

**NASEEJ INTERNATIONAL TRADING COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REVIEW REPORT**  
**FOR THE THREE- AND SIX-MONTHS PERIOD**  
**ENDED JUNE 30, 2025**

# **NASEEJ INTERNATIONAL TRADING COMPANY**

(A Saudi Joint Stock Company)

For the three- and six-months period ended June 30, 2025

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**REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS  
NASEEJ INTERNATIONAL TRADING COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****Introduction**

We have reviewed the accompanying condensed consolidated statement of financial position of NASEEJ INTERNATIONAL TRADING COMPANY (the "Company") as at June 30, 2025 and the related condensed interim consolidated statements of profit and loss and comprehensive income for the three-months and six months periods ended June 30, 2025 and the condensed consolidated interim statements of changes in equity and condensed consolidated interim cash flows for the six month period then ended and condensed consolidated interim notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim 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.

**Emphasis of matter**

We draw attention to Note 4.1 to the financial statements, which describes the non-compliance with a covenant related to outstanding loans and borrowings with a bank as at June 30, 2025. Management is in discussions with the financial institution to obtain a waiver and expects such waiver to be granted for future periods in accordance with the agreement. Our opinion is not modified in respect of this matter.

**Conclusion**

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

**FOR EL SAYED EL AYOUTY & CO.**

Jeddah: July 31, 2025  
Safar 06, 1447H



**Abdullah Ahmad Balamash**  
Certified Public Accountant  
License No. (345)

An Independent Member Firm of Moore Global  
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throughout the world.

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

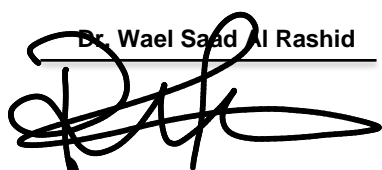
## Statement of interim condensed consolidated financial position as at June 30, 2025

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment – net		126,381	132,953
Intangible assets – net		98	119
Investment in associates and a joint venture	8	16,192	16,192
Right to use assets	3	8,388	10,306
<b>Total non-current assets</b>		<b>151,059</b>	<b>159,570</b>
<b>Current assets</b>			
Inventories, net		46,463	61,113
Trade receivables, net		66,651	83,952
Prepayments and other receivables, net		10,091	8,671
Cash and cash equivalent		587	2,806
<b>Total current assets</b>		<b>123,792</b>	<b>156,542</b>
<b>TOTAL ASSETS</b>		<b>274,851</b>	<b>316,112</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		108,973	108,973
Accumulated (losses)		(53,371)	(61,045)
<b>Total shareholders' equity</b>		<b>55,602</b>	<b>47,928</b>
<b>Non-current liabilities</b>			
Loans and borrowings	4	95,126	113,568
Right to use obligations	3.2	3,067	4,227
Employees' defined benefit obligations		20,898	22,260
<b>Total non-current liabilities</b>		<b>119,091</b>	<b>140,055</b>
<b>Current liabilities</b>			
Loans and borrowings	4	36,745	45,956
Right to use obligations	3.2	2,700	2,936
Trade payables		21,756	31,516
Due to related parties	7.3	1,099	5,808
Other payables		15,488	13,259
Provision for zakat		22,370	28,654
<b>Total current liabilities</b>		<b>100,158</b>	<b>128,129</b>
<b>Total liabilities</b>		<b>219,249</b>	<b>268,184</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>274,851</b>	<b>316,112</b>

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid



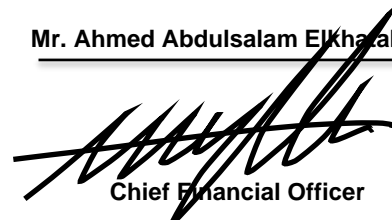
Chair of the Board of Directors

Mr. Monther Mohammed Al Sorayai



Chief Executive Officer

Mr. Ahmed Abdulsalam ElKhazaby



Chief Financial Officer

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

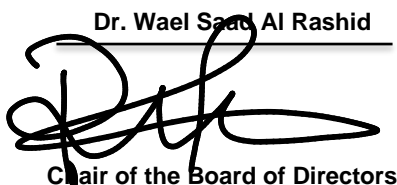
## Statement of interim condensed consolidated profit and loss and other comprehensive income for the three months and six months period ended June 30, 2025

