

**NATIONAL METAL MANUFACTURING
AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH
PERIODS ENDED SEPTEMBER 30, 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS OF NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)**

INTRODUCTION

We have reviewed the accompanying September 30, 2025 interim condensed consolidated financial statements of National Metal Manufacturing and Casting Company ("MAADANIYAH") (the "Company"), a Saudi Joint Stock Company, and its subsidiaries (collectively referred to as the "Group") which comprises:

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

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

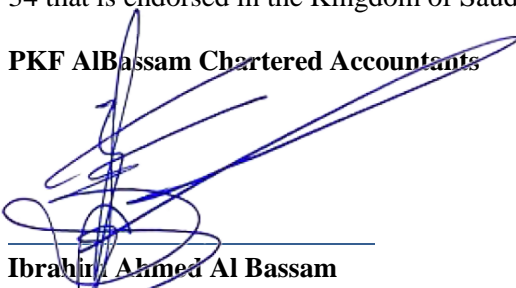
SCOPE OF REVIEW

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

CONCLUSION

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

PKF AlBassam Chartered Accountants



Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337


Khobar, Kingdom of Saudi Arabia November 6,
2025G

Corresponding to: Jumada Al Awal 15, 1447H



NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025
Expressed in Saudi Riyal

| ASSETS | | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|--|-------------|---|--|
| Non-current assets | Note | | |
| Property, plant and equipment | 6,12 | 167,807,909 | 159,111,832 |
| Intangible assets | | 21,243,253 | 20,076,776 |
| Right-of-use assets | | 10,065,699 | 8,845,244 |
| Investment properties | 7 | 1,079,245 | 1,229,750 |
| Equity instruments designated at fair value through other comprehensive income (FVOCI) | | 3,750,000 | 3,750,000 |
| Total non-current assets | | 203,946,106 | 193,013,602 |
| Current assets | | | |
| Inventories | | 81,958,891 | 86,785,591 |
| Trade receivables | | 52,002,324 | 61,623,344 |
| Prepayments and other assets | | 6,128,227 | 5,073,966 |
| Cash and cash equivalents | 9 | 23,132,237 | 25,587,396 |
| Current assets excluding assets classified as held for sale | | 163,221,679 | 179,070,297 |
| Assets classified as held for sale | | 1,314,721 | 2,032,323 |
| Total current assets | | 164,536,400 | 181,102,620 |
| TOTAL ASSETS | | 368,482,506 | 374,116,222 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 354,000,000 | 354,000,000 |
| Accumulated losses | | (122,762,400) | (108,521,913) |
| Total equity | | 231,237,600 | 245,478,087 |
| Non-current liabilities | | | |
| Employees' benefit obligations | | 27,561,235 | 28,752,142 |
| Lease liabilities – non current portion | | 8,779,178 | 7,887,451 |
| Total non-current liabilities | | 36,340,413 | 36,639,593 |
| Current liabilities | | | |
| Trade and other payables | 11 | 30,208,541 | 50,117,187 |
| Short term borrowings | 10 | 50,241,193 | 14,873,144 |
| Accrued expenses and other liabilities | | 17,353,156 | 18,929,584 |
| Lease liabilities - current portion | | 895,454 | 956,258 |
| Long term loans - current portion | 10 | - | 4,522,369 |
| Zakat provision | | 2,206,149 | 2,600,000 |
| Total current liabilities | | 100,904,493 | 91,998,542 |
| Total liabilities | | 137,244,906 | 128,638,135 |
| TOTAL EQUITY AND LIABILITIES | | 368,482,506 | 374,116,222 |


