age: 48 years

Nationality: Jordanian

Date of appointment: 7 January 2020

Academic qualifications:

- BSc in Mechanical Engineering, Mutah University, Hashemite Kingdom of Jordan (2000)

Notable professional experience:

- General Manager, Gia Grid, an Egyptian limited liability company in refrigeration (2011–2020)
- Technical Manager, Fresh Fruits Company, a UAE limited liability company in fruit supply (2008–2011)
- Technical Manager, Sameer Al Jabali & Bros Co., a Jordanian limited liability company in fruit supply (2006–2008)
- Technical Manager, International Tobacco Company, a UAE limited liability company in tobacco (2004–2006)
- Maintenance Engineer, International Tobacco Cigarettes Company, a Jordanian public joint stock company in tobacco (2000–2004)
- Marketing Engineer, Almaaden Trading & Marketing Est., a Jordanian sole proprietorship in supply (2000)

Andrew Peter Wilson

Vice President – Operations

Age: 58 years

Nationality: British

Date of appointment: 26 June 2022

Academic qualifications:

- BBA, Bridgewater College, UK, (2008)
- BA in Agricultural Engineering and Technology, Somerset College of Agriculture, UK (1985)

Notable professional experience:

- General Manager – Automotive Division, Consolidated Grünenfelder Saady Company, a Saudi single shareholder limited liability company in industrial and refrigeration (2022–2024)
- General Manager, Al Mana Car Rental – Enterprise, a Qatari limited liability company in automotive (2013–2022)
- Technical Manager, Mahmood Saleh Abbar Co., a Saudi limited liability company in industrial equipment (2010–2013)
- Operations Manager, Aspen Design Services, a UK limited liability company in commercial catering equipment (2005–2010)
- Regional Sales and Services Manager, Thermo King, a US-UAE company in industrial equipment (1997–2005)
- Service and Training Manager, Carrier, a Saudi-UAE company in industrial equipment (1990–1994)

Executive Management

Muhammad Javed Manzoor Ahmad

Internal Audit Manager

Age: 40 years

Nationality: Pakistani

Date of appointment: 5 October 2025

Academic qualifications:

- CME-1 certificate, Financial Academy, Securities and Investment Institute (2024)
- Governance, Risk, and Compliance Professional (GRCPA) certificate, Open Compliance and Ethics Group (2024)
- Certified Internal Auditor (CIA) certificate, Institute of Internal Auditors, USA (2024)
- Membership, Saudi Organization for Certified Public Accountants (2014)
- Fellowship, Institute of Chartered Accountants of Pakistan (2012)
- Bachelor’s degree in Economics, University of Punjab, Pakistan (2003)

Notable professional experience:

- Head of Governance, Risk, and Compliance, Fourth Milling Company, a Saudi listed joint stock company in flour and derivatives production and feed (2024–2025)
- Chief Audit and Governance Executive, Al Hoshan Limited, a Saudi limited liability company in office solutions (2020–2024)
- Chief Internal Audit Executive, Leejam Sports Company, a Saudi listed joint stock company in sports clubs and fitness (2018–2020)
- Financial Compliance Team Manager, Arabian Paper Manufacturing Company, a Saudi closed joint stock company in paper and cardboard manufacturing (2017–2018)
- Internal Audit Manager, Arabian Pipes Company, a Saudi listed joint stock company in pipe manufacturing (2015–2017)
- Internal Audit Manager, Mahmood Textile Mills Limited, a Pakistani listed joint stock company in textile manufacturing (2010–2015)
- External Auditor, Ernst & Young Professional Services, a Saudi limited liability company in accounting, financial auditing, and consulting (2006–2010)

REMUNERATION

Remuneration policy and governance

The Company's remuneration framework is governed by a formal Remuneration Policy developed by the Nomination and Remuneration Committee and approved by the Board and General Assembly. The policy applies to Directors and Board committee members and is designed to align remuneration with performance and the Company's strategic objectives.

The Committee oversees the implementation of the policy, reviews it periodically, and assesses its effectiveness in achieving its objectives. It also ensures transparency by clarifying the relationship between remuneration awarded and the approved policy, including the disclosure of any material deviations.

Remuneration decisions are supported by structured governance processes, including recommendations to the Board, review of compensation and incentive frameworks, and the preparation of an annual remuneration report detailing payments to Directors and Executive Management.

Remuneration of the Board of Directors

Board members received fixed annual remuneration during FY26 in accordance with their roles and responsibilities. Board remuneration is determined in accordance with the remuneration arrangements approved for the applicable Board term. Remuneration is prorated where a director is appointed during the term. No attendance allowances, committee meeting allowances, in-kind benefits, remuneration for technical, managerial, or consultative work, profit-based remuneration, incentive payments, share-based awards, end-of-service rewards or other variable remuneration were provided during the year. Certain directors were reimbursed for expenses incurred in connection with Board meetings, as disclosed in the table below.

T 08

Members of the Board of Directors	Fixed annual remuneration (⃁)	Expense reimbursements related to Board meetings (⃁)
Independent Directors		
Eman Fawaz Hamza Al-Sayrafi	200,000	–
Raad Abdulaziz Mohammed Al-Abdulkadr	200,000	–
Sami Abdulkarim Mohammed Hashem Al-Zohaibi	200,000	6,547
Fahd Saleh Ali Al-Hathloul	200,000	–
Subtotal	800,000	6,547
Non-executive Directors		
Sinan Esmat Abdul-Samad Al Saady	270,000	4,000
Marcel Albert Grünenfelder	235,000	174,525
Albert Peter Grünenfelder	200,000	34,567
Subtotal	705,000	213,092
Total	1,505,000	219,639

Remuneration of committee members

Committee members received fixed remuneration in accordance with their respective committee responsibilities. Committee remuneration is determined in accordance with the remuneration arrangements approved for the applicable committee term. Remuneration is prorated where a member is appointed during the term. No meeting attendance allowances, performance-based remuneration, or other variable remuneration were paid during the year.

Audit Committee

T 09

Name	Committee role (status)	Fixed remuneration (⃁)
Fahd Saleh Ali Al-Hathloul	Chairman (Independent Director)	30,000
Mohammed Noman Mohammed Habis	Member (Non-Board Member)	100,000
Albert Peter Grünenfelder	Member (Non-Executive Director)	25,000
Total		155,000

Nomination and Remuneration Committee

T 10

Name	Committee role (status)	Fixed remuneration (⃁)
Eman Fawaz Hamza Al-Sayrafi	Chair (Independent Director)	30,000
Sinan Esmat Abdul – Samad Al Saady	Member (Non-Executive Director)	25,000
Marcel Albert Grünenfelder	Member (Non-Executive Director)	25,000
Total		80,000

Remuneration of Senior Executives

The remuneration of the five Senior Executives who received the highest remuneration during FY26, including the Chief Executive Officer and Chief Financial Officer, is disclosed on an aggregate basis in accordance with Article 90(4)(B) of the Corporate Governance Regulations.

T 11

Remuneration component	Amount (⃁)
Salaries and allowances	6,248,324
Bonus payments*	3,963,264
Subtotal	10,211,588
End of service benefits	404,915
Grand total	10,616,503

** Bonus payments relate to FY25 business performance and were paid during FY26.*

INTERESTS AND RELATED PARTY TRANSACTIONS

Interests of Board Members and Senior Executives in the Company's shares or debt instruments

No Board members held direct interests in the Company's shares during the period from the date of listing to 31 March 2026. Certain Board members have indirect beneficial interests through the Company's substantial shareholders, as described in the Substantial Shareholders section on page 40 C03.

The table below presents the shareholdings of Executive Management from the date of listing to 31 March 2026.

The Company has not issued any debt instruments.

T12

Executive Management	Number of shares		Net change	Change %
	9 Dec 2025 (IPO date)	31 Mar 2026		
Peter Faerber	0	0	0	0
Ruban Deep Singh Bilen	0	0	0	0
Helmi Fayad Hussein	0	0	0	0
Feras Bassam Hamad Aljumaa	0	0	0	0
Tomas Gerard Quinn	0	0	0	0
Jalal Ali Mahmoud Alfar	0	0	0	0
Andrew Peter Wilson	0	3,769	+3,769	–
Muhammad Javed Manzoor Ahmad	0	0	0	0

Governance of conflicts of interest

The Company's governance framework for conflicts of interest is aligned with the Companies Law and the Corporate Governance Regulations. Directors are not permitted to have a direct or indirect interest in the Company's transactions or contracts except with authorisation from the Ordinary General Assembly.

Directors are required to disclose any such interests to the Board, and these disclosures are recorded in the Board's minutes. The interested Director is prohibited from participating in deliberations or voting on the relevant matter. The Chairman is responsible for disclosing such transactions to the General Assembly, supported by a report from the external auditor.

Directors have further confirmed their commitment to comply with applicable regulatory provisions, refrain from competing with the Company's activities, and ensure that any related party transactions are conducted on an arm's length basis.

Related party transactions

Related party transactions are subject to the requirements of the Companies Law and Corporate Governance Regulations. Any such transactions must be disclosed, reviewed, and approved in accordance with regulatory requirements, including obtaining authorization from the General Assembly where applicable. Transactions are conducted on an arm's length basis.

The Company did not enter into any related party transactions during the year requiring disclosure under the applicable regulatory requirements.

Businesses or contracts involving interested persons

The Company has established procedures to ensure that any business or contract in which a Director has a direct or indirect interest is appropriately disclosed and managed. Such interests are communicated to the Board, documented in meeting minutes, and disclosed to the General Assembly with supporting auditor reporting. The concerned Director is excluded from participation in the related decision-making process.

The Company was not a party during the reporting period to any business or contract in which any Director, Senior Executive, or any person related to any of them had any interest requiring disclosure under the applicable regulatory requirements.

Competing business interests

In accordance with the Companies Law and the Corporate Governance Regulations, Directors are prohibited from engaging in any business or activity that competes with the Company's operations without the approval of the Ordinary General Assembly. Directors have confirmed their commitment to comply with these requirements and to refrain from competing with the Company's business.

During the year under review, no member of the Board of Directors or Senior Executive, nor any person related to them, was engaged in any business or activity that competes with the Company or any of its lines of business requiring disclosure under the applicable regulatory requirements.