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Three-month period		Six-month period	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	<i>Unaudited</i>		<i>Unaudited</i>	
Sales – net	19,380	51,374	45,627	115,191
Cost of sales	(14,433)	(47,884)	(39,204)	(99,933)
<b>Gross profit</b>	<b>4,947</b>	<b>3,490</b>	<b>6,423</b>	<b>15,258</b>
Selling and distribution expenses	(4,416)	(7,019)	(9,635)	(13,585)
General and administration expenses	(2,230)	(2,906)	(4,809)	(5,916)
Impairment of current assets -net	(190)	(398)	(354)	357
Other income/ ( expenses ) – net	20,704	(1,657)	21,061	(1,803)
<b>Operating income/(loss)</b>	<b>18,815</b>	<b>(8,490)</b>	<b>12,686</b>	<b>(5,689)</b>
Loss on investment in associates and joint venture	-	-	-	131
Financial charges	(2,498)	(5,990)	(5,012)	(7,411)
<b>Profit/(loss) before zakat</b>	<b>16,317</b>	<b>(14,480)</b>	<b>7,674</b>	<b>(12,969)</b>
Zakat expenses	-	(31)	-	(1,431)
<b>Profit/(loss) for the period</b>	<b>16,317</b>	<b>(14,511)</b>	<b>7,674</b>	<b>(14,400)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified in subsequent date to profit or loss (net after zakat)</i>				
Loss on revaluation of employees defined benefit obligations.	-	-	-	-
<b>Net income of items that will not be reclassified in subsequent date to profit or loss (net after zakat)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income/(loss) –net</b>	<b>16,317</b>	<b>(14,511)</b>	<b>7,674</b>	<b>(14,400)</b>
<b>Profit/(loss) per share</b>	<b>1.50</b>	<b>(1.33)</b>	<b>0.70</b>	<b>(1.32)</b>

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

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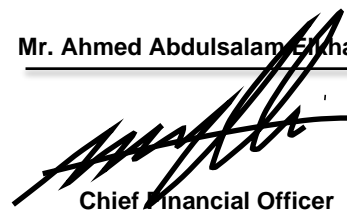
Chair of the Board of Directors

Mr. Monther Mohammed Al Sorayai



Chief Executive Officer

Mr. Ahmed Abdulsalam Elkhataby



Chief Financial Officer

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

## Statement of changes in interim condensed consolidated equity as at June 30, 2025

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Share capital	Accumulated (losses)	Total shareholders' equity
As at January 01, 2024 - (audited)	108,973	(18,824)	90,149
Net loss for the period	-	(14,400)	(14,400)
As at June 30, 2024 - (unaudited)	<u>108,973</u>	<u>(33,224)</u>	<u>75,749</u>
As at January 01, 2025 - (audited)	108,973	(61,045)	47,928
Net profit for the period	-	7,674	7,674
As at June 30, 2025 - (unaudited)	<u>108,973</u>	<u>(53,371)</u>	<u>55,602</u>

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid



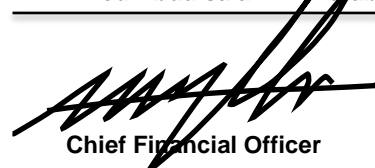
Chair of the Board of Directors

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Chief Financial Officer

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(A Saudi Joint Stock Company)

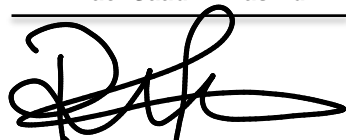
## Statement of interim condensed consolidated cash flows as at June 30, 2025

