

**AI KATHIRI HOLDING COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED 30 JUNE 2025
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT FOR THE CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS REVIEW**

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

To the **Shareholders of ALKATHIRI HOLDING COMPANY**
(A Saudi Joint Stock Company)

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of ALKATHIRI HOLDING COMPANY (a Saudi Joint Stock Company) "the company" and its subsidiaries collectively referred to together as the "Group", as of June 30, 2025, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2025, interim condensed consolidated statements of changes in shareholders' equity and interim condensed consolidated cash flows for the six-month periods then ended, and a summary of significant accounting policies and other explanatory notes.

The company's management is responsible for preparing and presenting these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 (interim Financial Reporting) 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.

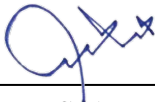
Scope of Review:

We conducted our review in accordance with the International Standard on Review Engagements No. (2410) "Review of interim Financial Information performed by the independent auditor of the entity", endorsed in the Kingdom of Saudi Arabia. A review of the interim condensed consolidated financial statements consists of making inquiries, primarily, to those 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 the International Standards of Auditing 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 consolidated financial statements are not prepared in all material respects, in accordance with the IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi Company



Abdullah S. Al Misned
License No. (456)

Riyadh:
August 14, 2025
Safar 20,1447



AI KATHIRI HOLDING COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	As at 30 June 2025 (Unaudited)	As at Decmeber 31 2024 (Audited)
<u>ASSETS</u>			
Non-current assets:			
Property, plant and equipment	7	146,112,701	145,486,307
Right of use assets	8	15,646,623	4,187,444
Total non-current assets		161,759,324	149,673,751
CURRENT ASSETS :			
Trade receivables	9	47,568,927	42,244,329
Inventory	10	38,035,375	33,586,634
Prepaid expenses and other debit balances	12	66,827,776	28,723,228
Cash and Cash Equivalents	13	6,282,201	33,384,991
Total current assets		158,714,279	137,939,182
Total assets		320,473,603	287,612,933
<u>EQUITY AND LIABILITIES</u>			
EQUITY:			
Share Capital	14.1	113,022,000	113,022,000
Share premium		7,559,083	7,559,083
Statutory Reserve	15	4,927,354	4,927,354
Accumulated losses		(20,989,278)	-13,386,438
Equity attributable to the shareholders of parent company		104,519,159	112,121,999
Non-controlling interest		242,385	285,511
Total equity		104,761,544	112,407,510
LIABILITIES			
NON-CURRENT LIABILITIES:			
Sukuk with amortized cost	16	100,000,000	100,000,000
Non-current portion of the saudi Industrial Development Fund loan	17	9,958,275	11,860,952
Non-current portion of lease liabilities	8	7,291,491	829,081
Provision for removal and rehabilitation		275,508	271,959
Employees defined benfits obligations	18	4,764,373	4,272,476
Total non-current liabilities		122,289,647	117,234,468
CURRENT LIABILITIES:			
Trade payables		39,844,428	28,669,383
Short term loans	19	22,715,481	16,710,363
The current portion of the saudi Industrial Development Fund loan	17	4,000,000	4,000,000
Current portion of lease liabilities	8	4,979,270	898,289
Accrued expenses and other credit balances	20	21,883,233	7,692,920
Total current liabilities		93,422,412	57,970,955
Total liabilities		215,712,059	175,205,423
Total Equity And Liabilities		320,473,603	287,612,933

Finance Manager

Chief Executive Officer

The accompanying notes are an integral part of these condensed consolidated interim financial statements (Unaudited)

AI KATHIRI HOLDING COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	For the three months period ended 30 june		For the six months period ended 30 june	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	22	71,354,185	42,457,646	123,191,394	88,097,884
Less: Cost of revenue	23	(65,847,791)	(35,695,373)	(115,444,667)	(75,482,073)
Gross profit		5,506,394	6,762,273	7,746,727	12,615,811
Less:					
General and administrative expenses	24	(4,665,620)	(3,089,549)	(8,592,091)	(5,609,699)
Selling and Marketing expenses		(623,494)	(1,011,980)	(1,815,873)	(1,708,350)
Profit/(loss) From main operations		217,280	2,660,744	(2,661,237)	5,297,762
Finance cost	25	(2,800,149)	(2,519,826)	(5,240,734)	(5,259,347)
Deposits returns	13	-	297,585	224,494	836,839
Other Revenue		54,714	19,346	76,282	36,455
(Loss)/profit before Zakat		(2,528,155)	457,849	(7,601,195)	911,709
Less: Zakat	21	(44,771)	(219,685)	(44,771)	(439,370)
Net(loss)/ profit for the period		(2,572,926)	238,164	(7,645,966)	472,339
Other comprehensive income					
Actuarial revaluation of employee benefits		-	-	-	-
Total other comprehensive income		(2,572,926)	238,164	(7,645,966)	472,339
Net loss/ (profit) attributable to:					
Shareholders of parent company		(2,563,691)	233,262	(7,602,840)	475,259
Non-controlling interest		(9,235)	4,902	(43,126)	(2,920)
Total comprehensive income (comprehensive loss) attributable to:					
Shareholders of parent company		(2,563,691)	233,262	(7,602,840)	475,259
Non-controlling interest		(9,235)	4,902	(43,126)	(2,920)
EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	26				
From period net (loss)/profit		(0.011)	0.001	(0.034)	0.002

Finance Manager

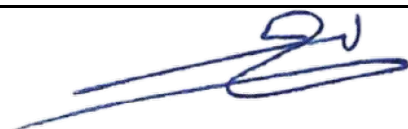
Chief Executive Officer

The accompanying notes are an integral part of these condensed consolidated interim financial statements (Unaudited)