ADDITIONAL DISCLOSURES

Corporate responsibility and social contributions

CGS is committed to corporate social responsibility, with a focus on supporting Saudi Vision 2030 through workforce development and community engagement. Operating in a specialised segment where technical expertise – particularly in refrigeration solutions – is limited, the Group prioritises the development of local capabilities through targeted training and continuous professional development initiatives.

These programmes are designed to support fresh graduates, trainees, and individuals with disabilities, enabling their integration into the workforce and supporting long-term career progression. In parallel, the Group undertakes initiatives aimed at promoting community awareness, environmental responsibility, and broader social well-being.

Through these efforts, the Group contributes to the development of national talent, supports economic participation, and aligns its activities with wider social and economic objectives.

Board declarations and regulatory compliance

The Board of Directors confirms that:

- the Company's accounting records have been properly maintained;
- the internal control system has been established on a sound basis and implemented effectively; and
- there are no significant doubts regarding the Company's ability to continue as a going concern.

External auditor's report reservations: The external auditor issued an unmodified opinion on the Company's annual financial statements, and the report did not contain any reservations.

Replacement of the external auditor: The Board did not recommend replacing the external auditor before the end of the term for which it was appointed during the year.

Sanctions and penalties: During FY26, the Company was subject to a few penalties imposed by regulatory authorities. Management reviewed each matter and implemented corrective actions where required to address the underlying causes and strengthen compliance procedures. The penalties imposed during the year are summarised below.

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No.	Reference	Authority	Description of violation	Violation date	Amount (⃁)
1.	ENV-2026-002	National Center for Environmental Compliance	Environmental Compliance Violation	7 Jan 2026	2,000
2.	ENV-2025-001	National Center for Environmental Compliance	Environmental Compliance Violation	15 May 2025	10,000
3.	SAF-2025-001	Modon/Civil Defense Requirements	Non-compliance with Civil Defense safety and security requirements	10 Jul 2025	5,000
Total penalties					17,000

Additional disclosures

Application of corporate governance regulations: The Company applied the provisions of the Corporate Governance Regulations issued by the Capital Market Authority of Saudi Arabia during the year, except for the provisions set out below, together with the reasons for non-implementation.

T 14

Article/paragraph no.	Article/paragraph text	Reason for non-implementation
Article 39	(a) The Board shall develop, based on the proposal of the Nomination Committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company. (b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment. (c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general. (d) The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof. (e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. (f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.	Guiding article, which the Company is in the process of implementing.
Article 67	The Company's Board shall, by resolution therefrom, form a committee to be named the "risk management committee". Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.	Guiding Article and the Company will apply it as soon as it becomes mandatory.

Additional disclosures

Article/paragraph no.	Article/paragraph text	Reason for non-implementation
Article 68	The competences of the Risk Management Committee shall include the following: 1. Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors 2. Determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level 3. Ensuring the feasibility of the Company's continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months 4. Overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein 5. Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example) 6. Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board 7. Providing recommendations to the Board on matters related to risk management 8. Ensuring the availability of adequate resources and systems for risk management 9. Reviewing the organisational structure for risk management and providing recommendations regarding the same before approval by the Board 10. Verifying the independence of the risk management employees from activities that may expose the Company to risk 11. Ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk 12. Reviewing any issues raised by the Audit Committee that may affect the Company's risk management	Guiding Article and the Company will apply it as soon as it becomes mandatory.
Article 92	If the Board forms a Corporate Governance Committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually	Guiding Article and the Company will apply it as soon as it becomes mandatory.

Additional disclosures

Additional financial and structural disclosures

Compliance with SOCPA-approved standards:

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, together with other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Subsidiaries:

The Group operates through a number of subsidiaries that support its industrial and refrigeration activities across its key markets. Details of its subsidiaries as at the reporting date are presented in Note 1 of the financial statements.

Statutory payments made and outstanding as at 31 March 2026:

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Type of fee	FY26		Description
	Paid amount (⃁)	Outstanding amount as at year-end (⃁)	
VAT	39,457,557	5,015,341	
Zakat and income tax	11,108,491	2,816,589	
Others	6,415,104	218,770	These include WHT, GOSI, custom duties, and other government fees and regulatory payments

Investments or reserves for employee benefits:

The Company did not maintain any investments or reserves specifically designated for employee benefits during the year.

Treasury shares:

The Company did not hold any treasury shares during the year.

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
PAID-UP CAPITAL (⃁ 5,500,000 - FIVE MILLION FIVE HUNDRED THOUSAND SAUDI RIYAL)

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TO THE SHAREHOLDERS OF CONSOLIDATED GRUENENFELDER SAADY HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Consolidated Gruenenfelder Saady Holding Company ("the Company") (a Saudi Joint Stock Company) and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent auditor's report

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TO THE SHAREHOLDERS OF CONSOLIDATED GRUENENFELDER SAADY HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

Key Audit Matters

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group's revenue mainly comprises the sale of refrigeration bodies with cooling units, installation and commission of cold stores and servicing/repairs aggregating to SR 477 million revenue for the year ended 31 March 2026 (31 March 2025: SR 504 million). One of the Group's revenue streams relates to contracts for the installation and commissioning of cold storage facilities, revenue for which is recognised over time using the percentage-of-completion method in accordance with IFRS 15. This method requires management to exercise judgment, particularly in estimating total contract costs, assessing costs incurred to date, and determining the appropriate stage of completion for each contract. In addition, management is required to continually assess contract profitability and identify any loss-making contracts, which involves forward-looking estimates and assumptions that are inherently subject to uncertainty. Furthermore, aggregate revenue is one of the key performance indicators of the Group. Due to the above, Revenue has been identified as a Key Audit Matter. *Refer to note 3 for the material accounting policy information relating to revenue recognition, note 4 for use of judgements and estimates, and note 18 for the revenue disclosure note.*	Our audit procedures included, among others, the following: • Reviewed the Group's process applied in determining revenue recognition, including the approval of project budgets, ongoing monitoring of project costs and activities, and the customer approval of project stages of completion used in measuring revenue recognised in the consolidated financial statements. • On a sample basis, reviewed the contractual terms agreed with customers and assessed the work status of selected contracts through inspection of supporting documentation and discussions with management. We also evaluated whether revenue was appropriately recognised in accordance with the percentage-of-completion method, based on the stage of completion determined for each project. • Performed analytical procedures to compare revenue and gross margins with those reported in prior periods, correlated to our understanding of the business, identified significant fluctuations, and obtained explanations from management to assess the reasonableness of such fluctuations. • Reviewed the estimation of contract costs prepared by management and performed detailed analysis of underlying cost assumptions and budget revisions to assess the reasonableness and consistency of management's estimates. • Performed cut-off procedures, to assess whether revenue is recognized in proper accounting period. • Assessed the adequacy of relevant disclosures in the consolidated financial statements as required by IFRS 15.

Independent auditor's report

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TO THE SHAREHOLDERS OF CONSOLIDATED GRUENENFELDER SAADY HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

Other Information Included in the Group's 2025 Annual Report

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

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

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

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

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

In preparing the consolidated financial statements, 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 has no realistic alternative but to do so.

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

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

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

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

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

Independent auditor's report

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TO THE SHAREHOLDERS OF CONSOLIDATED GRUENENFELDER SAADY HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

for Ernst & Young Professional Services

Marwan S. AlAfaliq
Certified Public Accountant
License No. (422)
Al Khobar: 13 Muharram 1448H
(28 June 2026)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All amounts in ⃁ unless otherwise stated
As at 31 March 2026

	Note	31 March 2026	31 March 2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	50,395,260	50,866,093
Intangible assets	6	860,383	745,135
Right-of-use assets	17	8,923,981	8,776,091
Deferred tax assets	16	3,749,557	5,210,244
TOTAL NON-CURRENT ASSETS		63,929,181	65,597,563
CURRENT ASSETS			
Inventories	7	74,893,727	78,202,532
Trade receivables	8	75,110,454	64,531,438
Contract assets	9	18,331,957	–
Amounts due from related parties	13	–	5,342,016
Prepayments and other current assets	10	16,790,925	16,250,546
Cash and cash equivalents	11	87,736,101	68,585,359
TOTAL CURRENT ASSETS		272,863,164	232,911,891
TOTAL ASSETS		336,792,345	298,509,454
EQUITY AND LIABILITIES			
EQUITY			
Share capital	24	100,000,000	100,000,000
Reserve	26	300,000	300,000
Retained earnings		99,833,907	62,414,125
TOTAL EQUITY		200,133,907	162,714,125

	Note	31 March 2026	31 March 2025
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' defined benefit liabilities	12	20,358,706	19,135,611
Lease liabilities	17	6,613,056	7,023,911
TOTAL NON-CURRENT LIABILITIES		26,971,762	26,159,522
CURRENT LIABILITIES			
Trade payable		42,563,191	31,694,274
Accrued expenses and other current liabilities	14	27,311,931	26,406,817
Contract liabilities	15	35,117,180	45,432,633
Current portion of lease liabilities	17	1,877,785	1,281,706
Provision for zakat and income tax	16	2,816,589	4,820,377
TOTAL CURRENT LIABILITIES		109,686,676	109,635,807
TOTAL LIABILITIES		136,658,438	135,795,329
TOTAL EQUITY AND LIABILITIES		336,792,345	298,509,454

Amit Lahoti
Group CFO

Ruban Bilen
Group CEO

Sinan Esmat Abdulsamad Al Saady
Chairman of the Board of Directors

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

	Note	31 March 2026	31 March 2025
Revenue	18	477,143,568	504,337,619
Cost of revenue	19	(372,932,676)	(388,613,694)
GROSS PROFIT		104,210,892	115,723,925
General and administration expenses	20	(34,823,183)	(32,436,492)
Selling and distribution expenses	21	(12,282,274)	(11,456,449)
Charge of expected credit losses of trade receivables and contract assets	8, 9	(2,773,941)	(253,666)
OPERATING PROFIT		54,331,494	71,577,318
Other income	22	3,062,474	4,845,280
Finance cost	23	(1,473,654)	(1,260,872)
PROFIT BEFORE ZAKAT AND INCOME TAX		55,920,314	75,161,726
Zakat	16	(2,783,762)	(1,684,804)
Income tax	16	(5,124,398)	(7,794,023)
Deferred tax (charge)/reversal	16	(1,409,652)	536,424
PROFIT FOR THE YEAR		46,602,502	66,219,323