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<b>Operating activities</b>		
Profit/(loss) before zakat	7,674	(12,969)
<b>Adjustments for:</b>		
Depreciation	3,853	5,809
Amortization of intangibles	21	24
Amortization of right of use to assets	1,918	1,989
Provision for employees' defined benefit obligations	744	1,271
Share of profit from an associate and joint ventures	-	(131)
Gain on disposal of property, plant and equipment	(21,030)	-
Operating (loss) before working capital changes	(6,820)	(4,007)
<b>Working capital changes:</b>		
Inventories, net	14,650	17,791
Trade receivables, prepayments and other receivables, net	15,881	6,175
Due from related parties	-	176
Trade payables and other payables	(7,531)	2,301
Right to use obligation	(1,396)	(1,956)
Due to related parties	(4,709)	917
<b>Cash flows from operating activities</b>	<b>10,075</b>	<b>21,397</b>
Zakat paid	(6,284)	(2,297)
Employees' defined benefits paid	(2,106)	(2,542)
<b>Net cash generated from operating activities</b>	<b>1,685</b>	<b>16,558</b>
<b>Investing activities</b>		
Payment for purchase of property, plant and equipment	(3,814)	(1,017)
Proceeds from disposal of property, plant and equipment	27,563	-
Right of use assets	-	(160)
<b>Net cash generated from/(used in) investing activities</b>	<b>23,749</b>	<b>(1,177)</b>
<b>Financing activities</b>		
Loans and borrowings - net movement	(27,653)	(13,303)
<b>Net cash flows used in financing activities</b>	<b>(27,653)</b>	<b>(13,303)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,219)</b>	<b>2,078</b>
Cash and cash equivalents as at January 01,	2,806	3,420
<b>Cash and cash equivalents as at June 30,</b>	<b>587</b>	<b>5,498</b>

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid



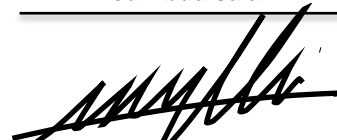
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Mr. Ahmed Abdulsalam Elkhataby



Chief Financial Officer

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

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## Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

### 1. Corporate information

Naseej International Trading Company (the "Parent Company") is a Saudi Joint Stock Company was established in the Kingdom of Saudi Arabia in accordance with the Ministry of Commerce and Industry's resolution No.523/Q dated 21 Dhul-Hijja 1428H, corresponding to December 31, 2007.

During 2010, the Parent Company offered 9 million shares for public subscription representing 30% of its share capital. Thus, the Parent Company converted to a public joint stock company.

The company is engaged in the import, export, wholesale and retail trade in carpets and rugs, flooring, furniture and furnishings, antiques, office furniture, kitchens, blankets, bed sheets, curtain fabrics and accessories and manufacturing of carpets and tuft according to the Ministry of Industry and Electricity's resolution No 1566/S dated 20 Dhul-Hijja 1420H and manufacturing of industrial yarn from polypropylene, nylon, processed polypropylene treatment and processed nylon (polyamide) according to the Ministry of Commerce resolution No 1699/S issued on 27 Dhul-Hijja 1424H and commercial services. Additionally, the Company may invest in other companies. These activities are carried out through the main Commercial Registration No 4030133919 (Unified No. 7018056049) issued on 5 Rabi-Al-Awal 1422 H corresponding to May 28, 2001. In the general assembly meeting held on May 22, 2012, the shareholders resolved to add activities which are to invest in real estate for investment purposes.

During 2012, the board of directors proposed to increase the Parent Company's share capital from SR 300 million to SR 375 million from the retained earnings by issuing right share i.e. one share for every four-share owned by the shareholders. The shareholders approved the increase in share capital in their general assembly meeting held on April 01, 2013, and issued the shares on same date. The Parent company's share capital is SR 375,000,000 divided into 37,500,000 shares of SR 10 each.

During December 2017, shareholders in their Extraordinary General Assembly Meeting held on December 28, 2017, decided to amortize the accumulated losses amounting to SR 150 million, as at September 30, 2017, by capital reduction, and the use of the entire statutory reserve and general reserve. This decision resulted in capital reduction from SR 375 million to SR 225 million and the company's commercial registration amended after capital deduction dated on 7 Jumada-Al-Awal 1439H corresponding to January 24, 2018.