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi


Chief Financial Officer
Fathalrahman Abdullah Othman

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
Expressed in Saudi Riyal

| | Note | For the three-month period ended September 30, | | For the nine-month period ended September 30, | |
|--|-------------|---|--------------------|--|---------------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue | 14 | 46,211,562 | 68,145,994 | 180,225,336 | 187,510,530 |
| Cost of revenue | | (43,325,490) | (66,715,515) | (165,565,693) | (181,950,303) |
| Gross profit | | 2,886,072 | 1,430,479 | 14,659,643 | 5,560,227 |
| Selling and distribution Expenses | | (2,960,830) | (3,432,926) | (10,924,524) | (10,352,814) |
| Administrative expenses | | (4,840,099) | (5,037,518) | (16,830,850) | (13,973,389) |
| Reversal / (charge) of expected credit losses | 8 | 160,945 | 7,084 | 1,733,952 | (321,547) |
| Other income, net | | 535,945 | 384,524 | 1,241,001 | 918,930 |
| Loss before finance cost and zakat | | (4,217,967) | (6,648,357) | (10,120,778) | (18,168,593) |
| Finance cost | | (793,014) | (809,207) | (2,296,265) | (1,993,445) |
| Finance income | | 193 | 219,834 | 79,238 | 721,098 |
| Loss before zakat | | (5,010,788) | (7,237,730) | (12,337,805) | (19,440,940) |
| Zakat | | (610,000) | (950,000) | (1,810,000) | (3,650,000) |
| Loss from continuing operations | | (5,620,788) | (8,187,730) | (14,147,805) | (23,090,940) |
| Loss from discontinued operations | 16 | (23,731) | (756,388) | (92,682) | (5,024,580) |
| Loss for the period | | (5,644,519) | (8,944,118) | (14,240,487) | (28,115,520) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive loss for the period | | (5,644,519) | (8,944,118) | (14,240,487) | (28,115,520) |
| Loss per share | | | | | |
| Basic and diluted losses per share | 15 | | | | |
| - From continuing operations | | (0.16) | (0.23) | (0.40) | (0.65) |
| - From continuing and discontinued operations | | (0.16) | (0.25) | (0.40) | (0.79) |


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi


Chief Financial Officer
Fathallahman Abdullah Othman

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NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025
Expressed in Saudi Riyal

| | <u>Share capital</u> | <u>Statutory reserve</u> | <u>Accumulated losses</u> | <u>Total equity</u> |
|--|--------------------------|------------------------------|-------------------------------|-------------------------|
| Balance at January 1, 2024 - (Audited) | 354,000,000 | 27,173,232 | (96,892,869) | 284,280,363 |
| Loss for the period | - | - | (28,115,520) | (28,115,520) |
| Transfer (note 1) | - | (27,173,232) | 27,173,232 | - |
| Balance at September 30, 2024 - (Unaudited) | 354,000,000 | - | (97,835,157) | 256,164,843 |
| Balance at January 1, 2025 - (Audited) | 354,000,000 | - | (108,521,913) | 245,478,087 |
| Loss for the period | - | - | (14,240,487) | (14,240,487) |
| Balance at September 30, 2025 - (Unaudited) | 354,000,000 | - | (122,762,400) | 231,237,600 |



Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi


Chief Financial Officer
Fathalrahman Abdullah Othman

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025
Expressed in Saudi Riyal

| | September 30, 2025 (Unaudited) | September 30, 2024 (Unaudited) |
|--|--------------------------------------|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before zakat from continuing operations | (12,337,805) | (19,440,940) |
| Loss before zakat from discontinued operations | (92,682) | (5,024,580) |
| Loss before zakat | (12,430,487) | (24,465,520) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 9,023,069 | 10,560,945 |
| Depreciation of right-of-use assets | 455,731 | 461,729 |
| Depreciation of investment properties | 150,505 | 150,865 |
| Amortization of intangible assets | 55,143 | 51,166 |
| Finance income | (79,238) | (721,098) |
| Finance cost | 2,305,051 | 2,049,676 |
| (Write back) / write down inventories | (819,465) | 325,157 |
| Provision for employees' benefit obligations | 1,961,537 | 2,376,010 |
| (Reversal of) / charge for expected credit losses | 8 (1,733,952) | 321,547 |
| (Gain) / loss on disposal of property, plant and equipment | (23,678) | 18 |
| | (1,135,784) | (8,889,505) |
| Working capital changes | | |
| Inventories | 6,363,767 | 6,822,442 |
| Trade receivables | 11,354,972 | (3,179,432) |
| Prepayments and other assets | (1,245,239) | (3,210,360) |
| Trade and other payables | (19,908,646) | (1,435,822) |
| Accrued expenses and other liabilities | (1,544,246) | 1,988,068 |
| Cash used in operations | (6,115,176) | (7,904,609) |
| Zakat paid | (2,203,851) | (4,376,148) |
| Employees' benefits obligations paid | (3,152,460) | (4,143,596) |
| Finance cost paid | (1,430,275) | (1,813,902) |
| Finance income received | 120,216 | 890,924 |
| Net cash used in operating activities | (12,781,546) | (17,347,331) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (17,214,065) | (11,957,177) |
| Additions to intangible assets | (1,221,620) | (1,494,751) |
| Proceeds from disposal of property, plant and equipment | 79,876 | - |
| Net cash used in investing activities | (18,355,809) | (13,451,928) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short term loans | 101,477,623 | 71,380,348 |
| Repayment of short term loans | (66,762,741) | (54,111,036) |
| Repayment of long term loan | (4,550,000) | (3,250,000) |
| Repayment of lease liabilities | (1,482,686) | (791,782) |
| Net cash generated from financing activities | 28,682,196 | 13,227,530 |
| Net change in cash and cash equivalents | (2,455,159) | (17,571,729) |
| Cash and cash equivalents at beginning of the period | 25,587,396 | 47,017,690 |
| Cash and cash equivalents at end of the period | 23,132,237 | 29,445,961 |