	Note	31 March 2026	31 March 2025
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) that will not be reclassified to profit or loss (income) in subsequent periods:			
Remeasurement gain on employees' defined benefit liabilities	12	868,315	185,655
Deferred tax effect on remeasurement loss on employees' defined benefit liabilities	16	(51,035)	(18,566)
TOTAL OTHER COMPREHENSIVE INCOME		817,280	167,089
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		47,419,782	66,386,412
EARNINGS PER SHARE			
Basic and diluted earnings per share	31	0.47	0.66

Amit Lahoti
Group CFO

Ruban Bilen
Group CEO

Sinan Esmat Abdulsamad Al Saady
Chairman of the Board of Directors

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

	Note	Share capital	Additional capital contribution	Reserve*	Retained earnings	Total equity
Balance at 1 April 2024		1,000,000	54,439,539	300,000	58,994,675	114,734,214
Profit for the year		–	–	–	66,219,323	66,219,323
Other comprehensive income		–	–	–	167,089	167,089
Total comprehensive income		–	–	–	66,386,412	66,386,412
Additional capital contribution	25	–	9,754,719	–	–	9,754,719
Dividends	29	–	–	–	(28,161,220)	(28,161,220)
Increase in share capital	25	99,000,000	(64,194,258)	–	(34,805,742)	–
Balance at 31 March 2025		100,000,000	–	300,000	62,414,125	162,714,125
Balance at 1 April 2025		100,000,000	–	300,000	62,414,125	162,714,125
Profit for the year		–	–	–	46,602,502	46,602,502
Other comprehensive income		–	–	–	817,280	817,280
Total comprehensive income		–	–	–	47,419,782	47,419,782
Dividends	29	–	–	–	(10,000,000)	(10,000,000)
Balance at 31 March 2026		100,000,000	–	300,000	99,833,907	200,133,907

** Subsequent to the reporting date, the balance of the reserve was transferred to retained earnings.*

Amit Lahoti
Group CFO

Ruban Bilen
Group CEO

Sinan Esmat Abdulsamad Al Saady
Chairman of the Board of Directors

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

	Note	31 March 2026	31 March 2025
OPERATING ACTIVITIES			
Profit before zakat and income tax		55,920,314	75,161,726
Adjustments to reconcile profit before zakat and income tax to net cash flows:			
Depreciation of property, plant and equipment	5	5,116,539	4,199,257
Provision for employees' defined benefit liabilities	12	3,402,765	3,215,351
Charge of expected credit losses of trade receivables and contract assets	8, 9	2,773,941	253,666
Depreciation of right-of-use assets	17	1,832,773	1,144,007
Amortization of intangible assets	6	398,579	305,812
Interest on lease liabilities	17	604,877	423,435
(Reversal)/Provision for slow moving inventories	7	(6,897,686)	1,295,582
		63,152,102	85,998,836
Working capital adjustments:			
Inventories		10,206,491	4,297,985
Trade receivables		(13,145,684)	42,258,071
Contract assets		(18,539,230)	–
Amounts due from related parties		5,342,016	(4,382,905)
Prepayments and other current assets		(540,380)	6,066,999
Trade payable		10,868,917	(26,703,423)
Amounts due to related parties		–	(1,404,934)
Accrued expenses and other current liabilities		905,113	3,628,837
Contract liabilities		(10,315,451)	(10,038,888)
Cash generated from operations		47,933,894	99,720,578
Zakat and income tax paid, net	16	(9,911,948)	(8,745,706)
Employees' defined benefit liabilities paid	12	(1,311,355)	(2,012,900)
Net cash generated from operating activities		36,710,591	88,961,972

	Note	31 March 2026	31 March 2025
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(4,645,706)	(11,088,482)
Purchase of intangible assets	6	(513,827)	(126,554)
Net cash used in investing activities		(5,159,533)	(11,215,036)
FINANCING ACTIVITIES			
Payment of lease liabilities	17	(2,400,316)	(1,844,405)
Dividends paid	29	(10,000,000)	(28,161,220)
Net cash used in financing activities		(12,400,316)	(30,005,625)
NET INCREASE IN CASH AND CASH EQUIVALENTS		19,150,742	47,741,311
Cash and cash equivalents at the beginning of the year		68,585,359	18,752,638
Cash and cash equivalent of an entity acquired		–	2,091,410
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		87,736,101	68,585,359
Non-cash transactions:			
Plot of land contributed by shareholders recognised under equity	5 & 25	–	4,288,000
Additions to the right-of-use assets and lease liabilities	17	1,980,663	8,585,385

Amit Lahoti
Group CFO

Ruban Bilen
Group CEO

Sinan Esmat Abdulsamad Al Saady
Chairman of the Board of Directors

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

1 CORPORATE INFORMATION AND ACTIVITIES

Consolidated Gruenenfelder Saady Holding Company (the "Company" or the "Parent Company") was a Mixed Limited Liability Company formed under the Regulations for Companies in the Kingdom of Saudi Arabia with the commercial registration number 1010651887 (Unified number 7017850822) on 18 Muharram 1442H (corresponding to 06 September 2020).

On 9 December 2024 (07 Jumada al-Akhirah 1446H), the shareholders of the Company resolved to convert the Company to a Closed Joint Stock Company and accordingly, pursuant to Ministerial Resolution No. 100068249, the Company's legal status changed to a Closed Joint Stock Company.

On 11 December 2024 (corresponding to 10 Jumada Al-Akhirah 1446H), the General Assembly of the Company approved the offering of the Company's shares for an initial public offering (IPO). The Group announced in its prospectus the offering of 30 million ordinary shares of the Company for public offering on the Saudi Stock Exchange ("Tadawul"). The offered shares represent 30% of the Group's share capital, amounting to 30 million.

On 25 June 2025 (corresponding to 29 Thul-Hijjah 1446H), the Capital Market Authority announced its approval for the offering and listing of the Group's shares on the Saudi Stock Exchange ("Tadawul"). On 9 December 2025 (corresponding to 18 Jumada Al-Akhirah 1447H), the Company's shares were listed and commenced trading on the Saudi Stock Exchange ("Tadawul") under the symbol 4147 and ISIN code SA16DG520PH3 following the completion of the IPO. Amendment of the Company's by-laws to convert from a closed joint stock company to a public joint stock company has been completed.

The principal activity of the Company is to own controlling interest in group of subsidiaries and corporations. The Company's registered office is located at P.O Box 358, Riyadh 11383, Kingdom of Saudi Arabia.

These consolidated financial statements include the financial position and performance of the Company and its following subsidiaries (collectively referred to as "Group"):

Subsidiary	Country of incorporation	Effective holding 2026 %	Effective holding 2025 %
Coldstores Group of Saudi Arabia	Kingdom of Saudi Arabia	100	100
Consolidated Grunenfelder Saady Company	Kingdom of Saudi Arabia	100	100
Al Saadi Refrigeration Air Conditioning (note 30)	Kingdom of Bahrain	100	100

The subsidiaries are principally engaged in the manufacturing and sale of cooling containers for food transport vehicles, non-refrigerated bodies for the vehicles and unportable cold storage rooms as well as servicing and repairs of refrigeration bodies, cooling units and cold stores.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (hereinafter refer to as "IFRS as endorsed in KSA").

2.2 Statement of compliance

These consolidated financial statements have been prepared under the historical cost convention and going concern assumption, except for the employees' defined benefits obligations, which are measured using the projected unit credit method.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals ("⃁") which is the functional and presentation currency of the Company. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

2.4 Basis of consolidation

These consolidated financial statements include the assets, liabilities and the results of operations of the Company and its subsidiaries listed in note 1.

Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Notes to the consolidated financial statements

2. BASIS OF PREPERATION (continued)

2.4 Basis of consolidation (continued)

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

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

The Group 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise:

3.1 Material accounting policy information

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated profit or loss as incurred.

Capital work in progress represents all costs relating directly or indirectly to the projects in progress and will be accounted for under the relevant category of property, plant and equipment upon completion.

The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. Following is the estimated useful lives of class of assets.

	Years
Building	The shorter of 10-20 years or the lease contract period
Heavy machinery and equipment	8
Tools and other equipment	4
Computer equipment	4
Furniture and fixtures	4-10
Motor vehicles	5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Notes to the consolidated financial statements

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

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

Software

Computer software licenses purchased from third parties are initially recorded at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognised as intangible assets. Computer software licenses are amortized over 3 to 4 years.

Development costs

Development expenditure is capitalized as an intangible asset only once the project meets the recognition criteria These criteria include, among others, technical feasibility, intention and ability to complete, probable future economic benefits, and reliable cost measurement. Costs incurred prior to meeting these criteria are expensed as incurred.

Leases

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

Group as a lessee

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

(i) Right-of-use assets

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

Notes to the consolidated financial statements

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each inventory items to its present location and condition and is calculated on the following basis:

Raw materials, spares and consumables	– purchase cost on a weighted average basis.
Work in progress and finished goods	– cost of direct materials and labour plus attributable overheads based on normal level of activity.
Goods in transit	– cost of direct materials which are under shipment and for which risks and rewards have been passed to the Group

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Allowance for obsolescence are maintained for any obsolete inventories.

Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of bank balances, cash on hand and short-term deposits that are readily convertible into known amounts of cash and have maturities of three months or less when purchased.

Financial instruments

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

Financial assets

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- Financial assets measured at amortised cost; or
- Financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognised either through the consolidated statement of profit or loss or through the consolidated statement of OCI.

Initial measurement

Financial assets are initially measured at their fair value plus transaction costs. Transaction costs of financial assets carried at fair value through income statement are recognised in the consolidated statement of profit or loss, when incurred.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payments of principal and interest.

Subsequent measurement

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

(a) Financial assets measured at amortized cost:

Assets that are held to collect contractual cash flows are measured at amortized cost using the effective interest rate ('EIR') method where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income. When the financial asset is derecognized, the gain or loss is recognized in the consolidated statement of profit or loss.