During August 2019, shareholders in their Extraordinary General Assembly Meeting held on August 28, 2019, decided to amortize the accumulated losses amounted to SR 159.5 million as at June 30, 2019, by capital reduction. This decision resulted in capital reduction from SR 225 million to SR 65.5 million, representing a reduction in the number of shares from 22.5 million to 6.5 million. Accordingly, the company's commercial registration amended after capital reduction dated on 24 Safar 1441H corresponding to October 23, 2019.

Based on the decision of the extraordinary general assembly meeting, held on January 22, 2020, the shareholders decided to increase the capital from SR 65.5 million to SR 178.6 million. Such value of capital increase amounting to SR 112.66 million will be used, as a strategic direction for the group to raise the solvency of the group through the restructuring and the implementation of an action plan focusing on its main activities. On February 16, 2020, the share capital increase procedures were completed, the results of the offering period were announced, regulatory procedures were completed, and the commercial registration was amended with the value of the new capital on February 24, 2020.

The shareholders decided, based on the decision of the extraordinary general assembly, held on 3 Ramadan 1441 H, corresponding to April 26, 2020, agreed to change the name of the company from Al-Sorayai Trading and Industrial Group Company to Naseej International Trading Company. The commercial registration was amended with the new name on May 14, 2020.

The shareholders in their extra ordinary general assembly meeting, held on December 20, 2020, approved the reduction in share capital from SR 178.6 million to SR 61.6 million by canceling 11.6 million shares representing SR 116.5 million. The reduction of SR 116.5 million was amortized against accumulated losses of the Group. The percentage change in share capital, after the share capital reduction ratio was 65.4%, therefore the reduction rate per share is 1.529 shares.

The shareholders in their extra ordinary general assembly meeting, held on November 04, 2021, approved the increase in share capital from SR 61.6 million to SR 211.6 million by issuing 15 million shares representing SR 150 million. The percentage change in share capital 243.3%, therefore the increase in rate per share is 2.43 per share.



# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

## Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

### 1. Corporate information (continued)

The Board of Directors decided on March 30, 2022, to recommend to the Extraordinary General Assembly to reduce the company's capital amounting to SAR 102,659,000/- for the purpose of amortization of accumulated losses.

The shareholders in their extra ordinary general assembly meeting, held on July 18, 2022, approved the reduction in share capital from SR 211.6 million to SR 108.9 million by canceling 10.3 million shares representing SR 102.6 million. The reduction of SR 102.6 million was amortized against accumulated losses of the Group. The percentage change in share capital, after the share capital reduction ratio was 48.51%, therefore the reduction rate per share is 1.485 shares.

The main branch is located in Industrial Area 1, Jeddah, Kingdom of Saudi Arabia.

The parent company has 2 main branches of factories, the name of Jeddah's branch for the industrial fabric and the Al Jazeera for spinning and carpets has been amended as stated below:

Name of the amended branch	Commercial registration
Jeddah Industrial Thread Factory	4030115974
Al - Sorayai Carpet Factory	4030131014

In addition to the main branch and two factories, these condensed consolidated interim financial statements include results, assets and liabilities of 10 other branches.

### New Companies Law

"The Ministry of Commerce began implementing the new Companies Law on 26 Jumada Al-Akhira 1444H (corresponding to January 19, 2023) ("Implementation Date"), The new Companies Law will replace the old Companies Law issued by Royal Decree No, M/3 dated 28 Muharram 1437H and will nullify any provisions conflicting with it, Accordingly, all existing companies as of the Implementation Date must make the necessary amendments to their Articles of Association to comply with the new Companies Law within two years of the Implementation Date, The company's management made the necessary amendments to the company's articles of association in accordance with the requirements of the new law,"

### 2. Significant accounting policies

#### 2.1. Statements of compliance

The condensed consolidated interim financial statements for the three months ended **June 30**, 2025, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted in the Kingdom of Saudi Arabia as well as other standards and announcements endorsed by Saudi Organization for Chartered and Professional Accountant (SOCPA).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2024.