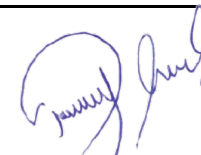
AI KATHIRI HOLDING COMPANY
SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share Capital	Share premium	Statutory Reserve	(Accumulated losses) /Retained Earnings	Total equity belonging to the parent company	Non-controlling equity	Total
Balance at 1 January 2025 "Audited"	113,022,000	7,559,083	4,927,354	(13,386,438)	112,121,999	285,511	112,407,510
Net loss for the period	-	-	-	(7,602,840)	(7,602,840)	(43,126)	(7,645,966)
Balance at 30 June 2025 "Unaudited"	113,022,000	7,559,083	4,927,354	-20,989,278	104,519,159	242,385	104,761,544
Balance at 1 January 2024 "Audited"	113,022,000	7,559,083	4,927,354	5,523,097	131,031,534	255,295	131,286,829
Net profit for the period	-	-	-	475,259	475,259	(2,920)	472,339
Balance at 30 June 2024 "Unaudited"	113,022,000	7,559,083	4,927,354	5,998,356	131,506,793	252,375	131,759,168

Finance Manager



Chief Executive Officer



The accompanying notes are an integral part of these condensed consolidated interim financial statements (Unaudited)

AI KATHIRI HOLDING COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR SIX MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	For the six months period ended 30	
	june	
	2025	2024
	(Unaudited)	(Unaudited)
Cash Flows From Operations Activities:		
(Loss)/profit for the priod before zakat	(7,601,195)	911,709
Adjustments To Reconcile (loss)/ Profit To Net Cash Used In Operations Activities:		
Non cash adjustment:		
Depreciation of property, plant and equipment	6,926,358	7,082,140
Financing cost	5,240,734	5,259,347
Employees defined benfits obligations (Charged)	637,759	617,335
	5,203,656	13,870,531
Changes In Working Capital:		
Trade receivables	(5,324,598)	(9,127,093)
Inventory	(4,448,741)	(7,877,465)
Prepaid expenses and other debit balances	(38,104,548)	(14,243,039)
Trade payables	11,175,045	2,088,195
Accrued expenses and other credit balances	14,190,313	3,812,165
Zakat paid	(44,771)	(878,739)
Employees defined benfits obligations ,Paid	(145,862)	(236,834)
Net cash used in operating activities	(17,499,506)	(12,592,279)
Cash Flows From Investing Activites:		
Additions of property,plant and equipment	(5,712,098)	(577,033)
Additions of right of use asstes	(11,831,900)	-
Additions of Capital work in progress	(1,467,933)	(1,480,141)
Net cash used in investing activities	(19,011,931)	(2,057,174)
Cash Flows From Financing Activites:		
Short term loans, received	28,086,966	14,114,534
Short term loans, paid	(22,822,095)	(20,003,562)
Interest paid on issued Sukuk	(4,266,687)	(4,298,000)
Increase in finance lease liabilities	13,446,638	-
Saudi industrial development fund loan , paid	(2,000,000)	(2,000,000)
Lease liabilities, paid	(3,036,175)	(2,150,711)
Net cash generated from/(used in) financing activites	9,408,647	(14,337,739)
Net change in cash and cash equivalents	(27,102,790)	(28,987,192)
Cash and cash equivalents at the beginning of the period	33,384,991	78,383,647
Cash and cash equivalents at the end of the period	6,282,201	49,396,455
Non cash transactions:		
Transefer from right of use assets to property,plant and equipments	-	5,463,100
Transfer from capital work in progress to property,plant and equipment	88,730	45,200

Finance Manager

Chief Executive Officer

The accompanying notes are an integral part of these condensed consolidated interim financial statements (Unaudited)

1. THE COMPANY AND NATURE OF ITS BUSINESS:

a. Establishment of the Company

Al Kathiri Holding Company (the Company), The Company is a Saudi joint stock Company registered in Riyadh the Kingdom of Saudi Arabia under Commercial Registration number 1010255690 on 29 Shaban 1429 H (30 Aug 2008 G).

b. Company's Activity

The main activities of the Company are managing its subsidiaries or participating in managing other companies in which it contributes and providing the necessary support for them and owning industrial property rights from patents, trademarks and industrial marks, concession rights, and other intangible rights, exploiting them and leasing them to its subsidiaries or others.

c. The Company's share capital

During the year 2017, the partners made a decision to convert the company from a limited liability company to a joint stock company, and Ministerial Resolution No. (Q / 171) was issued on 06/09/1438 H approving the license to convert the company, and on the date of 06/15/1438 AH Ministerial Decision No. (S) was issued / 181) by announcing the company's transformation into a joint stock company and increasing its capital from 5,000,000 SR to 27,300,000 SR by transferring an amount of 20,207,901 SR from the Retained Earnings and an amount of 2,092,099 SR from the statutory reserve based on the 2016 Consolidated financial statements .

On 05/17/2017 the Capital Market Authority announced the approval of the prospectus for the issuance of Al Kathiri Holding Company and offering 819,000 shares representing 26.1% of the capital for the purpose of listing in the Nomu - parallel market with a capital of 31,395,000 SR

On 10/28/2019, the Capital Market Authority issued a decision containing the approval of the Al Kathiri Holding Company's request to move from the Nomu - parallel market to the main market with a capital of 45,208,800 SR and 4,520,880 shares.

The extraordinary general assembly meeting held on 18/2 / 1442H corresponding to 5/10/2020 was approved on the recommendation of the Board of Directors to meet on 17/3 / 1441H corresponding to 11/14 / 2019G to increase the company capital from 45,208,800 riyals to 90,417,600 riyals by offering Shares for public subscription while retaining the right of priority in the subscription of shares for shareholders attending the meeting of the shareholders' association.

The Extraordinary General Assembly, held on November 13, 1442 AH corresponding to 06/23/2021 AD, agreed to increase the company's capital from 90,217,600 riyals to 113,022,000 riyals, through retained earnings by granting one free share to each shareholder who owns 4 shares of the company's shares.

