

National Gas and Industrialization Company
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT FOR THE THREE AND SIX MONTH PERIODS ENDED 30
JUNE 2025 (UNAUDITED)**

National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements
For the three and six month periods ended 30 June 2025

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Report on review of interim condensed consolidated financial statements to the Shareholders of National Gas and Industrialization Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Gas and Industrialization Company (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2025 and the related interim condensed consolidated statement of comprehensive income for the three and six month periods then ended and the related interim condensed consolidated changes in equity and cash flows for the six month period then ended and other explanatory notes. 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), as 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 Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim 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, as 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 IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers


Adel Alqantani
License Number 614

13 August 2025

National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of financial position
As of 30 June 2025

	Note	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	974,123,663	927,506,783
Intangible assets		62,532,404	55,777,152
Investment properties		33,442,174	33,442,174
Right-of-use assets	5.1	9,538,271	12,199,718
Investments in associates	6	95,529,811	91,947,353
Financial assets held at fair value through other comprehensive income (FVTOCI)	7	652,960,544	657,591,019
Financial assets held at amortised cost		38,061,688	148,146,865
Prepayments and other assets – non-current portion	10	33,739,509	36,383,131
TOTAL NON-CURRENT ASSETS		1,899,928,064	1,962,994,195
CURRENT ASSETS			
Financial assets held at fair value through profit or loss (FVTPL)	8	104,040,296	116,272,717
Financial assets held at amortised cost		-	100,716,421
Inventories		293,454,991	265,699,254
Accounts receivable	9	62,019,205	50,775,719
Contract assets		41,046,592	44,627,416
Prepayments and other current assets	10	100,511,110	81,056,709
Cash and cash equivalents	11	116,985,940	75,133,500
TOTAL CURRENT ASSETS		718,058,134	734,281,736
TOTAL ASSETS		2,617,986,198	2,697,275,931
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	750,000,000	750,000,000
Statutory reserve		225,000,000	225,000,000
Retained earnings		482,989,435	455,861,045
Share of other comprehensive loss from associates	6	(2,045,342)	(1,484,393)
Unrealised gains from financial assets held at fair value through other comprehensive income (FVTOCI)		472,235,368	476,865,843
TOTAL EQUITY		1,928,179,461	1,906,242,495
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities – non-current portion	5.2	9,287,758	6,561,201
Employees' defined benefits liabilities	13	94,812,559	86,495,930
TOTAL NON-CURRENT LIABILITIES		104,100,317	93,057,131
CURRENT LIABILITIES			
Trade payable		258,466,090	288,412,056
Contract liabilities		51,221,912	53,520,670
Lease liabilities – current portion	5.2	5,371,230	9,826,128
Accrued expenses and other liabilities	14	230,746,095	204,850,621
Provisions		1,284,671	-
Term loan – current portion	12	23,905,101	119,656,723
Zakat payable	15	14,711,321	21,710,107
TOTAL CURRENT LIABILITIES		585,706,420	697,976,305
TOTAL LIABILITIES		689,806,737	791,033,436
TOTAL EQUITY AND LIABILITIES		2,617,986,198	2,697,275,931

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.


Mr. Malik Sumair Hassan
Chief Financial Officer


Eng. Abdulrahman Bin Abdulaziz Bin Sulaiman
Chief Executive Officer and Board Member

National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of comprehensive income
For the three and six month periods ended 30 June 2025

		For the three month period ended 30 June		For the six month period ended 30 June	
	Note	2025 (Unaudited) SR	2024 (Unaudited) SR	2025 (Unaudited) SR	2024 (Unaudited) SR
Revenues	16	740,142,633	642,882,485	1,577,715,383	1,349,714,741
Cost of revenues		(635,724,963)	(565,319,211)	(1,357,973,443)	(1,172,665,917)
Gross profit		104,417,670	77,563,274	219,741,940	177,048,824
Selling and distribution expenses		(28,927,306)	(16,629,842)	(53,540,087)	(36,078,940)
General and administrative expenses		(35,691,521)	(30,647,174)	(72,056,038)	(58,335,115)
(Provision for) / Reversal of expected credit losses		(968,021)	(450,170)	(648,078)	941,243
Operating income		38,830,822	29,836,088	93,497,737	83,576,012
Investments income	17	9,346,896	9,248,945	23,302,745	32,766,513
Loss on disposal of financial asset held at amortised cost		-	-	(6,551,114)	-
Finance income		1,786,097	2,868,232	3,706,547	6,426,595
Finance costs		(1,375,752)	(669,196)	(3,113,224)	(1,682,740)
Share of results of associates	6	2,314,944	1,413,464	5,478,407	996,753
Other income	18	986,133	7,823,223	1,042,785	8,553,060
Other expenses	19	(924,492)	-	(2,043,535)	-
Income before zakat		50,964,648	50,520,756	115,320,348	130,936,193
Zakat for the period		2,948,521	7,476,199	548,521	5,666,548
Net income for the period	15	53,913,169	57,996,955	115,868,869	136,602,741
Other comprehensive (loss) / income					
<i>Other comprehensive (loss) / income that will not be reclassified to profit or loss in subsequent periods:</i>					
Re-measurement (loss) / gain on employees' defined benefits liabilities	13	(2,907,696)	1,645,464	(2,490,479)	9,566,857
Share of other comprehensive (loss) / income of associates	6	(233,152)	78,660	(560,949)	131,025
Change in fair value of investments in equity instruments through other comprehensive income		20,605,707	31,507,688	(4,630,475)	36,967,137
Other comprehensive income/(loss) for the period		17,464,859	33,231,812	(7,681,903)	46,665,019
Total comprehensive income for the period		71,378,028	91,228,767	108,186,966	183,267,760
Weighted average number of outstanding shares	20	75,000,000	75,000,000	75,000,000	75,000,000
Basic and diluted earnings per share		0.72	0.77	1.54	1.82