As required by Capital market authority (CMA) through its circular issued at October 16, 2016, the Group should apply cost model to measure the property, plant and equipment, and non- tangible assets upon adoption of the International Financial Reporting Standards for three years, commencing from the application of IFRSs. However, subsequently, this has been extended until December 31, 2021.

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

## Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

### 2. Significant accounting policies (continued)

#### 2.2. Basis of preparation

These financial statements have been prepared on a going concern basis and historical cost basis. Management has assessed the Company's ability to continue as a going concern and expects it to return to profitability and generate positive cash flows in the foreseeable future. The exceptions are the following material items in the condensed consolidated statement of financial position.

- Derivative financial instruments are measured at fair value.
- Equity investment is measured at fair value through OCI.
- The employees' defined benefit obligation is recognized at the present value of future obligations using the Projected Unit Credit Method.

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, and require management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of the interim condensed consolidated financial statements. These significant estimates and assumptions have been disclosed in the annual consolidated financial statements for the year ended December 31, 2024.

The Group's condensed consolidated interim financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The condensed consolidated interim financial statements are presented in Saudi riyals, which is the functional and presentation currency. The numbers were rounded to the nearest thousand riyals, unless otherwise stated.

#### 2.3. Basis of consolidation

These condensed consolidated interim financial statements include the financial statement of the Parent company and the following subsidiaries (herein after referred to as "Group").

Name	Main activity	Ownership holding	
		2025	2024
The Home Style Company LLC	(a) Retail trade in carpets, rugs, floors, furniture, blankets, curtain fabrics and accessories	100%	100%
Al Sorayai Company for Operations and Maintenance Ltd.	Maintenance services for factories, governmental and private institutions	100%	100%
Al Sorayai for Projects Company LLC (The activity is suspended)	Government and private project services for furniture, rugs and carpets	100%	100%

- a) The Home Styles Company LLC ("the subsidiary"), was incorporated in November 2010. As the Parent Company is the 100% beneficial owner of the subsidiary, these consolidated financial statements include 100% of the results of the subsidiary. Under the restructuring of the Group and upon the approval of the Board of Directors in 2017 meetings, the Group will consolidate the operations of the subsidiary in the Group under the commercial segment.

#### Control is achieved when the Company has:

- The ability to control the investee
- The emergence of the company's right to variable returns as a result of its association with the investee
- The ability to use its control to influence investment returns

The company re-evaluates whether it controls any of the investees or not, if the facts and circumstances indicate changes to one or more of the control elements referred to above.

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

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## Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

### 2.3 Basis of consolidation (continued)

When the voting rights of the company, in any of the investees, are less than the majority of the voting rights in them, the company has control over that investee. When the voting rights are sufficient to give it practical ability to direct the activities related to the investee with a separate manner. The company takes into account all relevant facts and conditions when assessing whether the company has voting rights in the investee to grant it control. These facts and circumstances include:

- The amount of voting rights the group owns in relation to the size and extent of ownership of other voting rights holders
- Potential voting rights owned by the company and other voting rights holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that may indicate that the company has, or does not have, the current ability to direct relevant activities when needed to make decisions, including how to vote at previous shareholders' meetings

The consolidated process of the subsidiary starts when the company can control the subsidiary, while that process is discontinued when the company loses the control over the subsidiary. In particular, revenue and expenses of the acquired or disposed of subsidiary are included during the period in the statement of consolidated profit or loss and the comprehensive income from the date of the control until the date of expiry of control of the company over the subsidiary.

Statement of consolidated profit or loss and all elements of the other comprehensive income are distributed to the shareholders of the company. The total other comprehensive income of the subsidiary is also distributed to the shareholders.

If necessary, adjustments should be made to the financial statements of the subsidiary so as its accounting policies to be in conformity with those used by the group.

All transactions and balances, including assets, liabilities, equity, revenue, expenses and cash flows arising from transactions between the companies of the group upon consolidation are disposed of.