Chief Executive Officer and Board Member
Shaker Nafil Al Otaibi


Chief Financial Officer
Fathalrahman Abdullah Othman

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
Expressed in Saudi Riyal

1. ORGANIZATION AND ACTIVITIES

National Metal Manufacturing and Casting Company ("MAADANIYAH") ("the Company") was incorporated pursuant to Council of Ministerial Resolution Number 253 dated 13 Rabi Al Awal, 1411-H corresponding to October 2, 1990G and registered as a Saudi Joint Stock Company under Commercial Registration Number 2055002251 (7001349310) dated 16 Jumada 'I, 1411-H corresponding to December 3, 1990 G issued in Al-Jubail. The registered office of the Company is situated in Al-Jubail, Kingdom of Saudi Arabia.

The Company and its subsidiaries as disclosed below are collectively referred as "the Group".

As at September 30, 2025 and December 31, 2024, the Group has the following branches:

| Branch name | Commercial Registration Number | Date |
|---|---|--------------|
| Axles, Foundries and Spare Parts Factory | 2050016156 | 29/5/1406-H |
| Wire Drawing and Related Products Factory (ASLAK) | 2055013867 | 25/8/1432-H |
| Branch of National Metal Manufacturing and Casting Company (MAADANIYAH) | 1010389002 | 25/11/1434-H |
| Gulf Baas Industries | 2050116884 | 04/11/1439-H |
| Arabian Axles Manufacturing Co. | 2056149638 | 01/03/1443-H |

On June 10, 2024, the shareholders of the Group in extraordinary general assembly meeting resolved to transfer the statutory reserve of SR 27.17 million to off-set a portion of the Group's accumulated losses amounting to SR 96.89 million which represents 27.37% of the share capital as indicated in the consolidated financial statements for the year ended December 31, 2023.

The financial results of these branches are included in these interim condensed consolidated financial statements. The Group and its branches objectives are as follows:

- Production of drawn steel wires, pre-stressed concrete strands, spring wires, steel structures for bed mattresses, aluminum conductor steel reinforce strand, galvanized reinforcement wires, concrete nails, common nails, bolts and nuts, welding wires.
- Production of castings and commercial, industrial, and military metal parts of various types.
- Manufacturing cars and trailers, assembling them, producing various types of axles, different suspension systems, truck parts, vehicles, and equipment.
- Manufacturing military ground and amphibious vehicles, military vehicle parts, armored vehicle plating, and manufacturing mobile military shelters.
- Manufacturing valves and accessories of all sizes.
- Repair and maintenance of company products.
- Wholesale and retail trade in company products, construction materials, and industrial materials, including their import and export.
- Ownership of lands and real estate and construction of buildings on them, and disposal of them in any form.
- Ownership of patents and benefiting from them to achieve its industrial purposes inside and outside the Kingdom.
- Commercial agencies and representation of local or foreign companies inside and outside the Kingdom.
- Commercial tenders and contracts.
- Establishing industrial, service, and commercial projects inside and outside the Kingdom of Saudi Arabia.