(b) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss ("FVTPL") are measured at each reporting date at fair value without the deduction of transaction costs that the Group may incur on sale or disposal of the financial asset in the future. Gains and losses, both on subsequent measurement and derecognition, are recognized in the consolidated statement of profit or loss.

(c) Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income ("FVOCI") are measured at each reporting date at fair value without the deduction of transaction costs that the Group may incur on sale or disposal of the financial asset in the future. Gains and losses are recognized in the consolidated statement of comprehensive income. The amounts recognized in the consolidated statement of comprehensive income are not reclassified to the consolidated statement of profit or loss under any circumstances.

Dividends from category "b" and "c" are recognised in the consolidated statement of profit or loss as other income when the Group's right to receive payments is established.

The financial asset at amortised cost consists of trade receivables and cash and cash equivalents.

Notes to the consolidated financial statements

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition

A financial asset or a part of a financial asset is de-recognised when:

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

Impairment

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

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified under either of the below two classes:

- Financial liabilities at FVPL; and
- Other financial liabilities are measured at amortised cost using the EIR method.

The category of financial liability at FVPL has two sub-categories:

- Designated: A financial liability that is designated by the entity as a liability at FVPL upon initial recognition; and
- Held for trading: A financial liability classified as held for trading, such as an obligation for securities borrowed in a short sale, which has to be returned in the future. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

All financial liabilities are recognised initially when the Group becomes party to contractual provisions and obligations under the financial instrument. The liabilities are recorded at fair value, and in the case of loans and borrowings and payables, the proceeds received net of directly attributable transaction costs.

The Group's financial liabilities include lease liabilities and trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified into two categories; (i) Financial liabilities at fair value through profit or loss, and (ii) Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

After initial recognition, interest-bearing loans and borrowings (if any) are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is settled or discharged. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than one year past due from customers.

Notes to the consolidated financial statements

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Offsetting of financial instruments (continued)

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is past due as per terms of agreement with customers.

Business combination and goodwill

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

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

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit or loss. It is then considered in the determination of goodwill.

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

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognised in the consolidated statement of profit or loss.

For business combinations involving entities under common control, the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognised as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of profit or loss and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

Impairment of non-financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Except for goodwill, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. Impairment loss recorded against the carrying value of goodwill is not reversed in subsequent periods.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at each reporting date.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Dividends

The Group recognises a liability to pay a dividend to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per provisions of Companies' Law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in the consolidated statement of changes in equity.

Employee benefits liabilities

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare, and child education allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Employee benefits liabilities

Defined benefit plan

The Group operates a defined benefit plan driven by the labour laws of the Kingdom of Saudi Arabia. The defined benefit plan is not funded. Valuation of the obligation under such scheme is carried out by an independent actuary based on the projected unit credit method. The costs relating to such scheme primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in the profit or loss as "employee costs" while unwinding of the liability at discount rates used are recorded as finance cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as remeasurement in other comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit liability resulting from scheme amendments or curtailments are recognised immediately in profit or loss as past service costs.

Notes to the consolidated financial statements

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Employee benefits liabilities (continued)

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation. The contributions are recognised as employees' benefits expense in the consolidated profit or loss when they are due.

Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold or the service is provided to the customer. The Group does not provide any extended warranties or maintenance contracts to its customers. Initial recognition is based on historical experience. The warranty provision is reviewed periodically and adjusted to reflect current estimates of the future costs of fulfilling warranty obligations.

Contingent liabilities

A contingent liability is a possible obligation which may arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. If the amount of the obligation cannot be measured with sufficient reliability, then the Group does not recognise the contingent liability but discloses it in the consolidated financial statements.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Direct and indirect taxes and zakat

Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations by the respective group entities and charged to the consolidated statement of profit or loss. Additional amounts, if any, that may become due on finalisation of an assessment are accounted for in the year in which assessment is finalised.

Current income tax

Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax is recognised in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the consolidated financial statements

All amounts in ⃁ unless otherwise stated
For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Direct and indirect taxes and zakat (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part, of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income.

Withholding tax

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia, as required under Saudi Arabian Income Tax Law and settle to the Zakat, Tax and Customs Authority (ZATCA).

Value added tax

Sales, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of value added tax receivable from, or payable to, the taxation authority is included as part of receivable or payables in the consolidated statement of financial position.

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue from contract with customers

The Group assembles and sells a range of cold storages and chiller units and provide related repair & maintenance services. In addition, the Group also constructs unmovable cold storage rooms. The Group uses the five step model from IFRS 15: Revenue from Contract with Customers, for recognition of revenue.

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

In general, the contracts for the sale of goods do not provide customers with a right of return and volume rebates. Accordingly, the application of the constraint on variable consideration did not have any impact on the revenue recognised by the Group.

The Group provides normal warranty provisions for general repairs and services for one to two years on its certain products, in line with industry practice. A liability for potential warranty claims is recognised at the time the product is sold. The Group does not provide any extended warranties or maintenance contracts to its customers.

(b) Rendering of services

The Group provides repair and maintenance services to its customers. These services can be obtained from other providers and do not significantly customise or modify the equipment. The Group recognises revenue from these services at a point in time, generally upon completion of the service or delivery of the equipment.

(c) Revenue from installation and commission of cold stores

For lump sum fixed-price contracts for unmovable cold storage rooms construction, the Group measures progress and recognises revenue using the full cost method, based on the actual cost of work performed at the end of the reporting period as a percentage of total contract costs at completion once the outcome of a contract can be estimated reliably. When the outcome of a contract cannot be estimated reliably, contract revenues are recognised only to the extent of costs incurred that are expected to be recoverable. The services provided under the contract are satisfied over time rather than at a point in time since the customer simultaneously receives and consumes the benefits provided by the Group and the Group has the enforceable rights to receive the consideration.

At contract inception, the Group considers the following factors to determine whether the contract contains a single performance obligation or multiple performance obligations:

- it provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted.
- one or more of the goods or services significantly modifies or customises, or are significantly modified or customised by, one or more of the other goods or services promised in the contract.
- the goods or services are highly interdependent or highly interrelated.

Contract modifications, e.g., variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue. For material contract modifications, a separate contract may be recognised, based on management's assessment of the following factors:

- the scope of the contract increases because of the addition of promised goods or services that are distinct; and
- the price of the contract increases by an amount of consideration that reflects the Group's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

Variable consideration (e.g., variation orders) are assessed/ reassessed using the expected value approach, as appropriate, at each reporting date where it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In performing the assessment, the Group considers the likelihood of such settlement being made by reference to the contract, customer communications and other forms of documentary evidence.

An onerous contract provision is recognised for all losses expected to arise on completion of contracts entered into at the reporting date, whether or not work has commenced on these contracts.

Advance payments received from customers for fixed-price contracts are structured primarily for reasons other than the provision of finance to the Group, (e.g., procurement costs), and they do not provide customers with an alternative to pay in arrears. In addition, the length of time between when the customer settles amounts to which the Group has an unconditional right to payment and the Group transfers goods and services to the customer is generally relatively short. Therefore, the Group has concluded that there is not a significant financing component within such contracts.

Currently, the Group does not have any contracts where payments by a customer are over several years after the Group has transferred goods and services to the customer; if such cases arise in future, the transaction price for such contracts will be determined by discounting the amount of promised consideration using an appropriate discount rate.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs its obligations to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance, classified as "contract assets".

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Material accounting policy information (continued)

Revenue from contract with customers (continued)

Contract balances (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group satisfies the performance obligation, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Group performs its obligations under the contract. Where the amount billed to the customer exceeds the amount of revenue recognised, this gives rise to a contract liability which is classified as "billings in excess of value of work executed".

Foreign currencies transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in consolidated statement of profit or loss).

Cost and expenses

Cost of revenue

Cost of revenue represents the cost incurred during the period related to the revenue activities by the Group and contain principally direct labor, direct material, and allocated cost that directly relates to the sale of goods or contract activities, the cost that are explicitly chargeable to the customer under the contract and other costs that are incurred by the Group only because the entity entered into the respective contract and recognize on accrued basis.

General and administration expenses/selling and distribution expenses

Selling and distribution expenses are those that specifically relate to salesmen, sales department, advertising and promotion, etc. All other operating expenses which are not directly related to the contract executed or goods sold are recognized under general and administration expenses. These also include allocations of general overheads which are not specifically attributed to cost of revenue.

The allocation of overheads between cost of revenue, general & administration expenses and selling & distribution expenses, where required, is made on a consistent basis.

Other income

The Group recognizes other income when it is probable that future economic benefits will flow to the Group and these benefits can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and recognized on accrual basis in accordance with the terms of the agreements. Other income that is incidental to the Group's business model is recognised as income as it is earned or accrued.

Earnings per share

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

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Board of Directors of the Group has appointed a Group Chief Executive Officer, who assesses the financial performance and position of the Group, and makes strategic decisions. Group Chief Executive Officer has been identified as being the Group CODM.

An operating segment is a group of assets, operations or entity:

- engaged in revenue producing activities;
- results of operations of which are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- financial information is separately available.

Fair value measurement

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

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

The principal or most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3.2 Standards issued but not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment (Amendment to IAS 21: Lack of exchangeability) applies for the first time in 2025 but does not have an impact on the consolidated financial statements of the Group.

The standards and amendments that are issued, but not yet effective, as of 31 March 2026 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Effective date	Standard, interpretation, amendments
Annual periods beginning on or after 1 January 2026	**Classification and Measurement of Financial Instrument – Amendments to IFRS 9 and IFRS 7** **Contract Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7** **Annual Improvements to IFRS Accounting Standards – Volume 11**
Annual periods beginning on or after 1 January 2027	**IFRS 18 Presentation and Disclosure in Financial Statements** In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. The amendments are not expected to have a material impact on the Group's consolidated financial statements. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. **IFRS 19 Subsidiaries without Public Accountability Disclosure** In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Amendments to IFRS 10 and IAS 28

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis.

The following critical judgements and estimates have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue recognition – Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the agreements entered with the customers and the provisions of relevant laws and regulations, where contracts are entered into to undertake contracts with the customers (for the installation and commissioning of cold stores), the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. Further, the services provided under these contracts are satisfied over time rather than at a point in time since the customer simultaneously receives and consumes the benefits provided by the Group. Based on this, the Group recognises revenue over time.

