

**The Bahrain Ship Repairing and
Engineering Company BSC**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

30 SEPTEMBER 2025

The Bahrain Ship Repairing and Engineering Company BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION for the nine months ended 30 September 2025

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GENERAL INFORMATION

The Bahrain Ship Repairing and Engineering Company BSC is a Public Shareholding Company registered in Bahrain in 1962.

Commercial Registration	715
Head Office	Mina Salman Industrial Area, Kingdom of Bahrain P.O. Box 568 Telephone: 17725300 Telefax: 17729891 E-mail: mainoffice@basrec.com.bh
Board of Directors	
Fawzi Ahmed Kanoo	Chairman
Nabeel Khalid Mohamed Kanoo	Deputy Chairman
Muna Mubarak Kanoo	Director
Yusuf Abdulla Yusuf Aliraza	Director
Talal Fawzi Kanoo	Director
Zaid Khalid Yusuf Abdulrahman	Director
Ali Abdulaziz Abdulmalek	Director
Acting Chief Executive Officer, Secretary of the Board Directors & Governance Officer	Narjis Almoosawi
Bankers	National Bank of Bahrain Al Salam Bank Bank of Bahrain and Kuwait Bahrain Islamic Bank National Bank of Kuwait Kuwait Finance House Mashreq Bank
External Auditor	KPMG Fakhro
Internal Auditor	BDO Bahrain
Registrar	Karvy Fintech (Bahrain) WLL Bahrain Clear



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Independent auditors' report on review of condensed consolidated interim financial information

To the Board of Directors

*The Bahrain Ship Repairing and Engineering Company BSC
Mina Salman Industrial Area, Kingdom of Bahrain*

Introduction

We have reviewed the accompanying 30 September 2025 condensed consolidated interim financial information of The Bahrain Ship Repairing and Engineering Company BSC (the "Company") and its subsidiary (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2025;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2025; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2025 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

13 November 2025

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2025

Bahraini dinars

	Note	30 September 2025 (reviewed)	31 December 2024 (audited)
ASSETS			
Equity investment securities	5	4,808,085	4,540,699
Investment properties		2,056,577	2,160,020
Right-of-use assets		1,512,572	1,574,200
Property, plant and equipment		11,261,219	11,515,213
Total non-current assets		19,638,453	19,790,132
Debt investment securities		942,500	942,500
Cash and bank balances		1,829,573	505,223
Bank deposits		13,192,283	13,700,282
Trade receivables	6	507,359	1,012,079
Due from contract customers		1,740,027	783,008
Inventories	7	557,080	612,864
Other assets		929,681	964,626
Total current assets		19,698,503	18,520,582
Total assets		39,336,956	38,310,714
EQUITY AND LIABILITIES			
Share capital		1,980,000	1,980,000
Treasury shares		(6,786)	(6,786)
Reserves		5,387,269	5,081,031
Retained earnings		28,012,408	27,024,105
Total equity		35,372,891	34,078,350
Non-current portion of bank borrowings		679,377	821,992
Non-current portion of lease liabilities		1,560,583	1,588,968
Employees' benefits		367,367	475,415
Total non-current liabilities		2,607,327	2,886,375
Current portion of bank borrowings		188,431	178,008
Trade payables		95,616	39,492
Other payables and accrued expenses		915,184	970,982
Current portion of lease liabilities		157,507	157,507
Total current liabilities		1,356,738	1,345,989
Total liabilities		3,964,065	4,232,364
Total equity and liabilities		39,336,956	38,310,714

The board of directors approved the condensed consolidated interim financial information on 13 November 2025 and signed on its behalf by:

Fawzi Ahmed Kanoo
Chairman

Zaid Khalid Yusuf Abdulrahman
Director

The accompanying notes 1 to 13 are an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**for the nine months ended 30 September 2025**

Bahraini dinars

	Note	Nine months ended 30 September		Three months ended 30 September	
		2025 (reviewed)	2024 (reviewed)	2025 (reviewed)	2024 (reviewed)
REVENUE					
Revenue from contract with customers		4,813,832	4,168,744	1,736,911	1,108,397
Interest income		601,435	778,907	207,790	246,748
Dividend income		265,009	300,236	85,587	84,014
Other income		415,149	309,066	134,692	91,730
Total revenue		6,095,425	5,556,953	2,164,980	1,530,889
EXPENSES					
Staff cost		1,316,996	1,498,296	403,747	463,367
Materials cost		217,862	402,747	71,609	117,729
Subcontract and overhead cost		1,004,740	503,359	695,040	216,995
Depreciation and amortization		642,126	497,205	212,182	165,044
Other operating expenses		780,940	815,513	286,704	347,314
Finance cost		115,984	70,849	38,304	23,616
Total expenses		4,078,648	3,787,969	1,707,586	1,334,065
Profit for the period		2,016,777	1,768,984	457,394	196,824
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Net change in fair value of investments at FVOCI	5	267,386	35,145	(67,836)	70,915
Total other comprehensive income for the period		267,386	35,145	(67,836)	70,915
Total comprehensive income for the period		2,284,163	1,804,129	389,558	267,739
Basic and diluted earnings per share		102 Fils	89 Fils	23 Fils	10 Fils