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Mr. Malik Sumair Hassan
Chief Financial Officer

Eng. Abdulrahman Bin Abdulaziz Bin Sulaiman
Chief Executive Officer and Board Member

National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of changes in equity
For the six month period ended 30 June 2025

	Share capital SR	Statutory reserve SR	Retained earnings SR	Share of other comprehensive loss from associates SR	Unrealised gains from financial assets held at fair value through other comprehensive income (FVTOCI) SR	Total equity SR
Balance as of 1 January 2025 (Audited)	750,000,000	225,000,000	455,861,045	(1,484,393)	476,865,843	1,906,242,495
Net income for the period	-	-	115,868,869	-	-	115,868,869
Other comprehensive loss	-	-	(2,490,479)	(560,949)	(4,630,475)	(7,681,903)
Total comprehensive income / (loss) for the period	-	-	113,378,390	(560,949)	(4,630,475)	108,186,966
Declared dividends (note 21)	-	-	(86,250,000)	-	-	(86,250,000)
Balance as of 30 June 2025 (Unaudited)	750,000,000	225,000,000	482,989,435	(2,045,342)	472,235,368	1,928,179,461
Balance as of 1 January 2024 (Audited)	750,000,000	225,000,000	372,469,073	(480,868)	498,705,104	1,845,693,309
Net income for the period	-	-	136,602,741	-	-	136,602,741
Other comprehensive income	-	-	9,566,857	131,025	36,967,137	46,665,019
Total comprehensive income for the period	-	-	146,169,598	131,025	36,967,137	183,267,760
Declared dividends (note 21)	-	-	(82,500,000)	-	-	(82,500,000)
Balance as of 30 June 2024 (Unaudited)	750,000,000	225,000,000	436,138,671	(349,843)	535,672,241	1,946,461,069

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Mr. Malik Sumair Hassan
Chief Financial Officer

Eng. Abdulrahman Bin Abdulaziz Bin Sulaiman
Chief Executive Officer and Board Member

National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of cash flows
For the six month period ended 30 June 2025

		30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Income before zakat		115,320,348	130,936,193
<i>Adjustments to reconcile income' before zakat to net cash flows:</i>			
Depreciation of property, plant and equipment	23	28,050,759	49,238,950
Amortization of intangible assets	23	2,519,948	4,371,682
Depreciation of right-of-use assets	5.1, 23	2,661,447	2,590,446
Finance costs		2,928,821	316,887
Loss on disposal of financial asset held at amortised cost		6,551,114	-
Share of results of associates	6	(5,478,407)	(996,753)
Loss/(gain) on disposal of property, plant and equipment	19	345,628	(307,558)
Gain from replacement of property, plant and equipment	18	-	(4,752,000)
Provision for/(reversal of) expected credit losses	9	648,078	(941,243)
Provision for legal cases		1,284,671	-
Provision for employees' defined benefits liabilities	13	8,573,014	8,186,682
Amortization of prepaid upfront fees on term loan		111,082	844,050
Follow up fees of term loan		73,321	521,803
Provision for slow moving inventories		573,125	1,488,747
Provision for replacing cylinders and others		1,169,500	928,852
Change in fair value of investments at FVTPL	17	6,369,809	(2,374,460)
Dividends income from investments at FVTOCI	17	(23,400,000)	(23,916,798)
Finance income		(3,706,547)	(6,671,495)
		144,595,711	159,463,985
Changes in working capital:			
Inventories		(29,498,362)	(14,194,348)
Contract assets		3,580,824	(17,798,749)
Accounts receivable		(11,891,564)	(4,060,241)
Prepayments and other current assets		(16,810,779)	(30,787,721)
Financial assets held at fair value through profit or loss (FVTPL)		5,862,612	1,619,330
Trade payable		(29,945,966)	(10,065,490)
Contract liabilities		(2,298,758)	-
Accrued expenses and other current liabilities		21,122,977	(14,643,716)
		84,716,695	69,533,050
Employees' defined benefits liabilities paid	13	(2,746,864)	(5,949,424)
Zakat paid	15	(6,450,265)	(9,689,264)
Net cash generated from operating activities		75,519,566	53,894,362
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds of financial assets held at amortized cost		206,453,081	10,367,932
Finance income received		1,503,950	6,671,495
Additions to property, plant and equipment		(77,516,286)	(64,606,882)
Additions to intangible assets		(6,772,181)	(10,630,448)
Proceeds from disposal of property, plant and equipment		-	252,127
Dividends received from investments at FVTOCI		23,400,000	23,916,798
Dividends received from associates	6	1,335,000	2,602,992
Net cash generated from/(used in) investing activities		148,403,564	(31,425,986)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(81,477,503)	(74,853,915)
Principal element of lease payments	5.2	(1,728,341)	(2,353,066)
Finance costs element of lease payments	5.2	(230,605)	(4,153)
Loans repayment, net	12	(96,500,000)	-
Finance costs paid on loans		(2,060,920)	-
Follow up fees on term loan paid		(73,321)	(521,803)
Net cash used in financing activities		(182,070,690)	(77,732,937)