Structure of the Group

The interim condensed consolidated financial statements as at September 30, 2025 include the financial statements of the Company and its following subsidiaries:

| <u>Name of subsidiaries</u> | <u>Principal activities</u> | <u>Effective ownership</u> | |
|------------------------------------|---|-----------------------------------|--------------------|
| | | <u>2025</u> | <u>2024</u> |
| PC Strand Bahrain Co.W.L.L | Manufacture of structural metal products – Factory | 100% | 100% |
| Vair National Casting Company | Non-ferrous metal casting including aluminium and zinc etc. | 51% | 51% |

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
Expressed in Saudi Riyal

1. ORGANIZATION AND ACTIVITIES (Continued)

Structure of the Group (Continued)

- PC Strand Bahrain Co.W.L.L

On November 29, 2021, a new subsidiary company has been registered with CR number 160615-1 issued in Bahrain under the name PC Strand Bahrain Co.WLL. The issued capital of the said subsidiary is 20,000 Bahrain Dinar (SR 200,000) which was paid in fourth quarter of the year 2022. The activities of this subsidiary will be to manufacture structural metal products. As at September 30, 2025, the subsidiary is yet to commence its operation. The Company will establish a plant specialized in PC Stranding with estimated cost of SR 55.5 million.

- Vair National Casting Company

On August 30, 2023, the Group has registered a new subsidiary company with CR number 2050174852 issued in the Kingdom of Saudi Arabia under the name of Vair National Casting Company – Limited Liability Company. The share capital of the subsidiary is SR 7.5 million which is still to be paid by both Companies. The ownership of Maadaniyah is 51% of the share capital and IGL share is 49% of the share capital. The activities of this subsidiary will be the casting of non-ferrous metals and the production of finished products, including aluminum, zinc, and related materials. As at September 30, 2025 the subsidiary is yet to commence its operations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants.

The disclosures in these interim condensed consolidated financial statements do not include the information reported for full annual consolidated financial statements and should, therefore, be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2024. In addition, results for the nine-month period ended September 30, 2025 are not necessarily indicative of the expected results for the full year ending December 31, 2025.

2.2 Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention, using the accruals basis of accounting, except for those required to be recorded on other basis of accounting as mentioned in annual consolidated financial statements of the Group for the year ended December 31, 2024.

2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Group. Figures have been rounded off to nearest Saudi Riyals, unless otherwise stated.

3. USE OF ESTIMATES AND JUDGMENTS

In preparing these interim condensed consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual consolidated financial statements of the Group for the year ended December 31, 2024.

4. MATERIAL ACCOUNTING POLICES

The material accounting policies, risk management policies and methods of computation adopted for the preparation of these interim condensed consolidated financial statements are same as those applied in the annual consolidated financial statements of the Group for the year ended December 31, 2024, except for the adoption of certain new standards / amendments that have become effective in the current period.

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
Expressed in Saudi Riyal

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

5.1 Standards and amendments issued and applied effective in current period

There are no new standards issued, however, there are amendments to the following standards, which are effective in current period and have no material impact on Group's interim condensed consolidated financial statements;

| Amendments to standard | Description | Effective for annual years beginning on or after | Summary of the amendment |
|-------------------------------|-------------------------|---|---|
| IAS 21 | Lack of Exchangeability | January 1, 2025 | The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate. |

5.2 New standards, amendments and revised IFRS issued but not yet effective

| Amendments to standard | Description | Effective for annual years beginning on or after | Summary of the amendment |
|-------------------------------|---|---|--|
| IFRS 9 and IFRS 7 | Classification and Measurement of Financial Instruments | January 1, 2026 | These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others. |
| IFRS 18 | Presentation and Disclosure in Financial Statements | January 1, 2027 | IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows. |

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
Expressed in Saudi Riyal

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (Continued)

5.2 New standards, amendments and revised IFRS issued but not yet effective (Continued)

| Amendments to standard | Description | Effective for annual years beginning on or after | Summary of the amendment |
|-------------------------------|--|---|---|
| IFRS 19 | Subsidiaries without Public Accountability | January 1, 2027 | IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. |

Management anticipates that these new interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these interpretations and amendments are expected to have material impact on the presentation and the disclosure of the consolidated financial statements of the Group in the period of initial application.