Fawzi Ahmed Kanoo
Chairman



Zaid Khalid Yusuf Abdulrahman
Director

The accompanying notes 1 to 13 are an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2025

Bahraini dinars

2025 (reviewed)	Share capital	Treasury shares	Statutory reserve	General reserve	Charity reserve	Fair value reserve	Retained earnings	Total
At 1 January 2025	1,980,000	(6,786)	1,015,003	700,000	450,613	2,915,415	27,024,105	34,078,350
Comprehensive income for the period:								
Profit for the period	-	-	-	-	-	-	2,016,777	2,016,777
Other comprehensive income	-	-	-	-	-	267,386	-	267,386
Total comprehensive income for the period	-	-	-	-	-	267,386	2,016,777	2,284,163
Charity contribution approved for 2024	-	-	-	-	58,770	-	(58,770)	-
Charity utilised during the period	-	-	-	-	(19,918)	-	19,918	-
Cash dividends declared for 2024	-	-	-	-	-	-	(989,622)	(989,622)
At 30 September 2025	1,980,000	(6,786)	1,015,003	700,000	489,465	3,182,801	28,012,408	35,372,891

The accompanying notes 1 to 13 are an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2024 *(Continued)*

Bahraini dinars

2024 (reviewed)	Share capital	Treasury shares	Statutory reserve	General reserve	Charity reserve	Fair value reserve	Retained earnings	Total
At 1 January 2024	1,980,000	(6,786)	1,012,655	700,000	417,431	3,058,313	25,698,422	32,860,035
Comprehensive income for the period:								
Profit for the period	-	-	-	-	-	-	1,768,984	1,768,984
Other comprehensive income	-	-	-	-	-	35,145	-	35,145
Total comprehensive income for the period	-	-	-	-	-	35,145	1,768,984	1,804,129
Charity contribution approved for 2023	-	-	-	-	51,847	-	(51,847)	-
Transfer to statutory reserve	-	-	2,348	-	-	-	(2,348)	-
Charity utilised during the period	-	-	-	-	(10,800)	-	10,800	-
Cash dividends declared for 2023	-	-	-	-	-	-	(989,622)	(989,622)
At 30 September 2024	1,980,000	(6,786)	1,015,003	700,000	458,478	3,093,458	26,434,389	33,674,542

The accompanying notes 1 to 13 are an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2025

Bahraini dinars

	Note	30 September 2025 (reviewed)	30 September 2024 (reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		4,274,843	5,134,995
Cash paid to suppliers and for operating expenses		(2,957,763)	(4,433,568)
Directors' remuneration and sitting fee paid	9	(172,000)	(172,800)
Net cash from operating activities		1,145,080	528,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(224,568)	(2,315,189)
Disposal of property, plant and equipment		15,360	-
Bank deposits matured after more than three months		13,508,000	9,837,285
Bank deposits created for more than three months		(13,000,000)	(11,308,000)
Debt investment securities, net		-	1,000,000
Interest and dividends received		1,054,164	961,943
Net cash from/ (used in) investing activities		1,352,956	(1,823,961)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(989,622)	(989,622)
Charities paid		(19,918)	(10,800)
Repayment of bank borrowings		(164,146)	-
Net cash used in financing activities		(1,173,686)	(1,000,422)
Net change in cash and cash equivalents		1,324,350	(2,295,756)
Cash and cash equivalents at 1 January		505,551	3,831,984
Cash and cash equivalents at 30 September		1,829,901	1,536,228

Cash and cash equivalents as at 30 September 2025 is gross of the expected credit loss of BD 328 (2024: BD 328).