National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of cash flows (continued)
For the six month period ended 30 June 2025

		30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
Net change in cash and cash equivalents		41,852,440	(55,264,561)
Cash and cash equivalents at the beginning of the period	11	75,133,500	129,638,298
Cash and cash equivalents at the end of the period		116,985,940	74,373,737

NON-CASH TRANSACTIONS:

Additions to property, plant and equipment against trade payables	-	70,063,854
Current service cost charge to capital work in progress	-	58,943
Share of other comprehensive income of associates	560,949	131,025
Dividends payable	86,250,000	82,500,00
Change in fair value of investments in equity instruments through other comprehensive income	(4,630,475)	36,967,137

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.



Mr. Malik Sumair Hassan
Chief Financial Officer



Eng. Abdulrahman Bin Abdulaziz Bin Sulaiman
Chief Executive Officer and Board Member

National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements
For the six month period ended 30 June 2025

1 CORPORATE INFORMATION

A) ESTABLISHMENT OF THE COMPANY

National Gas and Industrialization Company (the "Company") is a Saudi joint stock company. The Company is registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010002664 dated 22 Rajab 1383H (corresponding to 9 December 1963). The share capital of the Company amounts to SR 750 million and is divided into 75 million shares of SR 10 each. As of 30 June 2025, Mr. Abdulaziz Abdulrahman Al-Mohsen owns 6.66% (31 December 2024 and 30 June 2024: 6.66%) of the total Company's shares, and the remaining shares are publicly traded.

The Company was established in accordance with the Royal Decree No. 713 dated 03/12/1380H (corresponding to 18 May 1961), to merge the Saudi Gas and Manufacturing Company and National Gas Company with the approval of the General Assembly of both companies, under the letter of H.H. the Minister of Commerce No. 2843/H dated 01/01/1381H (corresponding to 15 June 1961), and the actual merge commenced in 1383H. Later to this date on 13/06/1384H (corresponding to 19 October 1964), the Council of Ministers Decree No. 820 was issued to merge all the entities involved in gas activities in the Kingdom of Saudi Arabia into the National Gas and Industrialization Company.

The accompanying interim condensed consolidated financial statements include the interim financial statements of National Gas and Industrialization Company (the "Company") and its subsidiaries (collectively referred to as the "Group").

B) GROUP ACTIVITIES

The activities of the Company and its subsidiaries (the "Group") include carrying out all work related to the exploitation, manufacturing and marketing of all kinds of gas and its derivatives and industrial gases inside and outside the Kingdom of Saudi Arabia, selling, manufacturing and maintaining cages, cylinders, tanks and accessories, maintenance of gas networks and accessories, carrying out all work related to the manufacturing, transporting and marketing of petroleum, chemical, petrochemical and glass products, establishment or participation in the production of energy, water treatment and environmental services, in addition to the acquisition of real estate and purchase of land for the construction of buildings thereon and investing it through sale or lease in favor of the Group. Also, the Group is incorporated to provide technical and engineering consulting services and training related to all gas and energy works. In addition, The Group is specialised in establishing, building and maintenance of liquefied petroleum gas (LPG) networks and tanks, developing LPG products and solution. Currently the Group is engaged in selling gas and its derivatives and industrial gases inside the Kingdom of Saudi Arabia and maintaining cages, cylinders, tanks and accessories, maintenance of gas networks and accessories.

The registered address of the Group is P.O. Box 564, Riyadh 11421, Kingdom of Saudi Arabia.

The Group has the following branches existed as at 30 June 2025 and 31 December 2024:

Sr.	Branch	Commercial registration number	Issuing date
1	Riyadh	1010672640	23/04/1442 H
2	Riyadh	1010672641	23/04/1442 H
3	Riyadh	1010828231	25/02/1444 H
4	Riyadh	1009105305	22/03/1446 H
5	Riyadh	1010681388	04/06/1442 H
6	Riyadh	1010672639	23/04/1442 H
7	Dammam	2050001551	07/08/1383 H
8	Buraidah	1131004089	06/04/1402 H
9	Al-Madinah Al-Munawwarah	4650006707	18/03/1402 H
10	Jeddah	4030032503	19/02/1402 H
11	Khamis Mushait	5855004366	25/12/1402 H
12	Taif	4032007367	20/09/1402 H

The assets, liabilities and results of operations of these branches are included in these interim condensed consolidated financial statements.

National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements
For the six month period ended 30 June 2025

1 CORPORATE INFORMATION (continued)

B) GROUP's ACTIVITIES (continued)

The Group has the following subsidiaries:

Subsidiary	Commercial registration number	Nature of activities	Country of incorporation	Effective shareholding percentage	
				2025	2024
1. Gas Solutions Company	1010693275	Gas networks	Saudi Arabia	100%	100%
2. Best Gas Distributor Company	1010851646	Distribution	Saudi Arabia	100%	100%
3. National Carrier Transportation Company	1010851708	Transportation	Saudi Arabia	100%	100%
4. National Gas Supply Company	1010882359	Retail sales	Saudi Arabia	100%	100%
5. National Storage for Storage Company	1010924126	Storage and filling	Saudi Arabia	100%	100%
6. Innovators Company for Communications and Information Technology*	1009161653	Communications and IT	Saudi Arabia	100%	100%
7. Aman Al-Mutqadma Industrial Company**	1009143782	Cylinder maintenance	Saudi Arabia	100%	-

* In December 2024, the Company completed the formal procedures of the newly established subsidiary which have been established based on the Board of Directors' approval in its meeting held on 16 December 2024. The Company started its operation in April 2025.