For the revenue on sale of goods (sale of refrigeration/non-refrigeration bodies) and maintenance and repair services, the Group has assessed that based on the delivery arrangements entered into with the customer and the provisions of relevant laws and regulations, the Group creates an asset with an alternative use to the Group and usually does not have an enforceable right to payment for performance completed to date. Based on this, the Group recognises revenue at point in time i.e. on the delivery of goods or services to customer.

Revenue recognition – Cost to complete the contracts

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, amongst other items, the manpower costs, material and parts, other overheads, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete may affect the results of the subsequent periods.

Warranty provision

The Group provides warranties for general repairs of defects that existed at the time of sale, in accordance with contractual warranty terms. The warranty provision recognition is based on historical experience of expected expenses of warranties relating to sales made. As such, dependent upon estimates and assessments by the management.

Provision for expected credit losses

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

Measurement of employee benefits obligations: significant actuarial assumptions

Employees' benefit obligations represent obligations that will be settled in the future and require assumptions to project obligations. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates and employment turnover. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred.

Incremental borrowing rate for lease agreements

The Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

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

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

Useful lives and residual value of property, plant and equipment

The Group determines the estimated useful lives and residual values of property, plant, and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the assets, physical wear and tear, and technological obsolescence. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Impairment of inventories

Inventory is stated at the lower of cost and net realizable value. When inventory becomes old or obsolete, an estimate is made for the net realizable value. For individually significant amounts, this estimate is made on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing, obsolescence. physical deterioration and change in demand and goods pricing.

Change in estimates regarding impairment of inventories

During the year, the Group revised its estimate for determining inventory obsolescence provisions. Previously, the Group applied a uniform provisioning policy across all inventory categories, whereby a provision of 50% was recorded for inventory aged over one year and 100% for inventory aged over two years, irrespective of the nature, type, or usage patterns of the inventory.

Under the revised estimate, the Group has implemented a more refined and risk based provisioning framework, whereby inventory is assessed based on a combination of factors including age, category, type, and expected usage. Inventory items are classified into defined risk categories reflecting their likelihood of utilization (high, moderate, low risk and useful life considerations), with provisioning rates determined using a structured matrix linked to specific ageing brackets.

Management believes that the revised methodology provides a more representative and reliable measure of the net realisable value of inventory, as it incorporates relevant operational and historical consumption data and aligns provisioning levels more closely with the underlying risk profile of individual inventory items.

The change in estimate relating to inventory obsolescence provisioning has been applied prospectively from 1 April 2025. This change resulted in a net decrease in the provision charge for the year ended 31 March 2026 (before effects of taxation and zakat) of 5.4 million, with a corresponding increase in net profit for the year of the same amount.

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Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs of disposal and value in use. For the purpose of assessing impairment, assets are combined at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Group of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

Deferred taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available in the future against which the assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

5 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings*	Heavy machinery and equipment	Tools and other equipment	Furniture and fixtures	Motor vehicles	Computer equipment	Work-in progress**	Total
Cost									
At 1 April 2025	16,961,000	46,127,057	44,589,230	2,732,075	8,137,867	6,884,482	4,785,836	–	130,217,547
Additions	–	2,507,694	278,645	470,395	390,041	–	405,731	593,200	4,645,706
At 31 March 2026	**16,961,000**	**48,634,751**	**44,867,875**	**3,202,470**	**8,527,908**	**6,884,482**	**5,191,567**	**593,200**	**134,863,253**
Accumulated depreciation									
At 1 April 2025	–	28,980,360	33,471,746	2,157,028	5,457,159	5,644,449	3,640,712	–	79,351,454
Charge for the year	–	1,459,218	1,730,369	208,456	923,292	347,179	448,025	–	5,116,539
At 31 March 2026	**–**	**30,439,578**	**35,202,115**	**2,365,484**	**6,380,451**	**5,991,628**	**4,088,737**	**–**	**84,467,993**
Net book value									
31 March 2026	**16,961,000**	**18,195,173**	**9,665,760**	**836,986**	**2,147,457**	**892,854**	**1,102,830**	**593,200**	**50,395,260**

** This includes factories of the Company which are constructed on land leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon) for a period of 19 years, amounting to 26.9 million.*

*** Work-in-progress represents improvement costs on existing production facilities and machineries under installations.*

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Heavy machinery and equipment	Tools and other equipment	Furniture and fixtures	Motor vehicles	Computer equipment	Work-in progress	Total
Cost									
At 1 April 2024	12,673,000	40,431,062	38,747,142	2,306,441	7,029,494	5,748,412	3,707,748	1,006,505	111,649,804
Relating to acquired subsidiary (note 31)	–	2,662,650	82,100	87,140	66,160	186,420	106,791	–	3,191,261
Additions	4,288,000	1,729,272	5,759,988	338,494	1,042,213	949,650	971,297	297,568	15,376,482
Transfer	–	1,304,073	–	–	–	–	–	(1,304,073)	–
At 31 March 2025	16,961,000	46,127,057	44,589,230	2,732,075	8,137,867	6,884,482	4,785,836	–	130,217,547
Accumulated depreciation									
At 1 April 2024	–	26,416,396	32,131,194	1,933,597	4,628,015	5,193,582	3,130,212	–	73,432,996
Relating to acquired subsidiary (note 31)	–	1,203,730	82,100	86,050	63,150	186,420	97,751	–	1,719,201
Charge for the year	–	1,360,234	1,258,452	137,381	765,994	264,447	412,749	–	4,199,257
At 31 March 2025	–	28,980,360	33,471,746	2,157,028	5,457,159	5,644,449	3,640,712	–	79,351,454
Net book value									
31 March 2025	16,961,000	17,146,697	11,117,484	575,047	2,680,708	1,240,033	1,145,124	–	50,866,093

The depreciation charge for the year has been allocated as follows:

	Note	31 March 2026	31 March 2025
Cost of revenue	19	3,957,521	3,269,479
General and administration expenses	20	1,046,737	800,118
Selling and distribution expenses	21	112,281	129,660
		5,116,539	4,199,257

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6 INTANGIBLE ASSETS

	31 March 2026	31 March 2025
Software		
Cost		
Balance at the beginning of the year	2,917,571	2,791,017
Additions	513,827	126,554
Balance at the end of the year	3,431,398	2,917,571
Accumulated amortization		
Balance at the beginning of the year	2,172,436	1,866,624
Charge for the year	398,579	305,812
Balance at the end of the year	2,571,015	2,172,436
Net book value	860,383	745,135

7 INVENTORIES

	31 March 2026	31 March 2025
Goods held for sale	27,485,104	22,674,169
Raw materials	24,071,204	27,946,057
Spare parts and consumables	21,913,330	23,507,854
Work in progress	6,463,003	17,071,150
Goods in transit	45,980	58,374
	79,978,621	91,257,604
Less: provision for slow moving items	(5,084,894)	(13,055,072)
	74,893,727	78,202,532

The summary of movement in provision for slow moving inventories are as follows:

	31 March 2026	31 March 2025
At the beginning of the year	13,055,072	11,016,494
Related to acquired subsidiary	–	962,750
(Reversal) charge during the year	(6,897,686)	1,295,582
Write off during the year	(1,072,492)	(219,754)
At the end of the year	5,084,894	13,055,072

8 TRADE RECEIVABLES

	31 March 2026	31 March 2025
Trade receivables	82,930,229	72,392,071
Less: allowance for expected credit losses	(7,819,775)	(7,860,633)
	75,110,454	64,531,438

The movement in the allowance for expected credit losses is as follows:

	31 March 2026	31 March 2025
At the beginning of the year	7,860,633	9,433,329
Related to acquired subsidiary	–	753,980
Charge for the year	2,566,668	253,666
Write off during the year	(2,607,526)	(2,580,342)
At the end of the year	7,819,775	7,860,633

Trade receivables are interest free and the normal credit terms of the Group are 30 to 90 days.

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and vast majority are, therefore, unsecured.

Note 27 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

Notes to the consolidated financial statements

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9 CONTRACT ASSETS

	31 March 2026
Contract assets	18,539,230
Less: allowance for expected credit losses	(207,273)
	18,331,957

Movement of allowance in the allowance for expected credit losses is as follows:

	31 March 2026
At the beginning of the year	–
Charge for the year	207,273
At the end of the year	207,273

Note 27 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

10 PREPAYMENTS AND OTHER CURRENT ASSETS

	31 March 2026	31 March 2025
Advances to suppliers	8,006,801	8,481,692
Margin deposits with bank	3,151,975	1,075,363
Prepaid expenses	2,150,690	2,873,392
Advances to employees	2,010,782	2,313,413
Refundable deposits	953,442	1,506,359
Others	517,235	327
	16,790,925	16,250,546

The refundable deposits are netted with the accumulated allowance of 3.8 million (2025: 3 million). The allowance made on the refundable deposits during the year are disclosed in note 20.

11 CASH AND CASH EQUIVALENTS

	31 March 2026	31 March 2025
Cash at banks	87,382,650	48,350,626
Short-term deposits *	–	20,000,000
Cash in hand	353,451	234,733
	87,736,101	68,585,359

** Short-term deposits represent Murabaha deposits placed with a local commercial bank having a maturity period of three months or less from the date of placement and yield profit at the market rates between 4.6% to 4.7%. (2026: Nil 2025: 20,000,000).*

Reconciliation of liabilities arising from financing activities:

31 March 2026	At 1 April 2025	Cash flows	Others	At 31 March 2026
Lease liabilities	8,305,617	(2,400,316)	2,585,540	8,490,841
Dividends payable	–	(10,000,000)	10,000,000	–
Total financing activities	8,305,617	(12,400,316)	12,585,540	8,490,841

31 March 2025	At 1 April 2024	Cash flows	Others	At 31 March 2025
Lease liabilities	1,141,202	(1,844,405)	9,008,820	8,305,617
Dividends payable	–	(28,161,220)	28,161,220	–
Total financing activities	1,141,202	(30,005,625)	37,170,040	8,305,617

12 EMPLOYEES DEFINED BENEFIT LIABILITIES

The Group operates a non-funded employees' terminal benefit plan, which is classified as defined benefit liabilities under IAS 19 'Employee Benefits'. The benefit is mandatory for all Saudi Arabian based employees under the Saudi Arabian labour law and also under the Group's policies applicable to employees' accumulated period of service and payable upon termination, resignation or retirement. The Group's net obligation in respect of employees defined benefits is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior years. This amount is then discounted using an appropriate discount rate to determine the present value of the Group's net obligation.