During the year 2022, the company established a special purpose entity named Alkathiri Sukuk Facility "Special Purpose Entity" licensed by the Capital Market Authority No. (SPE00034) on December 16, 2021, so that Alkathiri Holding Company is the sponsor and Al-Khair Capital Company is the trustee, and the nature of the activity of this entity is the issuance of debt-based debt instruments, and Alkathiri Sukuk Corporation did not issue any Sukuk or debt instruments until December 31, 2022.

the extraordinary general assembly agreed to set the nominal value of each share at 50 halalas (0.5 Saudi riyals) instead of 10 Saudi riyals, so that the number of shares became 226,044,000 shares instead of 11,302,200.

Al Kathiri Holding Company announces the approval of the Board of Directors on 13-04-1445 AH corresponding to 28-10-2023 AD, to establish a subsidiary The luxury yachts company (one-person company) with limited liability, 100% owned by the company, with a capital of (10,000,000 SR), subsidiary will specialize in building and manufacturing luxury yachts.

Al Kathiri Holding Company announces on 10/10/2024 establish new entity on 06/04/1446 AH, corresponding to 09/10/2024 AD, "Musandat Al-Imdad Limited Company" (a subsidiary of Al-Kathiri Holding Company) established a limited liability company with a capital of QAR 500,000, fully owned by it (100%), under the name "Musandat for Contracting," with its headquarters located in Doha, Qatar.

On January 1, 2025, 'Saraya Al-Diyar Investment Company' was established as a new subsidiary in the Kingdom of Saudi Arabia, with its main activity focused on the hospitality and hotel sector. This establishment followed came as a result of the Board of Directors of AlKathiri Holding Company in its meeting held on December 31, 2024. Saraya Al-Diyar is a limited liability company wholly owned by AlKathiri Holding Company, with a capital of SAR 1,000,000

1. THE COMPANY AND NATURE OF ITS BUSINESS(COUNTINUED):

D. Fiscal year:

The fiscal year of the Company is 12 months starting from the beginning of January and ending in December of each year.

E. Presentation and activity currency

The financial statements are prepared in Saudi riyals, which is the Company's activity and presentation currency. All numbers have been rounded to the nearest Riyal unless otherwise indicated.

2. THE BASIS OF PREPARATION:

2-1 Statement of compliance

The company's Consolidated financial statements were prepared in accordance with IAS 34 (Interim Financial Reports) endorsed in the kingdom of Saudi Arabia and other standards and other standards issued by the Saudi organization for chartered and professional accountants.

2.2 Accounting basis

Condensed consolidated interim financial statements using accrual basis of accounting, going concern concept and under the historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which are recognized at fair value through other comprehensive income (related to financial assets at fair value through other comprehensive income) and through profit or loss (related to financial assets at fair value through profit or loss), and investment in associate companies which is recognized by using equity method.

Information about the group

The condensed interim consolidated financial statements include the financial statements of Al Kathiri Holding Company and the condensed interim financial statements of all companies controlled by the Company (its subsidiaries) that were established or acquired until June 30, 2025. They are as follows:

Company's name	Country	Legal entity	Ownership Ratio (%)
Alian Industry Company	Saudi Arabia	Closed joint stock	99
Msandh Alemdad Company	Saudi Arabia	Limited liability company	100
The Luxury Yacht (Sole person company) *	Saudi Arabia	Limited liability company	100
Sukuk Al-kathiri	Saudi Arabia	Special purpose entity	The company is the sponsor
Terrace Town Real Estate (Sole person company)	Saudi Arabia	Limited liability company	100
Msandh Alemdad Qatar	Qatar	Limited liability company	100
Saraya Al-Diyar Investment Company	Saudi Arabia	Limited liability company	100

3. BASIS OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS:

These condensed consolidated interim financial statements, which include the consolidated statement of financial position, the condensed consolidated interim profit or loss and comprehensive income statement, the condensed consolidated interim statement of changes in equity, the consolidated statement of cash flows and the notes to the condensed Consolidated interim financial statements of the Group It includes the assets, liabilities, and results of the operations of the company and its subsidiaries, as shown in Note (2). Subsidiaries are the entities that the group controls. In particular, the group controls the investee company only when the group has:

- Power over the investee company (that is, the existence of rights that give the group the current ability to direct activities related to the investee company).
- Exposure to risks, or rights to obtain different returns through its relationship with the investee company.
- The ability to use its powers over the investee company to influence its returns.
- In general, there is an assumption that a majority of voting rights results in control. In support of this assumption, when the group has less than a majority in voting rights or similar rights in the investee

3. BASIS OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS(continued)

company, the group takes into account all the facts and circumstances related to this when ascertaining whether it exercises control over the investee company, and this includes:

- The contractual arrangement (arrangements) with other voting rights holders in the investee company.
- Rights arising from other contractual arrangements.
- The group's voting rights and potential voting rights.

Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The group accounts for the business combination using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is generally measured at fair value, as is the case for the net identifiable assets acquired. The excess of the cost of acquisition plus the fair value of the non-controlling interests over the fair value of the net identifiable assets acquired is recorded as goodwill in the consolidated statement of financial position. Non-controlling interest is measured by the proportion of its share of the net identifiable assets of the acquiree at the date of the acquisition. The share in profit or loss and net assets not controlled by the Group are presented as a separate item in the consolidated statement of profit or loss and comprehensive income and within equity in the consolidated statement of financial position. Both transactions as well as unrealized balances and profits and losses resulting from inter-company transactions are eliminated. Accounting policies of subsidiaries are modified when necessary to ensure compliance with the policies followed by the Group.

4. USE OF ESTIMATES:

The preparation of these condensed consolidated interim financial statements requires management to use judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Significant areas of management judgment when applying accounting policies and the significant sources of estimates and uncertainties that have a material impact similar to those shown in the previous year's consolidated financial statements.

5. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES:

The policies used to prepare the condensed consolidated interim financial statements for the six months period ended June 30, 2025, are the same as those applied in the consolidated financial statements for the year ended December 31, 2024.

5-1 Financial assets - recognition and measurement

At the initial recognition, all financial assets are proven at the price of their transactions, which represents fair value, unless the arrangement actually consists of a financing transaction. If the arrangement consists of a financing transaction, the item is measured initially at the current value of future flows discounted at the market interest rate of a similar debt instrument.

After initial recognition, the extinguished cost model (or in some cases the cost model by nature and purpose of the financial asset) is applied to measure the underlying financial instruments.

Loans and debt

Receivable loans are non-derivative financial assets with fixed or identifiable payments that are not listed on an active market. They are part of current assets except those with a maturity date of more than 12 months after the end of the reporting period and are classified as non-current assets. Loans and receivables include accounts of commercial debtors and other debtor assets owed by related parties and cash in the fund and at banks.

Trade Receivables

The amounts due from customers for goods sold or services performed in the normal business context are represented. Debtors are proven to be the value of the original invoice minus the amount of doubtful amounts. An estimate of doubtful debts is made when there are fundamental doubts that the full amount cannot be collected. Bad debts are written off when there is no possibility of recovery.

5. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

5-1 Financial assets - recognition and measurement (continued)

Decrease in the value of financial assets.

At the end of the fiscal year, an assessment is made to ensure that there is no objective evidence of a decrease in the value of any financial asset measured in cost or amortized cost. If there is such evidence of depreciation, the loss of depreciation is recognized by the profit or loss and other comprehensive income statement for that year. The value of the decline in value is determined as follows:

A) For fair-value assets, the depreciation represents the difference between cost and fair value, minus any loss of value previously demonstrated in the consolidated statement of profit or loss and other comprehensive income.

B) For cost-included assets, the depreciation represents the difference between the amount listed and the present value of future cash flows discounted by the current market rate of return from a similar financial asset line.

C) For assets listed at the amortized cost, the decrease in value represents the difference between the amount listed and the present value of future cash flows discounted by the original actual commission rate.

5.2 Financial obligations - recognition and measurement

Financial obligations are classified according to contractual arrangements and include creditors, amounts payable and loans. All financial obligations are initially recognized at fair value, after the first proof of direct transaction costs are proven based on the cost extinguished using the actual commission rate over the life of the instrument and are included in the consolidated statement of profit or loss and other comprehensive income.

Loans are classified as current liabilities unless the company has an unconditional right to postpone payment for at least 12 months after the date of the financial position statement.

5.3 Creditors and amounts payable.

Commercial creditors are reimbursed for future payments for goods and services received, whether or not they are invoiced by suppliers.

5.4 Cash and cash equivalents

For the purposes of preparing the consolidated cash flow statement, cash and equivalent cash consists of the Fund, banks.

5.5 Inventory

The inventory of raw materials and spare parts is assessed on the basis of cost and the moving weighted average. The inventory is reduced by the value of stagnant and slow-moving items according to management estimates and inventory movement.

5.6 Property, plant and equipment

Property, plant and equipment appear at cost minus accumulated depreciation and any decrease in value. The cost is consumed minus the residual estimated value of property, machinery and equipment (excluding land where it is not consumed) in a fixed-installment manner over its projected production life span using the following annual depreciation ratios:

- | | |
|----------------------------------|------------------|
| • Buildings and constructions | From% 3.5 to% 20 |
| • Machinery and equipment | From %7 to %10 |
| • Vehicles | %20 |
| • Furniture | %15 |
| • Computers and office equipment | %15 |

The book value of property, machinery and equipment is audited to ensure a decrease in its value when events or changes in circumstances indicate that the book value cannot be recovered. If such evidence exists and the book value is greater than the recoverable value, the value of property, machinery and equipment is reduced to the recoverable value, which represents the greater value of the equitable value of the asset minus the sale costs or the present value of cash flows for the estimated future benefits of that asset.

5. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

5.6 Property, plant and equipment (continued)

The book value of property, plant and equipment is audited to ensure a decrease in its value when events or changes in circumstances indicate that the book value cannot be recovered. If such evidence exists and the book value is greater than the recoverable value, the value of property, machinery and equipment is reduced to the recoverable value, which represents the greater value of the equitable value of the asset minus the sale costs or the present value of cash flows for the estimated future benefits of that asset.

The profit or loss resulting from the exclusion or disposal of an asset is determined on the basis of the difference between the net extracted from the exclusion and the book value of the asset and recognizes it in the consolidated statement of profits or losses and other comprehensive income.

Carry repair and maintenance expenses it in the consolidated statement of profits or losses and other comprehensive income. Improvements that substantially increase the value or age of the asset in question are capitalized.

The remaining values, age of use and method of consumption are reviewed at the end of each fiscal year and the impact of any changes in estimate is calculated on the future basis.

Gains or losses resulting from the exclusion of property and equipment, calculated on the basis of the difference between net sales intake and the book value of the asset, are recognized in the consolidated statement of profit or loss and other comprehensive income when the asset is excluded.

At the end of each reporting period, the Company reviews the book values of its assets to determine whether there is any indication that those assets have suffered impairment losses. If such indicators exist, the recoverable value of the asset is estimated in order to determine the extent of loss of depreciation (if any). When it is not possible to estimate the refundable amount for a single asset, the company estimates the refundable amount for the cash generating unit to which the asset belongs. When a reasonable and consistent basis for distribution can be established, the company's assets are also distributed to individual cash generating units, or otherwise distributed to the smallest set of cash units for which a reasonable and consistent basis can be determined.

The refundable amount exceeds the fair value minus the sale cost and the value generated by the use. When estimating the value of use, estimated future cash flows are deducted from their current value using the pre-tax discount rate that reflects current market assessments of the time value of the money and the specific risks of the asset for which future cash flows have not been adjusted.