** In March 2025, the Group completed the legal and regulatory procedures required to formally establish a wholly owned subsidiary, Aman Al-Mutqadma Industrial Company (the "Subsidiary"). The Subsidiary is 100% owned by the National Storage for Storage Company.

As part of the ongoing Group reorganization, assets and liabilities are being reallocated from the parent company to each subsidiary based on their respective operational activities. This reallocation has no impact on the Group's consolidated financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements for the three and six month periods ended 30 June 2025 were prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants.

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR"), which is the Group's functional and presentation currency, and all values are rounded to the nearest SR, except when otherwise indicated.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and they must be read in conjunction with the Group's last annual audited financial statements for the year ended 31 December 2024. In addition, the results for the three and six month periods ended 30 June 2025, are not an accurate indication of the results that can be expected for the fiscal year ending 31 December 2025.

**National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements
For the six month period ended 30 June 2025**

2 BASIS OF PREPARATION (continued)

2.2 Judgments, estimates and assumptions

The preparation of the interim condensed consolidated financial statements requires management to use certain judgments, estimates and assumptions that affect the application of accounting policies and the amounts presented for assets and liabilities, revenues, and expenses. Actual results may differ from these estimates. The significant judgments taken by management in applying the Group's accounting policies and the main sources of uncertainty estimates are the same as those applied to the annual financial statements for the year ended 31 December 2024 except for the change in the estimate of certain assets as mentioned in note 4.

2.3 Historical cost convention

These interim condensed consolidated financial statements were prepared under the historical cost convention, except for financial instruments, which are measured at fair value at the end of each reporting period and employees' defined benefit liabilities, which are measured using the Projected Unit Credit Method. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of the transaction.

2.4 Basis of consolidation

These interim condensed consolidated financial statements include the assets, liabilities, and the results of operations of the Company and its subsidiaries (the "Group") as stated in note 1.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired (or disposed) of during the period/year are included (or derecognized) in the interim condensed consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The Company and its subsidiaries have the same reporting period. Where necessary, accounting policies of the subsidiary have been changed to ensure consistency with the accounting policies adopted by the Group.

All inter-group accounts and transactions have been eliminated on consolidation.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied during the preparation of these interim condensed consolidated financial statements are the same accounting policies applied during the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2024, unless otherwise stated.

3.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2025:

1 Amendments to IAS 21 - Lack of Exchangeability

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 1 January 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

1 Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVTOCI).

The Group does not expect these amendments to have a material impact on its operations or financial statements.

2 IFRS 18 “Presentation and Disclosure in Financial Statements” (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.

The Group will apply the new standard from its mandatory effective date of 1 January 2027.

Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

3 IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

**National Gas and Industrialization Company
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements
For the six month period ended 30 June 2025**

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

**3.2 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP
(continued)**

- 4 Annual improvements to IFRS – Volume 11 (effective for annual periods beginning on or after 1 January 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards;

IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;

IFRS 9 Financial Instruments;

IFRS 10 Consolidated Financial Statements; and

IAS 7 Statement of Cash Flows.

4 PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment includes the following:

- a) Two plots of land with an aggregate value of SR 2.7 million as of 30 June 2025 (31 December 2024: SR 2.7 million) that have been pledged to the Saudi Industrial Development Fund (SIDF). The loan was fully paid in the current period and the Group is in the process of releasing the pledge (note 12).
- b) Capital working in progress amounted to SR 399.9 million as of 30 June 2025 (31 December 2024: SR 340.4 million) mainly represent projects to develop the Group's stations and production lines in accordance with the Group's needs and public safety requirements.
- c) The Group has disposed property, plant and equipment during the period ended 30 June 2025 with a cost of SR 1.29 million and accumulated depreciation of SR 0.88 million. As a result, a loss of SR 0.41 million has been included within other expense (note 19).
- d) During the period, the Group reviewed the estimated useful lives of certain assets, which resulted in a change in the estimate of these items, as follows:

Nature of assets	Previous useful life (years)	Revised estimated useful life (years)
Buildings	20	33
Motor vehicles and trucks	5	5-10
Machine and equipment	10	20
Cages	5	10
Devices and equipment	5	3-5
Tools and equipment	10	5

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4 PROPERTY, PLANT AND EQUIPMENT (continued)

The change in estimates of useful life of these items resulted in a decrease in depreciation expense for the six month period ended 30 June 2025:

Nature of assets	(Decrease) / increase in depreciation expense for the period ended 30 June 2025
Buildings	(4,006,765)
Motor vehicles and trucks	(10,441,408)
Machine and equipment	(7,897,579)
Cages	(419,278)
Devices and equipment	505,131
Tools and equipment	86,810
	<u>(22,173,089)</u>

Had the estimated useful lives not changed, the estimated annualized impact on the consolidated financial statements for the year ending 31 December 2025 would have been as follows:

Nature of assets	(Increase) / decrease in annual depreciation
Buildings	(8,204,636)
Motor vehicles and trucks	(20,887,896)
Machine and equipment	(15,886,105)
Cages	(507,476)
Devices and equipment	658,965
Tools and equipment	91,887
	<u>(44,735,261)</u>