6. PROPERTY, PLANT AND EQUIPMENT

During the three-month and nine-month periods ended September 30, 2025, additions to property, plant and equipment were amounted to SR 4.88 million and SR 17.78 million, respectively (three-month and nine-month periods ended September 30, 2024: SR 6.08 million and SR 12.30 million, respectively).

7. INVESTMENT PROPERTIES

The investment properties were valued on December 31, 2024 at fair value, determined by an independent, professionally qualified valuer "Fair value Company for Professional Consultation" who is licensed by Saudi Authority for Accredited Valuers (License number "1210000841"). As at December 31, 2024, the fair valuation of the investment properties amounted to SR 9.4 million using level 2 valuation techniques. Management believes that there has not been any material change in fair value of these investment properties as at September 30, 2025.

8. ALLOWANCE FOR EXPECTED CREDIT LOSSES

The movement of the allowance for expected credit losses against trade receivables during the period / year is as follows:

| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|---|--|
| As at beginning of the period / year | 18,561,716 | 18,977,956 |
| (Reversal) / charge for the period / year | (1,733,952) | 85,538 |
| Write offs | - | (501,778) |
| As at end of the period / year | 16,827,764 | 18,561,716 |

9. CASH AND CASH EQUIVALENTS

| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|----------------------|---|--|
| Cash at banks | 23,096,413 | 14,023,237 |
| Cash in hand | 35,824 | 21,335 |
| Term / call deposits | - | 11,542,824 |
| | 23,132,237 | 25,587,396 |

As at December 31, 2024, term deposits with local banks had original maturities of less than three months and carry profit at prevailing commercial rates ranging from 5.21% to 6.12%

NATIONAL METAL MANUFACTURING AND CASTING COMPANY (MAADANIYAH)
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
Expressed in Saudi Riyal

10. BORROWINGS

| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|--|---|--|
| Saudi Industrial Development Fund (SIDF) | - | 4,550,000 |
| Less: deferred financial charges | - | (27,631) |
| Less: current portion | - | (4,522,369) |
| Long term loans –non current portion | - | - |
| Long term loans –current portion | - | 4,522,369 |
| Short term borrowings | 50,241,193 | 14,873,144 |
| | 50,241,193 | 19,395,513 |

10.1 The Group has obtained various facilities from local banks (“the Facilities”) which comprise of letter of credits, import finance, letter of guarantees, term finance facilities and tawaruq financing. Tawaruq financing partially covered by the bridge financing which will be paid immediately to the bank once loan from SIDF of an equivalent amount will be received. The Facilities are secured by promissory notes and mortgage of properties. The Facilities carry charges at commercial rates.

10.2 The Group is required to comply with certain covenants. As at September 30, 2025, it is complying with all the covenants.

11. TRADE AND OTHER PAYABLES

| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|---|--|
| Trade payables | 10,527,841 | 12,220,719 |
| Notes payables – under supplier finance arrangement | 18,192,332 | 29,344,638 |
| Bills payables | 1,488,368 | 8,551,830 |
| | 30,208,541 | 50,117,187 |

The Group has entered into supplier finance arrangements with local banks to facilitate settlement of amounts payable to suppliers. Under these programs, suppliers may receives payment from the bank, while the Group continues to settle the liability on or at a later date in accordance with the agreed terms. The arrangements are supported by promissory notes issued in favor of the banks. The banks may terminate the arrangements in case of breach of covenants or non-compliance with facility limits.

12. CONTINGENCIES AND COMMITMENTS

(a) The Group’s outstanding contingencies and commitments were as follows:

| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|----------------------|---|--|
| Letter of credits | 17,834,321 | 24,156,364 |
| Letter of guarantees | 404,567 | 389,042 |

(b) As at September 30, 2025, the Group has outstanding capital commitments amounted to SR 25.10 million (December 31, 2024: SR 43 million) related to property, plant and equipment and intangible assets.

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13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties consist of major shareholders, parties controlled and influenced by them, Board of Directors and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The transactions are dealt with on mutually agreed terms and the terms and conditions on these transactions are approved by the Group's management. The Group have no significant transaction with any of its related parties except for key management personnel and Directors.