If the refundable amount (cash generating unit) is less than its book value, the book value (cash generating unit) of the asset is reduced to its refundable amount. A loss of depreciation is listed directly in the consolidated statement of profit or loss and other comprehensive income.

If the loss of value is subsequently reversed, the book value of the asset (or cash generating unit) must be increased to the adjusted estimates of the recoverable amount, but so that the increased book value does not exceed the book value that could have been determined if the loss of value of the asset (or cash generating unit) was not acknowledged in previous years. The loss of impairment is recognized directly in the consolidated statement of profit or loss and other comprehensive income.

5.7 Lease contracts

At the inception of the contract, the Company and its subsidiaries determines whether the contract is a lease or includes a lease. That is, if under the contract the right to control the use of a specific asset for a specified year is transferred in exchange for that.

• Group as lessee

The Group apply a single method to recognizing and measuring all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease obligations to make lease payments and right-of-use assets that represent the right to use related assets.

5. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

5.7 Lease contracts(continued)

• Right-of-use assets

The Company and its subsidiaries recognize a right-of-use asset on the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for remeasurement of lease liabilities. The cost of right-of-use assets includes the value of the lease commitments recognized and lease payments made on or before the lease commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful lives of the assets.

5.8 Capital works in progress

The capital works under implementation include all assets that are capitalized for incompleteness as well as existing projects and are proven at cost, including all costs from contractors' dues, material value and consultant fees.

5.9 Borrowing costs

Borrowing costs directly related to the creation of eligible assets, which require a long period of time to be ready for the required use, are capitalized upon completion of all necessary activities related to the preparation of the eligible asset for the purpose for which it was created. All other borrowing costs are established as an allowance and are placed on the consolidated of profits or losses other comprehensive income in the period in which they occurred.

5.10 Employees defined benefits obligations.

The company provides severance pay compensation to its employees in accordance with the provisions of the labor and workers' system in Saudi Arabia, which is entitled on the basis of the employee's final wage, length of service and completion of the minimum period of service.

The end-of-service obligation is calculated by estimating the value of future benefits that are due to employees in current and previous periods and the value is deducted to reach the current value.

The Company makes assumptions that are used when determining key elements of costs in order to meet these future liabilities. These assumptions are made after Consulting the company's actuarial expert and include those used to determine the cost of the normal service as well as the financing elements of liabilities. A qualified actuary calculates the commitment to the specified benefits using the amounts due by unit method.

A reassessment of specific benefit obligations consisting of actuarial profits and losses is recognized directly in the list of other comprehensive income. The Group determines the interest expense on the specific benefit obligations for the year by applying the discount rate used to measure the specific benefit obligations at the beginning of the year after taking into account any change in net benefit obligations specified during the year as a result of contributions and payments for liabilities. Net interest and other expenses related to the benefit plans specified in the consolidated of profits or losses and other comprehensive income statement are recognized.

5.12 Statutory Reserve

The company formed a statutory reserve, and on May 23, 2023, the company amended the company's bylaws to comply with the companies' bylaws for the year 2022. The updated company's bylaws doesn't require a statutory reserve.

5.13 Zakat

- The company is subject to zakat in accordance with the instructions of the General Authority for Zakat and Income in Saudi Arabia and is formed a provision for the estimated zakat.
- Zakat due is calculated on the basis of 2.5% of the zakat or adjusted net income whichever is more.

5. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

5.13 Revenue Recognition:

The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15- revenue from contracts with customers.

Step 1 - Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 - Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 - Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 - Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 - Revenue is recognized when the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time if one of the following criteria is met:

The Group's performance does not create an asset with an alternative use for the Group and the Group has a legal right to be paid for performance completed until the Group's performance creates or enhances an asset that the customer controls while the asset is created or enhanced.

The customer receives and consumes the benefits provided by the Group's performance simultaneously with the Group's performance.

For performance obligations that do not meet one of the above conditions, revenue is recognized at the time the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised products or services, an asset is created on a contractual basis for the amount of the consideration received from the performance. A contractual liability arises when the value of the consideration received from the customer exceeds the amount of revenue recognized.

Other income

Other income is recognized in accordance with the principle of entitlement.

5.14 Expenses

Production costs and direct and indirect production-related expenses are classified as sales costs. All other expenses are classified as general and administrative expenses or sales and distribution expenses.

5.15 Foreign Exchange Translation

Transactions made during the period in foreign currencies are transferred to Saudi riyals at the prevailing transfer rates at the date of the transactions. Balances of assets and cash equivalents denominated in foreign currencies are retranslated at the prevailing exchange rates on the financial position statement date. Gains or losses resulting from settlements and foreign currency translations are included in the statement of comprehensive income.

5.16 Transactions with related parties

Parties are related parties because of their ability to exercise control over the company or to exert significant influence or joint control over the company's financial and operational decisions. Also, companies are related

parties when the company can exert influence, or jointly control the financial and operational decisions of these parties.

Transactions with related parties usually involve the transfer of resources, services, or obligations between the parties.

5.17 Skouk with amortized cost

The Company classifies Skouk at amortized cost using the effective interest rate over the life of the instrument and is included in the statement of profit or loss and other comprehensive income.

6. MEASURING FAIR VALUE:

Fair value is the amount received when an asset is sold or paid to transfer a liability in an organized transaction between market participants on the date of measurement. Fair value measurement assumes that the transaction to sell assets or to transfer the liabilities line occurs either:

1. In the main market of asset or liabilities. Or
2. In the absence of the main market, in the most preferred market for asset or liabilities.

The fair value of the asset or liability line is measured using assumptions that market participants will use when pricing the asset line or liabilities, assuming that market participants act on the basis of their economic interest.

Measuring the fair value of non-financial assets takes into account the ability of the market participant to achieve economic advantages by using the asset line at the highest and best use of it or by selling it to another market participant who will use the asset line at the highest and best use.