### Changes in the group's equity in existing subsidiaries

Changes in the group's ownership in subsidiaries that do not lead to a loss of control are accounted for as equity transactions. The reported values of the group's equity and the non-controlling interests are adjusted to reflect changes in their ownership in the subsidiaries. Any difference between the value of the amendment of non-controlling interests and the fair value of the consideration paid or received is directly included in the equity and is attributable to the shareholders of the company.

When the group loses control of the subsidiary, any profit or loss is recognized in the consolidated income statement and calculated based on the difference between

1. the total fair value of the amount received and the fair value of any retained interest and,
2. the previously recorded book value of the assets (including goodwill), the liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income related to that subsidiary are accounted for as if the group had directly disposed of the assets or liabilities of the subsidiary (i.e. reclassification to profit, loss, or transfer to another classification in equity as specified/permitted) in accordance with international standards for financial reporting.

The fair value of the percentages that are retained from the investment in the previous subsidiary at the date of loss of control is considered as a fair value for the remaining investment upon initial recognition in subsequent periods and is in accordance with IFRS 9, and in the event the company becomes an associate or a joint venture, the fair value is considered as cost for initial recognition of investment in an associate or a joint venture.

### 2.4. New Standards, Amendments to Standards and Interpretations

There are no new standards issued, however, there are number of amendments to standards which have been explained in Group Annual Consolidated Financial Statements, but they do not have a material effect on the Group's Condensed Consolidated Interim Financial Statements.

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

## Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

### 2.5. Going concern assumption

The interim condensed consolidated financial statements have been prepared on the going-concerned basis.

Management has assessed the Group's ability to continue as a going concern in the foreseeable future, which is not less than 12 months from the date of the interim condensed consolidated financial statements.

Despite the fact that the Group's accumulated losses as of June 30, 2025, amounted to SAR 53.37 million, representing 49% of its share capital, management believes that the Group has sufficient financial resources and appropriate operational plans to ensure its continued operation.

Management has prepared and analyzed the 2025 budget, including expected cash flow for the next twelve months, taking into consideration the impact of the potential guaranteed payment, and has not identified any material uncertainties that may adversely affect the Group's ability to continue its activities as a going concern.

During the six-month period ending June 30, 2025, the Group's performance improved through profitability from operating activities, a net profit for the period, and positive cash flows from operating activities.

Furthermore, on 16, February 2025, the Group signed a non-binding memorandum of understanding to acquire another company. Management believes that this acquisition, if completed, is a strategic step that could significantly contribute to long-term growth and sustainability.

The significant judgments made by Management in applying the Group's accounting policies and the significant sources of estimation uncertainties were the same as those applied to the consolidated financial statements for the year ended December 31, 2024.

### 3. Right to use assets and lease obligations

Right to use assets and obligations arising from leases represent the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>3.1 Right to use</b>		
At as 1 January	29,766	28,878
Additions during the year	-	888
<b>As at June 30, / December 31,</b>	<b>29,766</b>	<b>29,766</b>
Amortization (note 3.1.1)	(21,378)	(19,460)
<b>Right of use asset – net</b>	<b>8,388</b>	<b>10,306</b>
<b>3.1.1 Amortization</b>		
Accumulated amortization as at January 01,	19,460	15,304
Amortization during the year	1,918	4,156
Accumulated amortization as at <b>June 30, / December 31,</b>	<b>21,378</b>	<b>19,460</b>
<b>3.6. Right of use obligation</b>		
At as 1 January	7,163	10,211
Additions during the year	-	888
Finance charges accrued	121	353
Rent paid during the year	(1,517)	(4,289)
<b>As at June 30, / December 31,</b>	<b>5,767</b>	<b>7,163</b>
Current portion	(2,700)	(2,936)
Non-current portion	3,067	4,227