Transactions with key management personnel:

| | For the three-month period ended September 30, 2025 (Unaudited) | For the three-month period ended September 30, 2024 (Unaudited) | For the nine-month period ended September 30, 2025 (Unaudited) | For the nine-month period ended September 30, 2024 (Unaudited) |
|--|--|---|---|--|
| Key management executive' remuneration | 1,269,141 | 1,316,426 | 4,216,258 | 4,294,482 |
| Directors' allowances and expenses | 367,500 | 370,500 | 1,102,500 | 1,084,500 |

Payable to key management personnel in respect of the remuneration, allowances and other expenses classified under accrued and other liabilities are as follows:

| | Nature of balance | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|--------------------|--------------------------|---------------------------------------|-----------------------------|
| Board of directors | Board remuneration | 1,014,500 | 1,401,323 |

14. SEGMENT INFORMATION

The Group identified industrial valves as new operating segment as per IFRS as at the reporting period December 31, 2024 which was previously classified under the transformation industries segment. As at September 30, 2025, the Group has the following three strategic divisions disclosed as reportables segments. These reportable segments provide distinct products and services and are managed independently due to the need for unique marketing strategies.

The Group's Chief Financial Officer (CFO) reviews internal management reports on at least a quarterly basis.

The following table describes the operations of each reportable segments.

| Reportable segments | Activities |
|--|--|
| Transformation industries | Manufacture and sells PC Strand wires, single wires and spring wire. |
| Engineering and metal forming industries | Assembly of axles for trailers, spare parts and metal casting. |
| Industrial valves | Manufactures high pressure industrial valves. |

All of the Group's operations are located in the Kingdom of Saudi Arabia.

| As at September 30, 2025 (Unaudited) | Transformation industries | Engineering and metal forming industries | Industrial valves | Corporate | Total |
|---|----------------------------------|---|--------------------------|-------------------|--------------------|
| Total assets | 181,961,357 | 103,686,585 | 72,830,487 | 10,004,077 | 368,482,506 |
| Total liabilities | 75,296,188 | 29,367,291 | 22,851,892 | 9,729,535 | 137,244,906 |
| As at December 31, 2024 (Audited) | Transformation industries | Engineering and metal forming industries | Industrial valves | Corporate | Total |
| Total assets | 195,616,093 | 116,493,036 | 53,951,277 | 8,055,816 | 374,116,222 |
| Total liabilities | 78,499,822 | 37,971,075 | 4,788,122 | 7,379,116 | 128,638,135 |

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14. SEGMENT INFORMATION (Continued)

| | Engineering and metal | | | | | Engineering and metal | | | | |
|---|---|-----------------------|----------------------|------------------|--------------------|---|-----------------------|----------------------|------------------|--------------------|
| | Transformation industries | forming industries | Industrial valves | Corporate | Total | Transformation industries | forming industries | Industrial valves | Corporate | Total |
| | For the three month period ended September 30, 2025 (Unaudited) | | | | | For the three month period ended September 30, 2024 (Unaudited) | | | | |
| Revenue | 31,650,751 | 14,560,811 | - | - | 46,211,562 | 42,450,342 | 25,695,652 | - | - | 68,145,994 |
| Cost of revenue | (27,734,713) | (15,590,777) | - | - | (43,325,490) | (41,760,575) | (24,954,940) | - | - | (66,715,515) |
| Gross profit/ (loss) | 3,916,038 | (1,029,966) | - | - | 2,886,072 | 689,767 | 740,712 | - | - | 1,430,479 |
| Selling and distribution expenses | (1,688,235) | (1,272,595) | - | - | (2,960,830) | (2,206,011) | (1,226,915) | - | - | (3,432,926) |
| General and administrative expenses | (1,114,694) | (2,202,798) | (636,030) | (886,577) | (4,840,099) | (1,839,911) | (2,104,655) | (412,414) | (680,538) | (5,037,518) |
| Reversal of expected credit losses | 150,000 | 10,945 | - | - | 160,945 | - | 7,084 | - | - | 7,084 |
| Other income / (expense), net | 109,091 | 426,881 | (27) | - | 535,945 | 425,439 | (40,915) | - | - | 384,524 |
| Operating profit / (loss) | 1,372,200 | (4,067,533) | (636,057) | (886,577) | (4,217,967) | (2,930,716) | (2,624,689) | (412,414) | (680,538) | (6,648,357) |
| Finance cost | (686,340) | (104,598) | (2,076) | - | (793,014) | (695,125) | (114,082) | - | - | (809,207) |
| Finance income | 193 | - | - | - | 193 | 219,834 | - | - | - | 219,834 |
| Profit / (loss) before zakat | 686,053 | (4,172,131) | (638,133) | (886,577) | (5,010,788) | (3,406,007) | (2,738,771) | (412,414) | (680,538) | (7,237,730) |
| Zakat expense | (150,000) | (460,000) | - | - | (610,000) | (350,000) | (600,000) | - | - | (950,000) |
| Profit / (loss) from continuing operations | 536,053 | (4,632,131) | (638,133) | (886,577) | (5,620,788) | (3,756,007) | (3,338,771) | (412,414) | (680,538) | (8,187,730) |