Notes to the consolidated financial statements

12. EMPLOYEES DEFINED BENEFIT LIABILITIES (continued)

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12.1 Changes in the present value of defined benefit liability

	31 March 2026	31 March 2025
Balance as at the beginning of the year	19,135,611	17,631,045
Related to acquired subsidiary	–	487,770
Charges recognised in the consolidated statement of income and other comprehensive income for the year:		
Interest cost	868,777	837,437
Past service cost	–	(1,079)
Current service cost	2,533,988	2,378,993
	3,402,765	3,215,351
Actuarial changes arising due to:		
Financial assumptions	(269,062)	(258,634)
Demographic assumptions	–	176,268
Experience assumptions	(599,253)	(103,289)
	(868,315)	(185,655)
Benefits paid during the year	(1,311,355)	(2,012,900)
Balance as at the end of the year	20,358,706	19,135,611

(a) Sensitivity analysis

The principal assumptions used in determining the post-employment defined benefit liability includes the following:

	31 March 2026	31 March 2025
Discount rate (%)	5.02	4.61 to 4.8
Expected rate of salary increase (%)	3.50	3.50
Rates of employee turnover (%)	10 to 15	10 to 15
Mortality rates	A1949-52	A1949-52
Retirement assumption	60-65	60-65

A quantitative sensitivity analysis for significant assumptions as at 31 March 2025 and 31 March 2026 are shown below:

	31 March 2026	31 March 2025
Discount rate:		
1% increase	(900,447)	(954,721)
1% decrease	1,005,030	1,070,932
Future salary increases		
1% increase	945,577	1,009,979
1% decrease	(862,230)	(916,587)

The sensitivity analysis above has been based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected against the defined benefit liability in future years:

	31 March 2026	31 March 2025
Within the next 12 months	5,229,911	4,173,493
Between 2 and 5 years	10,861,031	9,699,329
Beyond 5 years	36,779,206	42,747,198
	52,870,148	56,620,020

The average duration of the defined benefit plan liability at the end of the reporting period is 5 years (31 March 2025: 5 to 6 years).

13 RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent shareholders, directors and key management personnel and entities controlled or significantly influenced by such parties. Transactions with related parties carried out during the year, in the normal course of business, are approved by Group management.

(a) Significant transactions with related parties during the year and significant year-end balances are as follows:

Related parties	Relationship	Nature of transactions	For the year ended 31 March 2026	31 March 2025
Key management personnel		Salaries and other benefits – short-term	12,683,374	10,880,128
		Employees' defined benefits obligations – long-term	512,462	534,607
		BOD and Committee members remuneration	1,740,000	412,500
		Other BOD expenses	1,069,388	212,697
GK Gruenenfelder International AG	Shareholder	Expenses paid on behalf *	6,676,493	2,662,158
		Proceeds received, IPO *	9,343,651	–
Darat Esmat Bin Abdul-Samad Al Saady Holding Company	Shareholder	Expenses paid on behalf *	6,668,793	2,662,158
		Proceeds received, IPO *	9,343,651	–

** The expenses include costs relating to the Company's initial public offering (IPO), which were initially paid by the Company on behalf of the shareholders and subsequently charged to them. During the year, proceeds received represent reimbursement by the shareholders for the IPO costs, which was agreed to be reimbursed by the shareholder upon successful completion of the listing process. The amount was subsequently settled by the shareholders.*

(b) The breakdown of amounts disclosed in the consolidated statement of financial position is as follows:

Amounts due from related parties presented under current assets:	31 March 2026	31 March 2025
GK Gruenenfelder International AG	–	2,667,158
Darat Esmat Al Saady Holding Company	–	2,674,858
	–	5,342,016

14 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	Note	31 March 2026	31 March 2025
Employees related accruals		8,723,110	10,232,977
Provision for warranties	14.1	6,020,415	2,972,181
VAT payable		5,015,015	3,544,909
Sales commission payable		3,815,950	3,628,742
Accrued expenses		3,019,964	2,516,391
Payables against goods received but not invoiced		–	2,880,246
Others		717,477	631,371
		27,311,931	26,406,817

14.1 Provision for warranties

Movement in provision for warranties balances is as follows;

	31 March 2026	31 March 2025
At the beginning of the year	2,972,181	1,980,174
Charge for the year	4,095,143	1,642,135
Utilisation during the year	(1,046,909)	(650,128)
At the end of the year	6,020,415	2,972,181

15 CONTRACT LIABILITIES

	31 March 2026	31 March 2025
Advance from the customers	7,961,851	28,200,556
Billings in excess of value of work executed	27,155,329	17,232,077
	35,117,180	45,432,633

Billings in excess of value of work executed comprise of following:

	31 March 2026	31 March 2025
Progress billings received and receivable to date	158,595,174	142,361,260
Less: value of work executed to date	(131,439,845)	(125,129,183)
	27,155,329	17,232,077

16 ZAKAT AND INCOME TAX

16.1 Status of assessments of zakat and income tax

The Group files Zakat and Income Tax returns of the Company and its subsidiaries on a standalone basis. The zakat and income tax charge represents the consolidated sum of zakat and income tax charge accrued by the Company and its subsidiaries at standalone financial statements level.

Consolidated Gruenenfelder Saady Holding Company: The Company has filed its tax/zakat returns for the years up to the year ended 31 March 2025 with the ZATCA. However, the assessments are yet to be finalized by the ZATCA for all years since incorporation.

Coldstores Group of Saudi Arabia: Zakat and income tax returns up to and including the year ended 31 March 2025 have been submitted to the Zakat, Tax and Customs Authority ("ZATCA"). The ZATCA has issued the assessment up to 2017 and the Company settled the remaining liability and finalized the assessment. Assessments for the year 2020 and prior are now time-barred. As of the date of this statement, the final assessments for the years ended 31 March 2021 to 2025 are yet to be finalized by the ZATCA.

Consolidated Grunenfelder Saady Company: Zakat and income tax returns up to the year ended 31 March 2025 have been submitted to the ZATCA. The ZATCA has issued the assessment up to 2015 and the Company settled and finalized. Assessments for the year 2020 and prior are now time-barred. As of the date of this statement, the final assessments for the years ended 31 March 2021 to 2025 are yet to be finalized by the ZATCA.

Al Saadi Refrigeration Air Conditioning W.L.L: The Company is registered in the Kingdom of Bahrain and not subject to Zakat and income tax.

Zakat and income tax have been computed based on the Company's understanding and interpretation of zakat and income tax regulations enforced in the Kingdom of Saudi Arabia. The ZATCA continues to issue circulars to clarify certain zakat and tax regulations which are usually enforced on all open years. The zakatable and taxable income and zakat/tax liability as computed by the Company could be different from zakatable/taxable income and zakat/tax liability as assessed by the ZATCA for years for which assessments have not yet been raised by the ZATCA.

16.2 Zakat

Charge for the year

Zakat for the year is payable at 2.5% of the approximate zakat base and adjusted net income attributable to Saudi shareholders. The zakat charge relating to the ultimate Saudi partner consists of:

	31 March 2026	31 March 2025
Provision for the year	2,825,273	1,684,804
Adjustment relating to prior years	(41,511)	–
Charge for the year	2,783,762	1,684,804

16.3 Income tax

Charge for the year

	31 March 2026	31 March 2025
Provision for the year	5,124,398	7,794,023
Charge for the year	5,124,398	7,794,023

Notes to the consolidated financial statements

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16. ZAKAT AND INCOME TAX (continued)

16.3 Income tax (continued)

Reconciliation of tax expense and the accounting profit is presented below:

	31 March 2026	31 March 2025
Profit before zakat and income tax	55,920,314	75,161,726
Adjustment for:		
Add:		
Accounting depreciation	5,389,720	4,371,861
Allowance for expected credit losses	2,650,745	2,028,818
Provision for slow moving inventories	–	1,375,822
Employee defined benefits liabilities	5,445,018	3,141,092
Provision for warranties	4,032,923	1,642,136
Others	5,640,731	2,601,207
Less:		
Tax depreciation	(6,935,613)	(6,283,132)
Write-off of inventories	(2,165,258)	(162,805)
Payment of employees' defined benefit liabilities	(1,266,698)	(1,722,130)
Write-off of trade receivables	(2,607,526)	(650,128)
Provision for slow moving inventories	(5,244,831)	–
Others	(4,368,882)	(4,177,344)
Adjusted profit for tax calculation	56,490,643	77,327,123
Adjusted profit relating to foreign shareholding for tax computation	25,621,990	38,611,131
Income tax charge for the year @ 20% (2025: 20%)	5,124,398	7,794,023

16.4 Effective income tax reconciliation is as follows:

	2026	2026 %	2025	2025 %
Accounting profit before zakat and income tax	55,920,314		75,161,726	
Profit subject to income tax as per foreign shareholding	26,126,019		37,580,863	
Tax at applicable rates	5,225,204	20	7,516,172	20
Tax effect on taxable expenses to the accounting profit and non-deductible claims from accounting profit, net	(100,806)		277,851	
Tax charged during the year	5,124,398	20	7,794,023	21

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16. ZAKAT AND INCOME TAX (continued)

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16.5 Movement in zakat and income tax provision is as follows:

	31 March 2026			31 March 2025		
	Zakat	Income tax	Total	Zakat	Income tax	Total
At the beginning of the year	1,440,081	3,380,296	4,820,377	1,326,912	2,760,344	4,087,256
Charge for the year	2,783,762	5,124,398	7,908,160	1,684,804	7,794,023	9,478,827
Advance income tax paid	–	(4,850,663)	(4,850,663)	–	(3,220,764)	(3,220,764)
Settlement against advance income tax	220,059	976,484	1,196,543	–	–	–
Payments during the year	(1,647,879)	(4,609,949)	(6,257,828)	(1,571,635)	(3,953,307)	(5,524,942)
At the end of the year	2,796,023	20,566	2,816,589	1,440,081	3,380,296	4,820,377

16.6 Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using the effective tax rate. Deferred tax assets of the Group are attributable to the following:

	31 March 2026	31 March 2025
Provision for expected credit losses	504,743	728,481
Provision for slow moving inventories	337,360	1,222,951
Property, plant and equipment	468,950	642,537
Provision for warranties	419,645	297,218
Employees' defined benefit liability	1,407,374	1,886,434
Others	611,485	432,623
	3,749,557	5,210,244

Movement in deferred tax balances is as follows;

	31 March 2026	31 March 2025
At the beginning of the year	5,210,244	4,692,386
(Charge)/reversal in profit or loss	(1,409,652)	536,424
Charge in other comprehensive income	(51,035)	(18,566)
At the end of the year	3,749,557	5,210,244

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases land, buildings and staff accommodation facilities. The leases typically run for a period of 5 to 20 years, with an option to renew the lease after that date.