All assets and liabilities for which fair value is measured or disclosed in Consolidated financial statements are classified into the fair value hierarchy, described as follows, based on the minimum input needed to measure fair value as a whole:

Level 1. (unadjusted) market prices in active markets for similar assets or liabilities.

Level 2 - valuation techniques that use the minimum inputs required to measure fair value and directly or indirectly observe

Level 3 - other valuation techniques that use the minimum inputs required to measure fair value but are not based on observable market data.

With regard to the assets and liabilities recognized in the Consolidated financial statements on a recurring basis, the company determines whether the transfers were made between levels in the sequence by reassessing the classification (based on the minimum input needed to measure the fair value as a whole) at the end of each year to prepare the financial reports.

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7. PROPERTY, PLANT AND EQUIPMENT:

	Land	Buildings and constructions	Machines and equipment	Vehicles	Furniture	Computer	Capital work in Progress (1/7)	Total
Book Value:								
Balance as at 1 January 2025 "Audited"	6,400,000	94,427,976	87,049,798	5,671,502	1,847,184	1,329,375	11,411,524	208,137,359
Additions	-	2,596,452	2,759,442	85,628	186,812	83,764	1,467,933	7,180,031
Transfer from capital work in progress	-	-	88,730	-	-	-	(88,730)	-
Balance as at 30 June 2025 "Unaudited"	6,400,000	97,024,428	89,897,970	5,757,130	2,033,996	1,413,139	12,790,727	215,317,390
Accumulated depreciation:								
Balance as at 1 January 2025 "Audited"	-	12,119,467	45,148,325	3,968,700	794,343	620,217	-	62,651,052
Depreciation of the period	-	2,219,798	3,846,499	270,008	125,869	91,463	-	6,553,637
Balance as at 30 June 2025 "Unaudited"	-	14,339,265	48,994,824	4,238,708	920,212	711,680	-	69,204,689
Net Book Value:								
As At 30 June 2025 (Unaudited)	6,400,000	82,685,163	40,903,146	1,518,422	1,113,784	701,459	12,790,727	146,112,701
As At 31 December 2024 (Audited)	6,400,000	82,308,509	41,901,473	1,702,802	1,052,841	709,158	11,411,524	145,486,307

Fully depreciated property, plant and equipment and still operating, amounted to SAR 11,750,577 as of June 30, 2025 (December 31, 2024: SAR 10,185,994).

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7. PROPERTY, PLANT AND EQUIPMENT(CONTINUED):

7/1. CAPITAL WORK IN PROGRESS

	As at June 30	As at Decmeber31
	2025	2024
	(Unaudited)	(Audited)
Yachts factory	12,316,133	10,962,566
Softwars	360,228	360,228
Concrete station	114,366	-
Cutting machine	-	88,730
Total	12,790,727	11,411,524

8. Lease liabilities

Right of use assets

	Land	Rental cars	Total
Book Value:			
Balance as at 1 January 2025 "Audited"	2,229,878	4,372,713	6,602,591
Additions	-	11,831,900	11,831,900
Balance as at 30 June 2025 "Unandited"	2,229,878	16,204,613	18,434,491
Accumulated amortization:			
Balance as at 1 January 2025 "Audited"	1,393,012	1,022,135	2,415,147
Amortization for the Period	153,691	219,030	372,721
Balance as at 30 June 2025 "Unandited"	1,546,703	1,241,165	2,787,868
Net Book Value			
As At 30 June 2025 "Unaudited"	683,175	14,963,448	15,646,623
As At 31 December 2024 "Audited"	836,866	3,350,578	4,187,444

Lease liabilities	As at June 30	As at Decmeber31
	2025	2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	1,727,369	5,558,947
Additions on financial lease obligations during the period / year	13,446,638	357,765
Interest for the period / year	132,929	320,181
Paid during the period / year	(3,036,175)	(4,509,524)
Balance as at the end of the period / year	12,270,761	1,727,369

The lease liabilities were classified as follows:

	As at June 30	As at Decmeber31
	2025	2024
	(Unaudited)	(Audited)
Current portion	4,979,270	898,289
Non-current portion	7,291,491	829,081
Total	12,270,761	1,727,370

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9. TRADE RECEIVABLES :

	<u>As at June 30</u>	<u>As at Decmeber31</u>
	<u>2025</u>	<u>2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Trade receivables	64,732,471	59,407,873
Less: Provision for Expected credit losses	(17,163,544)	(17,163,544)
Net	47,568,927	42,244,329

The movement of the provision was as follows:

	<u>As at June 30</u>	<u>As at Decmeber31</u>
	<u>2025</u>	<u>2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance as at the beginning of the period /year	17,163,544	8,472,643
Charged for the period / year	-	8,690,901
Balance as at the end of the period / year	17,163,544	17,163,544

10. INVENTORY:

	<u>As at June 30</u>	<u>As at Decmeber31</u>
	<u>2025</u>	<u>2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Raw material	35,567,852	31,909,888
Spare parts and producion supplies	1,715,470	1,501,586
Finished goods	752,053	175,160
Total	38,035,375	33,586,634

11.Benefits received by members of the board and committees who occupy executive positions:

Related party transactions are mainly the salaries, allowances and remunerations of senior executives. Senior management personnel are the persons who exercise authority and responsibility in planning, directing and controlling the Company's activities, directly or indirectly, including directors and shareholders (whether executive or non-executive). That). The item on salaries, wages and the like during the period, includes the following:

<u>Transaction with</u>	<u>Nature of transaction</u>	<u>For the six months period ended 30 June</u>	
		<u>2025</u>	<u>2024</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
Senior Executives	Salaries	318,000	275,208
Senior Executives	Provision for end of service	377,938	306,414

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12. PREPAID EXPENSES AND OTHER DEBIT BALANCES:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
Accrued revenue	23,422,223	4,593,695
Suppliers advanced payments	12,114,190	7,285,219
Advanced payments-subcontractors	11,188,247	3,279,280
Letters of gurantee	10,328,627	8,723,635
Prepaid expenses	3,884,379	2,293,863
Retention gurantee	3,735,841	2,208,422
VAT	1,696,488	-
Employees loans	331,774	264,649
Accrued credit interest	-	45,505
Others	126,007	28,960
Total	66,827,776	28,723,228

13. CASH AND CASH EQUIVALENTS

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
Cash at Bank	6,198,581	13,296,563
Cash	83,620	88,428
Short term deposits *	-	20,000,000
Total	6,282,201	33,384,991

*The short term deposits are deposits at the local banks due after 3 months or less from the date of deposits with retun percentage %5 to 6% annually.