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14. SEGMENT INFORMATION (Continued)

| | Transformation industries | Engineering and metal forming industries | Industrial valves | Corporate | Total | Transformation industries | Engineering and metal forming industries | Industrial valves | Corporate | Total |
|---|--|---|----------------------|--------------------|---------------------|--|---|----------------------|--------------------|---------------------|
| | For the nine month period ended September 30, 2025 (Unaudited) | | | | | For the nine month period ended September 30, 2024 (Unaudited) | | | | |
| Revenue | 124,727,777 | 55,497,559 | - | - | 180,225,336 | 117,325,704 | 70,184,826 | - | - | 187,510,530 |
| Cost of revenue | (109,911,718) | (55,653,975) | - | - | (165,565,693) | (116,145,764) | (65,804,539) | - | - | (181,950,30) |
| Gross profit / (loss) | 14,816,059 | (156,416) | - | - | 14,659,643 | 1,179,940 | 4,380,287 | - | - | 5,560,227 |
| Selling and distribution expenses | (6,952,507) | (3,972,017) | - | - | (10,924,524) | (6,423,915) | (3,928,899) | - | - | (10,352,814) |
| General and administrative | (4,382,403) | (8,098,474) | (1,904,722) | (2,445,251) | (16,830,850) | (4,296,324) | (6,810,685) | (932,335) | (1,934,045) | (13,973,389) |
| Reversal of / (allowance for) expected credit losses | 1,200,000 | 533,952 | - | - | 1,733,952 | (1,235,754) | 914,207 | - | - | (321,547) |
| Other income / (expense), net | 837,300 | 400,047 | 3,654 | - | 1,241,001 | 1,002,445 | (83,515) | - | - | 918,930 |
| Operating profit / (loss) | 5,518,449 | (11,292,908) | (1,901,068) | (2,445,251) | (10,120,778) | (9,773,608) | (5,528,605) | (932,335) | (1,934,045) | (18,168,593) |
| Finance cost | (1,962,326) | (328,787) | (4,820) | (332) | (2,296,265) | (1,672,309) | (321,136) | - | - | (1,993,445) |
| Finance income | 79,238 | - | - | - | 79,238 | 721,098 | - | - | - | 721,098 |
| Profit / (loss) before zakat | 3,635,361 | (11,621,695) | (1,905,888) | (2,445,583) | (12,337,805) | (10,724,819) | (5,849,741) | (932,335) | (1,934,045) | (19,440,940) |
| Zakat expense | (550,000) | (1,260,000) | - | - | (1,810,000) | (1,850,000) | (1,800,000) | - | - | (3,650,000) |
| Profit / (loss) from continuing operations | 3,085,361 | (12,881,695) | (1,905,888) | (2,445,583) | (14,147,805) | (12,574,819) | (7,649,741) | (932,335) | (1,934,045) | (23,090,940) |

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14. SEGMENT INFORMATION (Continued)

The sales within the Kingdom of Saudi Arabia for the three-month and nine-month periods ended September 30, 2025 amounted to SR 40.60 million and SR 134.94 million, respectively (three-month and nine-month periods September 30, 2024: SR 52.02 million and SR 138.60 million, respectively). Export sales for the three-month and nine-month periods ended September 30, 2025 amounted to SR 5.60 million and SR 45.70 million, respectively (three-month and nine-month periods ended September 30, 2024: SR 16.33 million and SR 50.30 million, respectively).