(a) Right-of-use assets

The carrying amount of the right-of-use assets and movement during the year is as follows:

	Land and buildings
Cost	
As at 1 April 2025	14,316,291
Additions during the year	1,115,714
Modifications during the year	864,949
As at 31 March 2026	16,296,954
Accumulated depreciation	
As at 1 April 2025	5,540,200
Depreciation charge	1,832,773
As at 31 March 2026	7,372,973
Net book value	
As at 31 March 2026	8,923,981
As at 31 March 2025	8,776,091

Notes to the consolidated financial statements

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17. RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

(a) Right-of-use assets (continued)

The depreciation charge has been allocated as follows:

For the year ended	Note	31 March 2026	31 March 2025
Cost of revenue	19	1,005,585	693,120
General and administration expenses	20	498,334	255,082
Selling and distribution expenses	21	328,854	195,805
		1,832,773	1,144,007

(b) Lease liabilities

	Note	31 March 2026	31 March 2025
As at 1 April		8,305,617	1,141,202
Additions during the year		1,115,714	8,585,385
Modifications during the year		864,949	-
Accretion of interest	23	604,877	423,435
Payments during the year		(2,400,316)	(1,844,405)
Balance at 31 March		8,490,841	8,305,617

Lease liabilities are presented in the financial position as follows:

	31 March 2026	31 March 2025
Current	1,877,785	1,281,706
Non-current	6,613,056	7,023,911
	8,490,841	8,305,617

Lease liabilities are payable as follows:

31 March 2026	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	2,446,788	569,003	1,877,785
Between one and five years	5,719,175	780,362	4,938,813
More than five years	2,399,293	725,050	1,674,243
	10,565,256	2,074,415	8,490,841

31 March 2025	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	1,867,080	585,373	1,281,707
Between one and five years	6,949,923	1,707,642	5,242,281
More than five years	2,584,745	803,116	1,781,629
	11,401,748	3,096,131	8,305,617

(C) Amounts recognised in profit or loss

For the year ended	Note	31 March 2026	31 March 2025
Depreciation expense of right-of-use assets		1,832,773	1,144,007
Interest expense on lease liabilities	23	604,877	423,435
Expenses related to short term leases		1,343,677	869,148
		3,781,327	2,436,590

18 REVENUE FROM CONTRACT WITH CUSTOMERS

	Note	31 March 2026	31 March 2025
Type of goods or services			
Sales of refrigeration/non-refrigeration bodies with cooling units		317,021,432	362,704,172
Installation and commissioning of cold stores		121,627,972	99,672,873
Servicing and repairs		38,494,164	41,960,574
Total revenue		477,143,568	504,337,619
Timing of revenue recognition			
Revenue recognised at a point in time		355,515,596	404,664,746
Revenue recognised over time		121,627,972	99,672,873
		477,143,568	504,337,619
Customer wise revenue recognition			
External customers		477,143,568	504,337,619
		477,143,568	504,337,619
Geographical markets			
Kingdom of Saudi Arabia		470,535,814	490,037,431
Out of Kingdom of Saudi Arabia		6,607,754	14,300,188
		477,143,568	504,337,619
Contract balances			
Trade receivables	8	75,110,454	64,531,438
Contract assets	9	18,331,957	–
Contract liabilities	15	35,117,180	45,432,633

Contract assets represent the value of work executed but not yet billed for ongoing projects.

Contract liabilities represent billing in excess of value of work executed for ongoing cold storage projects and advances received from customers with respect of the sale of goods. Revenue recognized during the year that was included in the contract liability balance at the beginning of the period amounting to 40.43 million (2025: 51.78 million).

19 COST OF REVENUE

For the year ended	Note	31 March 2026	31 March 2025
Raw materials, consumables and changes in finished goods inventories		322,067,833	336,578,948
Employees' related costs		38,549,847	35,788,822
Warranty expense		4,095,143	1,642,136
Depreciation of property and equipment	5	3,957,521	3,269,479
Utilities		3,050,094	2,508,019
Repairs and maintenance		2,495,242	2,305,327
Rent		1,293,866	1,151,206
Depreciation of right-of-use assets	17	1,005,585	693,120
Amortization of intangible assets	6	129,029	114,919
(Reversal) Charge of provision for slow moving inventories	7	(6,897,686)	1,295,582
Others		3,186,202	3,266,136
		372,932,676	388,613,694

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20 GENERAL AND ADMINISTRATION EXPENSES

For the year ended	Note	31 March 2026	31 March 2025
Employees' related costs		22,076,563	20,755,048
Board and committee members expenses		2,809,388	625,197
Utilities and subscriptions expenses		2,600,531	2,467,085
Legal, professional and consultancy fees *		1,316,713	3,867,593
Depreciation of property and equipment	5	1,046,737	800,118
Bank charges		731,911	664,587
Depreciation of right-of-use assets	17	498,334	255,082
Allowance against refundable deposits	10	769,684	1,240,000
Amortization of intangible assets	6	269,549	189,956
Repairs and maintenance		280,321	209,111
Rent		49,810	65,655
Others		2,373,642	1,297,060
		34,823,183	32,436,492

** This includes expenses pertaining to the Company's external auditor for the year ended 31 March 2026 amounting to 955,720 (31 March 2025: 742,000) against services rendered for the annual audit and interim reviews.*

21 SELLING AND DISTRIBUTION EXPENSES

For the year ended	Note	31 March 2026	31 March 2025
Employees' related costs		6,149,529	6,215,185
Sales commission		3,247,172	4,260,492
Marketing and product development expenses		1,430,655	122,564
Utilities and subscriptions expenses		422,246	112,900
Depreciation of right-of-use assets	17	328,854	195,805
Depreciation of property and equipment	5	112,281	129,660
Amortization		–	937
Rent		–	142,499
Others		591,537	276,407
		12,282,274	11,456,449

22 OTHER INCOME, NET

For the year ended	31 March 2026	31 March 2025
Gains on sale of scrap materials	990,637	948,137
Disbursements from human resource development fund	846,975	1,128,799
Murabaha income	227,862	254,788
Exchange (loss)/gain on financial transactions	(305,679)	1,571,707
Other miscellaneous income	1,302,679	941,849
	3,062,474	4,845,280

23 FINANCE COST

For the year ended	Note	31 March 2026	31 March 2025
Accretion of finance costs on employees' defined benefit liabilities	12	868,777	837,437
Accretion of finance costs on lease liabilities	17	604,877	423,435
		1,473,654	1,260,872

24 SHARE CAPITAL

	No. of shares*	Par Value	Total
31 March 2026	100,000,000	1	100,000,000
31 March 2025	100,000,000	1	100,000,000

** The IPO did not result in any additional capital being raised by the Group.*

25 ADDITIONAL CAPITAL CONTRIBUTION

There were no movements in additional capital contribution during the current year. During the prior year, the parent company acquired 100% ownership in Al Saadi Refrigeration Air Conditioning W.L.L., a business under common control, without consideration, and accordingly recognized the net assets acquired amounting to 5.5 million as additional capital contribution from shareholders.

In addition, during the prior year, a shareholder transferred freehold land with a fair value of 4.3 million to the Company without consideration in its capacity as shareholder, which was recognized as freehold land with a corresponding increase in additional capital contribution. The fair value of the land was determined by an independent valuer using the market comparative approach. Further, 64.19 million of additional capital contributions were transferred to share capital.

26 RESERVE

Reserve represents the total amounts appropriated from net income for prior years as statutory reserves in accordance with the requirements of the previous Companies Law and the By-Laws prior to alignment with the new Companies Law. The utilization of these reserves is subject to the decisions of the shareholders' assembly.

27 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks including credit risk, liquidity risk, market risk, currency risk, interest rate risk and capital management risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The financial instruments in the consolidated statement of financial position are comprised primarily of cash and cash equivalents, trade receivables, trade payables, and lease liabilities.

The Group's Board of Directors oversees the management of these risks. The Group's management regularly reviews the policies and procedures to ensure that all the financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Group's activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

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27. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

During the year ended 31 March 2026, an additional allowance for impairment of 2,566,668 (31 March 2025: 253,666) on financial assets was recognised in the consolidated financial statements as per ECL provision.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which the customers operate.

The Group follows a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered to the customer. Management ensures that sales made to customers are within the respective customers' credit limit.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for its customers.

The credit risk of bank balances is limited as cash balances are held with banks with sound credit ratings ranging from BBB+ to A+.

Exposures within each credit risk grade are analyzed based on delinquency status, and the corresponding ECL rates are derived from actual historical credit loss experience over prior periods. These rates are subsequently adjusted using forward-looking scalar factors to reflect differences between the economic conditions prevailing during the historical observation period, current conditions, and management's expectations of economic conditions over the expected life of the receivables.