14. SHARE CAPITAL:

The company's capital as of 30 June 2025 was determined at (SAR 113,022,000) one hundred and thirteen million and twenty-two thousand Saudi riyals, fully paid, divided into (226,044,000 shares) two hundred and twenty-six million and forty-four thousand shares of equal value, each worth fifty halalas. (SAR0.5)all of which are ordinary shares, divided as follows:

As at 31 June 2025 (Unaudited)				As at 31 December2024 (Audited)		
Statement	Contribution percentage	Number of Shares	Stock value	Contribution percentage	Number of Shares	Stock value
Meshaal AL-kathiri	41.32%	93,392,339	46,696,170	38.58%	87,198,733	43,599,367
Other Shareholders	58.68%	132,651,661	66,325,830	61.42%	138,845,267	69,422,633
Total	100%	226,044,000	113,022,000	100%	226,044,000	113,022,000

15. Statutory reserve:

The company formed a statutory reserve, and on May 23, 2023, the company amended the company's bylaws to comply with the companies' bylaws for the year 2022. The updated company's bylaws doesn't require a statutory reserve.

16. Sukuk at amortized cost

On March 30, 2023, Al Kathiri Sukuk , a “special purpose facility” affiliated to Al Kathiri Holding Company, issued 100,000 bonds (1000) SR each , with total amounted by 100 million Saudi Riyal ,the value of Skouk due after 5 years , the issued skuk are with interest to the sukuk holder of 8.5% annually, the interest due on March 30 and September 30 of each year, and the balance as at june 30,2025 and December 31,2024 as following:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
The value of the issued Skuk	100,000,000	100,000,000
Total	100,000,000	100,000,000

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17.THE SAUDI INDUSTRIAL DEVELOPMENT FUND LOAN:

Alyan Industry company (subsidiary company) signed an agreement with the Saudi Industrial Development Fund on 2 Oct. 2019 in the amount of SAR 23,200,000, from which an amount of SAR 1,160,000 will be deducted in exchange for studies and the cost of industrial evaluation. The company has obtained the full amount, which includes the costs of studies and evaluation, in full during 2022, and the loan is paid in 12 installments, starting from 16 May 2022 and ending on 16 Sep. 2027.

The movement for SIDF loan during the period / year as follow:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
Balance as at the beginning of the period / year	16,200,000	20,200,000
Paid during the period / year	(2,000,000)	(4,000,000)
Less: un-amortization interest	(241,725)	(339,048)
Balance as at the end of period / year	13,958,275	15,860,952

17-1.Financial Covenants - Loan from Saudi Industrial Development Fund:

The loan agreement with the Saudi Industrial Development Fund includes certain covenants with the Fund. Under the terms of this agreement, management monitors the covenants periodically, and in the event of any potential breach, management takes corrective actions.

The loan is classified at the end of period / year as follows:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
The current portion of Saudi Industrial Development Fund loan	4,000,000	4,000,000
The non-current portion of Saudi Industrial Development Fund loan	9,958,275	11,860,952
Total	13,958,275	15,860,952

18. PROVISION FOR END OF SERVICE:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
The key assumptions underlying the appraisal valuation are:		
Discount rate	5.6%	5.60%
Salary increase rate	5%	5%
Employee turnover rate	Moderate	Moderate
Retirement age	60	60

The movement of the provision at the period / year as follows:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
Balance as at the beginning of the period / year	4,272,476	3,288,654
Charged during the period / year	637,759	1,184,891
(Profit) for actuarial revaluation of employee benefits	-	(97,203)
Paid during the period / year	(145,862)	(103,866)
Balance as at the end of period / year	4,764,373	4,272,476

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19. SHORT TERM LOANS:

The company signed several agreements with local banks with a credit ceiling of SAR 16,521,000, guaranteed by promissory notes in the amount of SAR 17,269,000, and personal guarantees from the shareholder and managing director, Mr. Meshaal Al Kathiri, for the facility ceiling.

Alyan Industry Company (closed joint stock) signed a facility agreement with Riyadh Bank on 28 July 2021 with a credit ceiling of SAR 6,000,000 and a promissory note guarantee of SAR 14,200,000 .The agreement was renewed on 12 December 2023, increasing the credit ceiling by SAR 2,000,000 , guaranteed by a promissory note in the amount of SAR 9,000,000. One of the shareholders of Al Kathiri Holding Company and holds the position of Managing Director, so that the total credit ceiling becomes SAR 8,000,000, and the agreement ends on 12 December 2026.

Msandh Alemdad Company (Limited liability) signed a facility agreement with Riyadh Bank on on16 jan 2025, with a credit ceiling of 18,175,000 riyals and a promissory note guarantee of 19,630,000 and guarantees of suretyship from one of the shareholders of Al Kathiri Holding Company, who also serves as the General Manager. The agreement expires on 16 jan 2028.