5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for various plots of land and machineries. Leases of land generally have lease terms between 3 and 99 years. The Group's obligations under its leases are secured by the lessors' titles to the leased plots of land. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group has certain leases of equipment with lease terms of 12 month or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

5.1 Right-of-use assets

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

5.1 Right-of-use assets (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period/year:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	12,199,718	17,853,616
Termination of lease for the period / year	-	(442,036)
Depreciation charge for the period / year	(2,661,447)	(5,211,862)
At the end of the period / year	9,538,271	12,199,718

5.2 Lease liabilities

Set out below are the carrying amounts of lease liabilities recognized and the movements during the period/year:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	16,387,329	19,597,898
Terminations during the period / year	-	(442,036)
Paid during the period / year	(1,958,946)	(3,358,009)
Finance costs for the period / year	230,605	589,476
At the end of the period / year	14,658,988	16,387,329
Current portion	(5,371,230)	(9,826,128)
Non-current portion	9,287,758	6,561,201

The following are the amounts recognized in profit or loss:

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025 (Unaudited) SR	2024 (Unaudited) SR	2025 (Unaudited) SR	2024 (Unaudited) SR
Depreciation expense of right-of-use assets	1,335,255	1,295,223	2,661,447	2,590,446
Finance costs on lease liabilities	111,211	152,676	230,605	316,887
Expense relating to short- term and low-value assets	(38,180)	108,855	386,896	392,807
Total amount recognized in profit or loss	1,408,286	1,556,754	3,278,948	3,300,140

The Group has lease contracts that include extension options. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether this extension option is reasonably certain to be exercised.

Group as a lessor

The Group has entered into leases contracts on plots of land, which are long term in nature. Rental income recognized by the Group during the period amounting to SR 6.2 million (30 June 2024: SR 6.2 million).

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6 INVESTMENTS IN ASSOCIATES

Investments in associates comprise the following:

	Ownership percentage		30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
	2025	2024		
Saudi Gas Cylinder Factory Company	33.1%	33.1%	41,191,834	39,125,594
Natural Gas Distribution Company	35%	35%	20,648,271	20,791,688
East Gas Company	35%	35%	33,689,706	32,030,071
			95,529,811	91,947,353
			30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year			91,947,353	89,407,944
Amount recognized in profit or loss				
Share of results of associates			4,647,063	7,109,690
Prior year adjustment			831,344	(23,766)
			5,478,407	7,085,924
Amount recognized in other comprehensive income				
Share of other comprehensive loss of associates			(560,949)	(1,003,525)
Dividends declared			(1,335,000)	(3,542,990)
At the end of the period / year			95,529,811	91,947,353

Share of results of associates comprises the following:

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025 (Unaudited) SR	2024 (Unaudited) SR	2025 (Unaudited) SR	2024 (Unaudited) SR
Saudi Gas Cylinders Factory Company	1,392,875	1,452,695	2,627,189	(835,367)
Natural Gas Distribution Company	364,577	150,215	731,583	513,114
East Gas Company	557,492	(189,446)	2,119,635	1,319,006
	2,314,944	1,413,464	5,478,407	996,753

The figures related to the investments in associates and share of results are based on accounts prepared by the respective entities' managements.

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7 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

Financial assets held at fair value through other comprehensive income comprises the following:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Investment in equity instruments – unquoted (notes a, b, and c)	521,340,000	535,250,000
Closed REITs	40,266,900	41,136,600
Investments in equity instruments – quoted	91,353,644	81,204,419
	652,960,544	657,591,019

- a) The above unquoted investment in equity instruments has been evaluated by management through an independent expert valuer, who issued a report on the valuation of investment in the National Industrial Gases Company as of 30 June 2025, using the similar companies' method (Market Method).
- b) During the six month period ended 30 June 2025, the General Assembly of National Industrial Gases Company, approved distribution of dividends to the shareholders amounting to SR 260 million (30 June 2024: SR 260 million). The Group's share is 9%, equivalent to SR 23.4 million (30 June 2024: SR 23.4 million).
- c) The significant unobservable inputs used in the fair value measurement of equity instruments categorized within Level 3 of the fair value hierarchy as of 30 June 2025 and 31 December 2024 are as follows:

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7 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI) (continued)

Unquoted equity investment	Valuation technique	Significant unobservable inputs	Description of valuation technique
National Industrial Gases Company	Market Method	Comparable entities	This approach establishes value by comparison to recent sales of comparable assets or other multiple such as expected value over earnings before interest, tax, depreciation, and amortization (EV/EBITDA). The market approach is a general way of determining the value of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have been sold.
		Discount factor	

Sensitivity analysis

Description	Fair value at		Unobservable inputs	Range of inputs		Sensitivity
	30 June 2025 (Unaudited)	31 December 2024 (Audited)		30 June 2025 (Unaudited)	31 December 2024 (Audited)	
National Industrial Gases Company	521,340,000	535,250,000	EV/EBITDA	9.78X	9.74X	Change by +/-1% will change FV increase/decrease by SR 6.1 million (31 December 2024: increase/decrease by SR 6.2 million).
			Discount factor	10%	10%	Change by +/-1% will change FV decrease/increase by SR 6.9 million (31 December 2024: decrease/increase by SR 7 million).
	521,340,000	535,250,000				