The accompanying notes 1 to 13 are an integral part of the condensed consolidated interim financial information

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2025**

Bahraini dinars

1 REPORTING ENTITY

The Bahrain Ship Repairing and Engineering Company BSC (the "Company") is a Public Shareholding Company registered in Bahrain on 16 September 1962 under commercial registration number 715. The Company's principal activities are to provide repair and maintenance services to vessels operating in the Arabian Gulf and emergency repairs to the larger ocean-going ships that pass through the area. The Company also has an engineering contracting and trading division (TEAMS).

The condensed consolidated interim financial information includes the results of the Company and its wholly-owned subsidiary Marine and Industrial Pump Repair (Gulf) WLL (collectively the "Group").

2 BASIS OF PREPARATION**a. Statement of compliance**

The accompanying interim condensed consolidated financial information is prepared in accordance with IAS 34 - "Interim Financial Reporting" which permits the condensed consolidated interim financial information to be in summarised form.

The condensed consolidated interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements as at and for the year ended 31 December 2024. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2024 and comparatives for the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows have been extracted from the reviewed condensed consolidated interim financial information of the Group for the nine-month period ended 30 September 2024.

b. Judgments and estimates

The preparation of this condensed consolidated interim financial information requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, judgements made by management in applying the Company's accounting policies and sources of estimation are subject to uncertainty regarding the potential impacts of the current economic volatility and these are considered to represent management's best assessment based on available or observable information.

Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2024.

c. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2024.

d. New and amended standards and interpretations

A number of new standards, amendments and interpretations were issued under International Financial Reporting Standards, which are effective as of 1 January 2025. However, these do not have a significant impact on the interim financial information of the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2025

Bahraini dinars

3 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

4 SEASONALITY OF OPERATIONS

Due to the nature of the Group's operations, the nine months results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

5 EQUITY INVESTMENT SECURITIES

	30 September 2025 (reviewed)	31 December 2024 (audited)
Quoted equity securities – at FVTOCI	4,808,085	4,540,699
	4,808,085	4,540,699

Movement during the period as follows:

	30 September 2025 (reviewed)	31 December 2024 (audited)
At beginning of the period	4,540,699	4,683,597
Net change in fair value for the period	267,386	(142,898)
At end of the period	4,808,085	4,540,699

6 TRADE RECEIVABLES

	30 September 2025 (reviewed)	31 December 2024 (audited)
Trade receivables	831,216	1,446,113
Less: expected credit loss	(323,857)	(434,034)
	507,359	1,012,079

Movement on expected credit loss is as follows:

	30 September 2025 (reviewed)	31 December 2024 (audited)
At beginning of the period	434,034	398,931
Charge for the period	45,648	48,367
Release during the period	(144,355)	(13,264)
Written off during the period	(11,470)	-
At end of the period	323,857	434,034

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2025

Bahraini dinars

7 INVENTORIES

	30 September 2025 (reviewed)	31 December 2024 (audited)
Raw materials and consumables	715,605	686,837
Goods for sale	312,018	336,708
	1,027,623	1,023,545
Provision for slow-moving and obsolete items	(470,543)	(410,681)
	557,080	612,864

Movement on impairment allowance during the period as follows:

	30 September 2025 (reviewed)	31 December 2024 (audited)
At beginning of the period	410,681	393,749
Charge for the period	59,862	94,470
Release during the period	-	(77,538)
At end of the period	470,543	410,681

8 OPERATING SEGMENTS

The Group operates in Bahrain and has the following business segments:

30 September 2025 (reviewed)	Ship- repairing & investments	Trading	Pump repairing	Elimination of intersegment transactions	Total
Sales	4,673,362	40,926	129,195	(29,651)	4,813,832
Expenses	(3,288,398)	(57,125)	(120,650)	29,651	(3,436,522)
Depreciation / amortization	(637,497)	(2,497)	(2,132)	-	(642,126)
Interest, dividend and other income	1,279,921	1,672	-	-	1,281,593
Profit/ (loss) for the period	2,027,388	(17,024)	6,413	-	2,016,777
Total assets	39,255,013	514,018	194,015	(626,090)	39,336,956
Total liabilities	(3,896,514)	(531,041)	(112,600)	576,090	(3,964,065)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2025

Bahraini dinars

8 OPERATING SEGMENTS (continued)

30 September 2024 (reviewed)	Ship- repairing & investments	Trading	Pump repairing	Elimination of intersegment transactions	Total
Sales	3,810,236	216,838	171,975	(30,305)	4,168,744
Expenses	(2,876,968)	(316,610)	(127,491)	30,305	(3,290,764)
Depreciation / amortization	(488,012)	(7,491)	(1,702)	-	(497,205)
Interest, dividend and other income	1,386,992	1,217	-	-	1,388,209
Profit/ (loss) for the period	1,832,248	(106,046)	42,782	-	1,768,984
Total assets	36,636,240	641,459	161,078	(681,909)	36,756,868
Total liabilities	(2,994,394)	(676,678)	(43,164)	631,909	(3,082,327)