The balance at the end of period / year was as follows:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
Balance as at the beginning of the period / year	16,710,363	19,130,999
Received during the period / year	28,086,966	31,007,597
Interest	740,247	2,138,194
Paid at the period / year	(22,822,095)	(35,566,427)
Balance as at the end of the period / year	22,715,481	16,710,363

The balance of the facilities was as follows:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
Short term loans	14,163,427	11,673,834
Short term loans	4,686,208	5,036,529
Short term loans	3,865,846	-
Total	22,715,481	16,710,363

20. ACCRUED EXPENSES AND OTHER CREDIT BALANCES :

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
Accrued costs of projects under construction	14,726,257	-
Works gurantee from subcontractors	2,262,893	1,295,162
Accrued interest for Skuk Alkathiri holders	2,172,427	2,172,660
Advance payments from clients	1,881,210	1,491,626
Accrued expenses	608,044	438,513
Accrued salaries	97,637	101,414
Accrued board remuneration	-	768,000
VAT	-	771,409
Accrued professional fees	-	572,830
Others	134,765	81,306
Total	21,883,233	7,692,920

21. ZAKAT:

	As at June 30 2025 (Unaudited)	As at Decmeber31 2024 (Audited)
The movement in zakat provision was as follows:		
Balance at the beginning of the period / year	-	878,739
Charged during the period / year	44,771	-
Paid during the period / year	(44,771)	(878,739)
Balance at the end of period / year	-	-

During the year 2020 AD, the Zakat,Tax and Customs Authority approved the company's request to provide accounts for the company and its subsidiaries starting from 2020 AD, provided that an independent information declaration is submitted for each subsidiary separately. the company distributes the zakat obligation to subsidiaries separately according to the share holding percentage of each comapny.

The company has obtained a final zakat certificate for the financial statements for the fiscal year 2024, valid until April 30, 2026.

The company doesn't have any zakat accrued claims which may require contingent liabilities.

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22. REVENUE:

	For the six months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Concrete sales	50,741,903	53,173,104
Construction projects	50,491,163	8,398,488
Cement sales	15,079,074	21,889,776
Concrete wall sales	6,872,544	4,629,266
Sand and white Pebble sales	6,710	7,250
Total	123,191,394	88,097,884

The revenues are divided as follows:

	For the six months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Domestic revenues	121,752,782	87,965,516
Exports revenues	1,438,612	132,368
Total	123,191,394	88,097,884

-The revenues generated above are revenues that were recognized at a specific point of time.

The revenues are divided as follows:

	For the six months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Sales recognized at a point in time	72,700,231	79,699,396
Revenues recognized over a period of time	50,491,163	8,398,488
Total	123,191,394	88,097,884

23. COST OF REVENUE:

	For the six months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Raw materials	89,267,160	47,371,484
Salaries	10,561,714	10,691,933
Other operating expenses	9,009,097	10,361,502
Depreciation of property, plant and equipment	6,606,696	7,057,154
Total	115,444,667	75,482,073

24. GENERAL AND ADMINISTRATIVE EXPENSES:

	For the six months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Salaries	5,990,146	3,952,565
Professional and consultants fees	990,328	791,443
Capital Market Authority expenses	402,992	281,022
Depreciation of property, plant and equipment	319,660	24,986
Governmental fees	56,260	20,263
Others	832,705	539,420
Total	8,592,091	5,609,699

25. Finance Cost:

	For the six months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Interest expenses for Skuk	4,266,686	4,385,845
Short term loans	740,247	545,921
Financial lease	132,929	200,165
Saudi Industrial Development Fund loan	97,323	123,642
Interest for removal and rehabilitation provision	3,549	3,774
Total	5,240,734	5,259,347

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SAUDI JOINT STOCK COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

26. EARNING PER SHARE:

The earning per share has been calculated by dividing the net profit for the period by the weighted average number of shares as follows:

	For the three months period ended 30 June		For the six months period ended 30 June	
	2025	2024	2025	2024
Net (loss) profit for the period attributable to company shareholders	(2,563,691)	233,262	(7,607,947)	475,259
weighted average number of shares	226,044,000	226,044,000	226,044,000	226,044,000
(Loss) profit per share from the net (loss) profit for the period	(0.011)	0.001	(0.034)	0.002

- The diluted earnings per share is the same as the basic earnings per share since the company has no transferable securities and no diluted financial instruments to exercise.

27. CONTINGENT LIABILITIES

The contingent liabilities arising from letters of guarantee amounted to SAR 4,948,640 as of June 30, 2025 (December 31, 2024: SAR 3,149,900).

Letters of guarantee drawn in the name of Al Kathiri Holding Company for Msandh Alemdad Company (limited liability company) “one of the subsidiaries companies” as on June 30, 2025, in the amount of SAR 520,800 (December 31, 2024: SAR 520,800), And the insurance for letters of guarantee amounted on June 30, 2025, amounted by SAR 78,120 (December 31, 2024: SAR 78,120)

28. RISK MANAGEMENT:

Credit risk

Credit risk represents the inability of a counterparty to meet its obligations, causing the other party to incur a financial loss. The Company is committed to managing customer credit risk by setting credit limits for each customer and monitoring existing receivables.

Interest rate risk

Interest rate risk relates to changes in current interest rates when negotiating renegotiation of financial instruments that are affected by current financial conditions in the domestic and global markets. The Company did not have assets of significant value bearing interest during the current and comparative periods.

Liquidity risk

Liquidity risk represents the difficulties faced by the Company in providing the necessary funds to meet the financial instrument commitments. Liquidity risk arises from the inability to sell a financial asset quickly in an amount equal to its fair value. The Company manages liquidity risks by maintaining cash balances with banks and ensuring that adequate facilities are available, if necessary, to cover their short-term liabilities on an ongoing basis.

Currency risk

Currency risk arising from fluctuations in the value of financial instruments is the result of reserve changes in exchange rates. The Corporation is subject to fluctuations in foreign exchange rates during its normal course of business.

29. Subsequent events:

The company's management has believed that there are no significant subsequent events since the date of the statement of financial position on June 30, 2025, until the date of approval of these financial statements that may require amendments or disclosures in the condensed consolidated interim financial statements.

30. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS:

These condensed consolidated interim financial statements were approved by the Company's Board of Directors on August 11, 2025, G corresponding to Safr ,17 1447 H