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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8 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial assets at fair value through profit or loss comprises the following:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Portfolio of traded securities	104,040,296	116,272,717

9 ACCOUNTS RECEIVABLE

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Trade receivables	57,459,928	52,344,663
Non-trade receivables	9,442,906	2,666,607
	66,902,834	55,011,270
Provision for expected credit losses	(4,883,629)	(4,235,551)
	62,019,205	50,775,719

The movement in provision for expected credit loss on accounts receivable is as follows:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	4,235,551	8,554,288
Charge for the period/ year	968,384	-
Reversal for the period / year	(320,306)	(4,318,737)
At the end of the period / year	4,883,629	4,235,551

10 PREPAYMENTS AND OTHER ASSETS

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Advances to suppliers and contractors	61,747,850	57,007,812
Accrued rent	33,739,509	36,383,131
Prepaid expenses	21,085,427	9,417,557
Value added tax receivable	8,884,467	8,221,623
Employees' receivable	5,060,842	3,773,428
Dividends receivable	875,000	875,000
Others	2,857,524	1,761,289
	134,250,619	117,439,840
Less: non-current accrued rent	(33,739,509)	(36,383,131)
	100,511,110	81,056,709

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11 CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Bank balances	103,132,933	65,443,621
Cash with portfolio managers	13,853,007	9,689,879
	116,985,940	75,133,500

12 TERM LOAN

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Principal amount due at beginning of the period / year	119,500,000	53,000,000
Add: Loans taken during the period / year	75,000,000	286,053,127
Less: repayment	(171,500,000)	(219,553,127)
Principal amount due at end of the period / year	23,000,000	119,500,000
Less: un-amortized portion of transaction cost	-	(111,082)
Add: Accrued interest	905,101	267,805
Net amount	23,905,101	119,656,723
Less: current portion	(23,905,101)	(119,656,723)
Non-current portion	-	-

On 17 Muharram 1440 H (corresponding to 27 September 2018), the Group signed an agreement to obtain a loan from the Saudi Industrial Development Fund (SIDF) amounting to SR 203 million. The loan is for the purpose of developing the filling plants and distribution of gas in all regions with a production capacity of 1,648 thousand tons in all branches of the Group. The terms of the loan span over a tenure of 5 years. The loan carries only an upfront fee amount of SR 16.2 million that was paid at the start of the loan and incur to follow-up charges which are paid on semi-annual basis over the term of the loan. Further, this loan carries certain conditions / covenants, such as maintaining required current asset ratios during the term of the loan and a specific ratio of liabilities to net tangible value. During the period ended 30 June 2024, there has been no non-compliance with any of the covenants. The agreement also contains undertaking pledges of seven plots of land with a total cost of SR 17.6 million; of which the Group has pledged two plots as at the reporting period with a total cost of SR 2.7 million (note 4). The loan was fully paid in the current period, and the Group is in the process of releasing the pledge.

On 26 March 2025, the Group signed a loan agreement with Alinma bank which amounted to SR 75 million, subject to finance cost at the rate of 6.35% per annum and maturing within 3 months. The loan is not attached to any covenants or collaterals.

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13 EMPLOYEES' DEFINED BENEFITS LIABILITIES

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	86,495,930	116,044,000
Amount recognized in profit or loss		
Current service cost	6,010,014	2,999,055
Finance costs	2,563,000	6,708,000
	8,573,014	9,707,055
Amount recognized in other comprehensive income		
Re-measurements loss / (gain) on employees defined benefit liabilities	2,490,479	(1,696,726)
Current service cost charge to capital work in progress	-	80,238
Paid during the period / year	(2,746,864)	(37,638,637)
At the end of the period / year	94,812,559	86,495,930

The most recent actuarial valuation was performed by an independent, qualified actuary using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Discount rate	5.1%	5.8%
Future salary increases	4%	4%
Retirement age	60	60

Sensitivity analysis

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Discount rate		
Increase 1%	(8,267,000)	(7,675,930)
Decrease 1 %	9,604,000	8,979,070
The future increase in the salaries		
Increase 1%	9,659,000	9,054,070
Decrease 1%	(8,456,000)	(7,870,930)

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14 ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Dividends payable	127,794,548	123,022,051
Accrued expenses	65,078,792	47,719,078
Accrued employees' benefits	28,051,278	25,520,654
Security deposits from customers	3,030,271	2,522,991
Board of Directors and committees' remunerations	1,331,296	3,341,846
Others	5,459,910	2,724,001
	230,746,095	204,850,621

15 ZAKAT PAYABLE

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	21,710,107	47,278,106
Reversal for the period / year	(5,348,521)	(17,976,199)
Charge for the period / year	4,800,000	8,548,979
Paid during the period / year	(6,450,265)	(16,140,779)
At the end of the period / year	14,711,321	21,710,107

Status of assessments

The Group obtained final assessment for zakat until the end of the year 2010 and for the years 2014 until 2020.

2011 to 2013 status:

The Group did not receive the zakat assessments for the years 2011 until 2013.

2021 to 2024 status:

The Group has submitted its consolidated zakat returns for the years 2021 until 2024. For the years 2021 and 2022, the assessments have been raised by ZATCA subsequent to the year end 2024, which resulted in an additional amount of SR 1.4 million. The Group has submitted objection against the assessments with the relevant Appeal Committee. No assessment has been raised by ZATCA for the years 2023 and 2024.