9 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party, directly or indirectly through one or more intermediaries, has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include major shareholders, directors and key management personnel of the Group and entities that are related to these parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

a) Related party balances

	30 September 2025 (reviewed)	31 December 2024 (audited)
Amount due from Kanoo Shipping - <i>entity under common control</i>	5,467	383
Amount due to Yusuf Bin Ahmed Kanoo WLL - <i>shareholder</i>	1,176	1,498

b) Related party transactions

	30 September 2025 (reviewed)	30 September 2024 (reviewed)
<i>Revenues</i>		
Ship repairing services - <i>entity under common control</i>	7,523	49,264
<i>Expenses</i>		
Purchase of air tickets and services - <i>entity under common control</i>	55,431	47,373

c) Terms and conditions of transactions with related parties

Outstanding balances arise in the normal course of business and are unsecured, interest free and settlement occurs in cash, and are usually settled within 60 days. There have been no guarantees received or provided for any related party payables and receivable balances.

The directors' remuneration charged to condensed statement of profit or loss during the period ended 30 September 2025 amounted to BD 130,500 (30 September 2024: BD 147,118). Further, the directors' remuneration related to year ended 31 December 2024 paid during the period amounted to BD 172,000 (30 September 2024: BD 172,800 related to year ended 31 December 2023).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2025

Bahraini dinars

9 RELATED PARTY TRANSACTIONS (continued)

d) Compensation of key management personnel

The remuneration of key management personnel, other than directors, during the period were as follows:

	30 September 2025 (reviewed)	30 September 2024 (reviewed)
Short-term benefits	211,018	172,920
Post-employment benefits	4,950	4,088
	215,968	177,008

10 APPROPRIATIONS

At the Annual General Meeting for the year ended 31 December 2024, which was held on the 26 March 2025, the following appropriation was approved and effected during the period: BD 989,622 cash dividend and BD 58,770 for donations and charity.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

The table below analyses financial instruments measured at fair value at 30 September 2025, by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 September 2025 (reviewed)	Level 1	Level 2	Level 3	Total
Equity investments	3,849,831	958,254	-	4,808,085
31 December 2024 (audited)	Level 1	Level 2	Level 3	Total
Equity investments	3,711,561	829,138	-	4,540,699

Fair value hierarchy

a) Financial instruments measured at fair value

There has been no transfer between the levels during the period.

b) Other financial assets and liabilities

The fair value of the debt investment securities as at 30 September 2025 is BD 946,996 (31 December 2024: BD 933,433). The carrying amount of other financial assets and liabilities approximate their fair values due to their short-term nature.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2025

Bahraini dinars

12 COMMITMENT AND CONTINGENT LIABILITIES

	30 September 2025 (reviewed)	31 December 2024 (audited)
Letter of guarantees	80,600	56,171
Capital commitment	48,787	213,448

13 DOMESTIC MINIMUM TOP-UP TAX

The multinational enterprise ("MNE") group is subject to the OECD Global Anti-Base Erosion Pillar Two Model Rules ("GloBE rules") that apply to MNE groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Yusuf Bin Ahmed Kanoo WLL ("Ultimate Parent Entity"), MNE group, is domiciled and operates in the Kingdom of Bahrain which has issued and enacted Decree Law No. (11) of 2024 ("Bahrain DMTT law") on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident constituent entities of the MNE group for fiscal years commencing on or after 1 January 2025.

The Ultimate Parent Entity has assessed that it is in scope of the Bahrain DMTT law. The Company is the constituent entity of the MNE Group which is also domiciled and operates in the Kingdom of Bahrain and therefore it is also within the scope of the Bahrain DMTT law, effective 1 January 2025.

The Ultimate Parent Entity is the designated filing constituent entity responsible for filing DMTT on behalf of the group entities operating in the Kingdom of Bahrain.

The Ultimate Parent Entity is currently preparing for compliance with the Bahrain DMTT law and GloBE rules by upgrading reporting systems, evaluating transfer pricing adjustments and aligning with domestic and international DMTT regulations. As at the reporting date, the management has completed their assessment and estimation of the quantitative impact of the Bahrain DMTT law and GloBE rules and based on the assessment done by the Ultimate Parent there is no tax liability resulting on the Group as at period end.