Trade receivables and contract

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers as at 31 March 2026 and 31 March 2025:

31 March 2026	Credit loss rate %	Gross carrying amount	Loss allowance	Net trade receivables
Not past due	2.58	53,107,919	`(1,368,713)	51,739,206
0-90 days	3.42	13,418,265	(458,658)	12,959,607
90-180 days	9.06	6,699,651	(606,802)	6,092,849
180-270 days	19.07	3,731,723	(711,690)	3,020,033
270-360 days	41.14	684,896	(281,760)	403,136
More than 360 days	83.06	5,287,775	(4,392,152)	895,623
		82,930,229	(7,819,775)	75,110,454
Contract assets – not past due	1.12	18,539,230	(207,273)	18,331,957

31 March 2026	Credit loss rate %	Gross carrying amount	Loss allowance	Net trade receivables
Not past due	0.96	50,092,139	(479,144)	49,612,995
0-90 days	3.32	9,406,388	(311,935)	9,094,453
90-180 days	11.96	4,127,778	(493,515)	3,634,263
180-270 days	38.64	1,537,606	(594,121)	943,485
270-360 days	50.65	894,253	(452,951)	441,302
More than 360 days	87.29	6,333,907	(5,528,967)	804,940
		72,392,071	(7,860,633)	64,531,438
Contract assets	–	–	–	–

As at 31 March 2026, the Group had trade receivables from 20 major customers that owed approximately 75.4% (2025: 71.2%) of the Group's total gross trade receivables balances.

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(b) Market risk

Market risk is the risk that changes in the market prices – such as foreign exchange rates and commission rates – will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk arises from the possibility that the changes in interest rates will affect either the fair values or the future cash flows of the financial instruments. The Company's exposure to the interest rate risk is limited to the Murabaha short-term deposits placed with the local commercial bank and the profit margin on those deposits are fixed. The interest cost relating to the lease liabilities is also fixed through lease instalment. Accordingly, the Group is not exposed to significant interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency). The Group is subject to fluctuations in foreign exchange rates for USD, GBP and EUR.

The risk of fluctuation in the USD is low as historically USD does not fluctuate against Saudi Riyal significantly. The currency risk is monitored at the Group level. As the amounts of transactions and outstanding balances relating to Euro and GBP are very minimal, there is no significant currency risk exposure to the Group in relation to the balances and transactions in these currencies.

At the year end, the Group has exposure to the following foreign currencies:

Foreign currencies	2026	2025
United States Dollar (USD)	(17,137,321)	(14,887,817)
Euro	(3,540,540)	(1,062,280)

Sensitivity analysis:

A reasonably possible strengthening/weakening of the SAR against US dollar and Euro at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and profit or loss by the amounts shown below.

	2026		2025	
Foreign currencies	1% increase	1% decrease	1% increase	1% decrease
United States Dollar (USD)	(171,373)	171,373	(148,878)	148,878
Euro	(35,405)	35,405	(10,623)	10,623

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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

In order to avoid excessive concentrations of risk, the Group's policies and procedures include guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Notes to the consolidated financial statements

All amounts in ⃁ unless otherwise stated
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27. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities (other than lease liabilities) based on contractual undiscounted payments. Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For the maturity profile on the lease liabilities, please refer to note 17.

As at 31 March 2026	Less than 1 year	1 year to 3 years	Total
Trade payables	42,563,191	–	42,563,191
Accrued expenses and other current liabilities	16,276,501	–	16,276,501
	58,839,692	–	58,839,692

As at 31 March 2025	Less than 1 year	1 year to 3 years	Total
Trade payables	31,694,277	–	31,694,277
Accrued expenses and other current liabilities	19,889,724	–	19,889,724
	51,584,001	–	51,584,001

28 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's financial assets consist of cash and cash equivalents, due from related parties, trade and other receivables. Its financial liabilities consist of due to related parties, payables, lease liabilities, and other liabilities. The fair values of financial assets and liabilities which are valued at original transaction value, are not expected to be materially different from their carrying values.

Financial assets and liabilities are offset and net amounts reported in the consolidated financial statements, when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and liability simultaneously.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities by category of financial instruments. It does not include fair value information for financial assets and financial liabilities since the carrying amount of financial assets and liabilities held by the Group approximates fair value.

	Note	31 March 2026	31 March 2025
Financial assets			
Financial assets at amortized cost			
Trade receivables	8	75,110,454	64,531,438
Contract assets	9	18,331,957	–
Amounts due from related parties	13	–	5,342,016
Cash and cash equivalents	11	87,736,101	68,585,359
		181,178,512	138,458,813

	Note	31 March 2026	31 March 2025
Financial liabilities			
Trade payable		42,563,191	31,694,274
Accrued expenses and other current liabilities	14	16,276,501	19,889,724
Lease liabilities	17	8,490,841	8,305,617
		67,330,533	59,889,615

29 DIVIDENDS DISTRIBUTION

During the year, the shareholders of the Company resolved to distribute cash dividends of 0.10 per share amounting to 10,000,000 (2025: the shareholders resolved to distribute dividends of 0. 28 per share totaling to 28,161,220). The dividends were fully settled during the year.

Notes to the consolidated financial statements

All amounts in ⃁ unless otherwise stated
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30 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes capital, additional equity contribution, reserve and retained earnings attributable to the shareholders of the Group. The primary objective of the Group's capital management is to maximise the shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the owner. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 2025. The Group's debt to adjusted capital ratio at the end of the reporting year is as follows:

	31 March 2026	31 March 2025
Total liabilities	136,658,438	135,795,329
Less: cash and cash equivalents	(87,736,101)	(68,585,359)
Net debt	48,922,337	67,209,970
Total equity	200,133,907	162,714,125
Net debt to capital ratio as of 31 March	0.24	0.41

31 EARNINGS PER SHARE

Basic and diluted earnings per share are based on the net profit for the year ended 31 March 2026 and 2025 divided by a weighted average number of shares:

	31 March 2026	31 March 2025
Profit for the year	46,602,502	66,219,323
Weighted average number of shares outstanding during the year	100,000,000	100,000,000
Basic and diluted earnings per share	0.47	0.66

32 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following reportable segments:

- Sales of refrigeration/non-refrigeration bodies with cooling units relates to the automotive and special products segment (sale of goods).
- Installation and commissioning of temperature control storage units and facilities (contract activities).
- Servicing and repairs and maintenance related work (service activities).

Based on a management decision and in line with management reporting, the income and expenses relating to the Corporate segment have been allocated to the segments using activity-based costing. The assets and liabilities are not included in the measures used by the CODM, hence segment assets and liabilities are not reported in the segment disclosure below. All operating assets of the Group are located in the Kingdom of Saudi Arabia apart for 13.73 million assets of a subsidiary registered in the Kingdom of Bahrain.

The following tables present revenue and profit information for the Group's operating segments for the year ended 31 March 2026 and 2025, respectively.

Business segments

For the year ended 31 March 2026	Sale of goods (Automotive solutions)	Sale of goods (Customized solutions)	Contract activities	Service activities	Total
Revenue	248,938,858	68,082,574	121,627,972	38,494,164	477,143,568
Segment profit before zakat and income tax	32,542,558	6,559,409	3,206,902	13,611,445	55,920,314

For the year ended 31 March 2025	Sale of goods (Automotive solutions)	Sale of goods (Customized solutions)	Contract activities	Service activities	Total
Revenue	309,847,753	52,856,419	99,672,873	41,960,574	504,337,619
Segment profit before zakat and income tax	52,961,003	5,567,182	3,633,969	12,999,572	75,161,726

Notes to the consolidated financial statements

All amounts in ⃁ unless otherwise stated
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32. SEGMENT INFORMATION (continued)

Business segments (continued)

For the year ended 31 March 2026	Saudi Arabia	Bahrain	Total
Revenue	581,406,705	7,713,532	589,120,237
Inter segment revenue elimination	(111,960,315)	(16,354)	(111,976,669)
Revenue from the external customers	469,446,390	7,697,178	477,143,568
Segment profit before zakat and income tax	54,752,215	1,168,099	55,920,314

For the year ended 31 March 2025	Saudi Arabia	Bahrain	Total
Revenue	570,051,817	9,784,160	579,835,977
Segment profit before zakat and income tax	(75,498,358)	–	(75,498,358)
Revenue from the external customers	494,553,459	9,784,160	504,337,619
Segment profit before zakat and income tax	75,056,866	104,860	75,161,726

33 COMPARATIVE AMOUNTS

Certain comparative figures related to cost of revenue, general and administration expenses, and selling and distribution expenses have been reclassified to conform with the presentation in the current year. These reclassifications have no impact on net profit, total assets, total liabilities, equity, or net cash flows. The effect of these reclassifications on the comparative figures for the year ended 31 March 2025 is summarized below:

31 March 2025	As previously reported	Reclassification	As reported currently
Cost of revenue	387,887,457	726,237	388,613,694
General and administration expenses	32,274,947	161,545	32,436,492
Selling and distribution expenses	12,344,231	(887,782)	11,456,449

34 CONTINGENT LIABILITIES

As at 31 March 2026, the Company's bankers have issued letters of guarantee and letter of credit, on behalf of the Group entities, relating to contract performance amounting to 15.7 million (31 March 2025: 8.9 million) and 11.6 million (31 March 2025: 2.9 million) respectively, against which the Group has provided a margin deposit of 3.1 million (31 March 2025: 1.1 million).

35 RECENT GEOPOLITICAL DEVELOPMENT IN THE MIDDLE EAST

The Group continues to monitor the regional geopolitical developments and their potential impact on the region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on the Group's consolidated financial statements for the year ended 31 March 2026; however, given the evolving nature of the tension, the potential long-term impact on the Group's business will continue to be monitored and assessed by management.

36 SUBSEQUENT EVENTS

Subsequent to the reporting date, on 25 Thul-Qi'dah1447H corresponding to 12 May 2026, the shareholders approved through an Extraordinary General Meeting ("EOGM") the transfer of the reserve balance to retained earnings, following the recommendation of the Board of Directors. The shareholders also approved amendments to the Company's Bylaws to align them with the provisions of the New Companies Law applicable for listed Companies and consequently the new ByLaws stand approved. The amended Bylaws have been submitted to the Ministry of Commerce, and the related registration and publication procedures are in progress.

Subsequent to the reporting date, the Board of Directors recommended a cash dividend of 23.3 million (0.23 per share) for the year ended 31 March 2026. The proposed dividend is subject to the approval of the shareholders at the forthcoming General Assembly meeting.

37 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Directors for issuance on 7 Muharram 1448H, corresponding to 22 June 2026.

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