All of the Group's operations are located in the Kingdom of Saudi Arabia.

15. LOSS PER SHARE

| | For three-month period ended | | For nine-month period ended | |
|---|---|---|---|---|
| | September 30, 2025 (Unaudited) | September 30, 2024 (Unaudited) | September 30, 2025 (Unaudited) | September 30, 2024 (Unaudited) |
| Loss for the period from continuing operations | (5,620,788) | (8,187,730) | (14,147,805) | (23,090,940) |
| Weighted average number of ordinary shares | 35,400,000 | 35,400,000 | 35,400,000 | 35,400,000 |
| Basis / diluted loss per share | (0.16) | (0.23) | (0.40) | (0.65) |
| Loss for the period from continuing and discontinued operations | (5,644,519) | (8,944,118) | (14,240,487) | (28,115,520) |
| Weighted average number of ordinary shares | 35,400,000 | 35,400,000 | 35,400,000 | 35,400,000 |
| Basis / diluted loss per share | (0.16) | (0.25) | (0.40) | (0.79) |

16. DISCONTINUED OPERATIONS

As at December 31, 2024, the Group classified one of its production line of engineering and metal forming division as a discontinued operation in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. This decision was based on the formal approval of the Board and the satisfaction of the classification criteria under IFRS 5.

The results of the discontinued operations for the three-month and nine-month periods ended September 30, 2025 and the comparative periods ended September 30, 2024 are as follows:

| | For three-month period ended | | For nine-month period ended | |
|---|---|---|---|---|
| | September 30, 2025 (Unaudited) | September 30, 2024 (Unaudited) | September 30, 2025 (Unaudited) | September 30, 2024 (Unaudited) |
| Revenue | (8,664) | 205,475 | 414,352 | 1,384,092 |
| Cost of revenue | (3,604) | (728,790) | (276,908) | (4,814,716) |
| Gross profit / (loss) | (12,268) | (523,315) | 137,444 | (3,430,624) |
| Selling and distribution expenses | (11,463) | (53,902) | (95,069) | (369,426) |
| General and administrative expenses | - | (195,605) | (126,271) | (1,245,830) |
| Other income net | - | 24,528 | - | 77,531 |
| Operating loss | (23,731) | (748,294) | (83,896) | (4,968,349) |
| Finance cost | - | (8,094) | (8,786) | (56,231) |
| Loss before zakat | (23,731) | (756,388) | (92,682) | (5,024,580) |
| Zakat expense | - | - | - | - |
| Loss from discontinued operation | (23,731) | (756,388) | (92,682) | (5,024,580) |
| Loss per share | | | | |
| – basic and diluted | (0.00) | (0.02) | (0.00) | (0.14) |

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17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

As at September 30, 2025 and December 31, 2024, the carrying values of the financial assets and financial liabilities of the Group approximate to their fair values. Regarding equity investment at FVOCI, the management believes that cost is the best estimates of its fair value as the investee company is in formation stages as of June 30, 2025. The management also believes that the fair value of investment property is not materially different with that disclosed in annual consolidated financial statements of the Group for the year ended December 31, 2024.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with the current period presentation of the interim condensed consolidated financial statements.

19. NON-CASH TRANSACTIONS:

Following are the non-cash transactions:

| | September 30, 2025 (Unaudited) | September 30, 2024 (Unaudited) |
|---|---|---|
| Finance cost related to lease liability transferred to capital work in progress | 281,234 | 169,270 |
| Additions to right of use assets and lease liabilities | 1,808,547 | |
| Prepaid rent adjusted against the right of use assets | 150,000 | - |
| Depreciation expense related to right of use assets transferred to capital work in progress | 280,045 | 170,491 |
| Transfer of statutory reserve to accumulated losses | - | 27,173,232 |
| End of services benefits liabilities transferred to accrued and other liabilities | - | 2,016,932 |

20. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved and authorized for issue by the Board of Directors on November 4, 2025G corresponding to Jumada Al Awal 13, 1447H.