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16 REVENUES

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025 (Unaudited) SR	2024 (Unaudited) SR	2025 (Unaudited) SR	2024 (Unaudited) SR
Gas sales	697,891,943	591,652,934	1,471,723,056	1,244,946,671
Gas cylinders and tanks, and extension parts' sales	14,426,160	16,652,507	50,229,851	43,195,956
Commercial projects	17,080,685	26,798,148	37,119,574	44,000,652
Service, transportation and installation revenue	5,862,968	5,849,276	10,880,142	12,296,237
Scrap sales	4,880,877	1,929,620	7,762,760	5,275,225
	740,142,633	642,882,485	1,577,715,383	1,349,714,741

17 INVESTMENTS INCOME

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025 (Unaudited) SR	2024 (Unaudited) SR	2025 (Unaudited) SR	2024 (Unaudited) SR
Dividends income from FVTOCI	11,700,000	11,958,399	23,400,000	23,916,798
Rent income from investment properties	3,139,439	3,128,265	6,272,554	6,230,355
Change in fair value of investments in FVTPL	(5,492,543)	(5,837,719)	(6,369,809)	2,374,460
Others	-	-	-	244,900
	9,346,896	9,248,945	23,302,745	32,766,513

18 Other income

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025 (Unaudited) SR	2024 (Unaudited) SR	2025 (Unaudited) SR	2024 (Unaudited) SR
Gain from replacement of property, plant and equipment (land)	-	4,752,000	-	4,752,000
Gain on disposal of property, plant and equipment	64,380	90,278	64,380	307,558
Foreign currency exchange differences	-	(128,161)	-	33,955
Others	921,753	3,109,106	978,405	3,759,547
	986,133	7,823,223	1,042,785	8,853,060

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19 Other expenses

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SR	SR	SR	SR
Loss on disposal of property, plant and equipment	(65,810)	-	(410,008)	-
Foreign currency exchange differences	(858,682)	-	(1,633,527)	-
	(924,492)	-	(2,043,535)	-

20 EARNINGS PER SHARE

Earnings per share are calculated based on the weighted average number of shares outstanding. The diluted earnings per share are the same as the basic earnings per share, as the Group has not issued any discounted instruments as of 30 June:

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SR	SR	SR	SR
Net income for the period	53,913,169	57,996,955	115,868,869	136,602,741
Weighted average number of outstanding shares	75,000,000	75,000,000	75,000,000	75,000,000
Basic and diluted earnings per share	0.72	0.77	1.54	1.82

21 DIVIDENDS

The Company's Board of Directors decided on 27 Dhul-Hijjah 1446H (corresponding to 23 June 2025), to distribute interim cash dividends to the shareholders for the first half of 2025 of SR 1.15 per share, amounting to SR 86.3 million in accordance with the authorization granted by the Ordinary General Assembly held on 29 Dhul-Qidah 1446H (corresponding to 27 May 2025) (2024: the Company's Board of Directors decided on 26 Dhul-Qidah 1445H (corresponding to 3 June 2024), to distribute interim cash dividends to shareholders for the first half of 2024 of SR 1.10 per share, amounting to SR 82.5 million in accordance with the authorization granted by the Ordinary General Assembly held on 18 Dhul-Qidah 1445H (corresponding to 26 May 2024)).

22 COMMITMENTS AND CONTINGENCIES

Contingencies

The Group received a claim for the rent of one of the branches for the period from 9 April 1976 to 13 November 2021 amounting to SR 18.3 million. Based on the legal advice, the Group believes that the expected outcome from this matter will be in favor of the Group and management filed an objection to comply with the basis of the contractual terms.

22 COMMITMENTS AND CONTINGENCIES (continued)

Guarantees and letters of credit

The Group has submitted a bank guarantee to Saudi Arabian Oil Company ("Saudi Aramco") amounting to SR 280 million (31 December 2024: SR 280 million) relating to the supply of liquefied gas products.

The Group has other outstanding letters of guarantee as of 30 June 2025 amounting to SR 28.1 million (31 December 2024: SR 25.5 million).

The Group has outstanding letters of credit as of 30 June 2025 amounting to SR 36.4 million (31 December 2024: SR 34.3 million).

Commitments

As of 30 June 2025, the Group has capital commitments of SR 72.2 million (31 December 2024: SR 89.6 million) related to capital work in progress under property, plant and equipment and intangible assets.

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23 OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on its geographical regions, as follows:

	Central region SR	Western region SR	Eastern region SR	Southern region SR	Eliminations SR	Total SR
30 June 2025 (Unaudited)						
Revenues	1,932,692,799	664,405,787	300,806,638	215,402,498	(1,535,592,339)	1,577,715,383
Cost of revenues	(1,830,273,738)	(586,279,070)	(256,971,880)	(194,357,644)	1,536,367,914	(1,331,514,418)
Depreciation and amortisation of assets	(17,127,371)	(6,749,019)	(1,231,288)	(5,463,029)	-	(30,570,707)
Depreciation of right-of-use assets	(2,661,447)	-	-	-	-	(2,661,447)
Selling and distribution expenses	(35,083,578)	(14,675,476)	(6,772,221)	(4,538,562)	9,783,176	(51,286,661)
General and administrative expenses	(30,399,376)	(20,541,967)	(8,816,686)	(8,278,306)	500,000	(67,536,335)
Reversal of provision for expected credit losses	(257,479)	(245,181)	(108,228)	(37,190)	-	(648,078)
Operating income	16,889,810	35,915,074	26,906,335	2,727,767	11,058,751	93,497,737
30 June 2025 (Unaudited)						
Total operating assets	2,275,208,097	593,788,585	226,879,617	230,699,564	(1,632,624,178)	1,693,951,685
Total operating liabilities	1,018,132,198	425,430,012	178,489,957	155,567,014	(1,087,812,444)	689,806,737
30 June 2024 (Unaudited)						
Revenues	550,556,124	458,716,908	214,999,069	148,598,564	(23,155,924)	1,349,714,741
Cost of revenues	(450,209,740)	(387,973,652)	(178,148,056)	(130,922,478)	23,155,924	(1,124,098,002)
Depreciation and amortisation of assets	(18,139,257)	(21,337,239)	(7,194,092)	(6,940,044)	-	(53,610,632)
Depreciation of right-of-use assets	(1,027,258)	(919,904)	(326,063)	(317,221)	-	(2,590,446)
Selling and distribution expenses	(15,413,436)	(10,001,822)	(4,390,598)	(3,410,418)	-	(33,216,274)
General and administrative expenses	(23,302,930)	(16,881,068)	(7,912,100)	(5,468,520)	-	(53,564,618)
Reversal of provision for expected credit losses	438,194	336,588	107,925	58,536	-	941,243
Operating income	42,901,697	21,939,811	17,136,085	1,598,419	-	83,576,012
31 December 2024 (Audited)						
Total operating assets	1,111,051,963	329,874,740	73,205,162	110,684,685	(75,657,168)	1,549,159,382
Total operating liabilities	493,600,840	135,747,333	52,820,067	40,774,506	75,657,168	798,599,915

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23 OPERATING SEGMENTS (continued)

The top management of the Group monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements. In addition, the Group's other costs (including finance costs, salaries and benefits of the management, directors, finance and IT departments, legal and HR departments, administrative and support department, other expenses, and other income) and zakat are managed on a Group basis and are not allocated to operating segments.

The revenue information above is based on the regional location of the customers. Segment revenue reported above represents revenue generated from external customers. There was a revenue between the parent company and its subsidiary of SR 1,536 million for the period ended 30 June 2025 (30 June 2024: SR 23.1 million) which was eliminated at consolidation. No single customer contributed 10% or more to the Group's revenues. Zakat provision, term loan and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Inter-company revenues are eliminated upon consolidation and reflected in the elimination's column. All other adjustments and eliminations are part of detailed reconciliations presented further below:

Reconciliation of profit

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025 (Unaudited) SR	2024 (Unaudited) SR	2025 (Unaudited) SR	2024 (Unaudited) SR
Segment operating income	38,830,822	29,836,088	93,497,737	83,576,012
Investments income	9,346,896	9,248,945	23,302,745	32,766,513
Loss on disposal of financial assets held at amortized cost	-	-	(6,551,114)	-
Finance income	1,786,097	2,868,232	3,706,547	6,426,595
Finance costs	(1,375,752)	(669,196)	(3,113,224)	(1,682,740)
Share of results from associates	2,314,944	1,413,464	5,478,407	996,753
Other income	986,133	-	1,042,785	-
Other expense	(924,492)	7,823,223	(2,043,535)	8,853,060
Zakat	2,948,521	7,476,199	548,521	5,666,548
Net income for the period	53,913,169	57,996,955	115,868,869	136,602,741

Reconciliation of assets

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Segment operating assets	1,693,951,685	1,549,159,382
Investments in associates	95,529,811	91,947,353
Financial assets held at fair value through other comprehensive income (FVTOCI)	652,960,544	657,591,019
Financial assets held at amortised cost	38,061,688	248,863,286
Financial assets held at fair value through profit or loss (FVTPL)	104,040,296	116,272,717
Investment properties	33,442,174	33,442,174
Total assets	2,617,986,198	2,697,275,931

National Gas and Industrialization Company
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23 OPERATING SEGMENTS (continued)

Reconciliation of liabilities

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Segment operating liabilities	651,190,315	649,666,606
Term loan	23,905,101	119,656,723
Zakat payable	14,711,321	21,710,107
Total liabilities	689,806,737	791,033,436

24 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

- a) *Transactions with related parties included in the condensed consolidated statement of comprehensive income are as follows:*

Name	Relationship
Saudi Gas Cylinder Factory Company	Associate

- b) *The significant transactions for the periods are as follows:*

	For the six month period ended 30 June 2025 (Unaudited) SR	2024 (Unaudited) SR
Purchases of gas cylinders and tanks	35,176,500	27,501,840

- c) *Amounts due to related parties*

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Saudi Gas Cylinder Factory Company	11,663,254	15,257,367

The above balances are unsecured, interest free and have no fixed repayments.

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24 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

d) Key management personnel compensation

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management is shown below:

	For the six month period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	SR	SR
Key management personnel salaries and benefits – short term	10,387,434	10,772,742
Board of directors' members remunerations	2,618,017	811,542
Post-retirement benefits	841,451	267,550
Total	13,846,902	11,851,834

The amounts disclosed in the above table are the amounts recognized as an expense during the reporting period related to key management personnel.

25 EVENTS SUBSEQUENT TO THE REPORTING DATE

In the opinion of management, there have been no further significant subsequent events that may require adjustments or disclosures in the interim condensed consolidated financial statements.

26 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Audit Committee in accordance with the authorisation of the Board of Directors on 6 August 2025.