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

## Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

### 4. Loans and borrowings

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Saudi National Bank – SNB	12,960	15,933
Al Rajhi Bank	10,850	13,020
Riyadh Bank	96,063	100,915
Saudi Industrial Development Fund	-	14,657
Ministry of Finance	11,998	14,999
<b>Loan and borrowing – total</b>	<b>131,871</b>	<b>159,524</b>
<b>Loans and borrowings – current</b>	<b>(36,745)</b>	<b>(45,956)</b>
<b>Loans and borrowings – non current</b>	<b>95,126</b>	<b>113,568</b>

#### 4.1 Saudi National Bank – SNB

During the period end June 30, 2025, there has been non-compliance of a covenant on outstanding loans and borrowings with Saudi National Bank. Management is under discussion with these financial institutions for waiver and expect such waiver for future periods as per agreement. Accordingly, the loans were not repayable on demand as at June 30, 2025.

**4.2** Bank wise financing facilities terms, conditions, purpose, covenants and guarantees has been disclosed in the Group Annual Consolidated Financial Statements for the year ended December 31, 2024.

### 5. Earnings per share

Loss per share is calculated by dividing net loss over the weighted average to the existing number of shares during the period.

### 6. Business sector information

As per management's view, the Group's activities are divided into two main activities as follows:

	For three months period ended			For the six-month period ended		
	June 30, 2025			June 30, 2025		
	Sales	Cost of sales	Total profit	Sales	Cost of sales	Total profit
<b>Flooring</b>	15,798	(12,569)	3,229	38,996	(34,841)	4,155
<b>Non – flooring</b>	3,582	(1,864)	1,718	6,631	(4,363)	2,268
	<u>19,380</u>	<u>(14,433)</u>	<u>4,947</u>	<u>45,627</u>	<u>(39,204)</u>	<u>6,423</u>

	For the three-month period ended			For the six-month period ended		
	June 30, 2024			June 30, 2024		
	Sales	Cost of sales	Total profit	Sales	Cost of sales	Total profit
Flooring	44,668	(43,275)	1,393	102,598	(90,339)	12,259
Non – flooring	6,706	(4,609)	2,097	12,593	(9,594)	2,999
	<u>51,374</u>	<u>(47,884)</u>	<u>3,490</u>	<u>115,191</u>	<u>(99,933)</u>	<u>15,258</u>

# NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

## Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

### 7. Related parties transactions and balances

#### 7.1. Nature of relationship

The Company has undertaken transactions with the following related parties during the period/year.

Name of the related parties	Relationship
Saudi Company for Manufacturing Carpet Materials	Affiliate
Al Hikma International for Real Estate Development Company	Affiliate
Arabian Calcium Carbonate Company Limited	Affiliate
Others	Shareholders

#### 7.2. Significant transactions

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Purchases	2,086	10,987
Management benefits paid	1,612	3,529
BOD remuneration and executive committees	573	1,895
Rent	-	238

#### 7.3. Due to related parties

Saudi Company for Manufacturing Carpets Materials	1,099	5,808
	<u>1,099</u>	<u>5,808</u>

### 8. Investment in associates and joint ventures

	Arabian Calcium Carbonate Production Company*	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Capital	(1) 5,000	5,000	5,000
Long term payment	16,880	16,880	16,880
Proceed against long term payment	(408)	(408)	(408)
Long term payment - net	(2) 16,472	16,472	16,472
Group share of result			
Group share of result as at Jan 01,	(5,123)	(5,123)	(5,123)
Current period / year share of gain / (loss)	(157)	(157)	(157)
Group share of result	(3) (5,280)	(5,280)	(5,280)
Balance at June 30, / Dec 31,	(1+2+3) 16,192	16,192	16,192

\*The Group owns 52% of the Arabian Calcium Carbonate Production Company (a limited liability Company) was established in Saudi Arabia, with commercial registration number 4030259768 dated 23 Muharram 1435H corresponding to December 6, 2012, and issued from Jeddah. According to the decision of the Extraordinary General Assembly Meeting on January 16, 2017, corresponding to 17 Rabi-Al-Thani 1438H the shareholders have agreed to reduce the percentage contribution of the company from 52% to 25% by entering the company's new shareholder capital increase and therefore the company loses control of the subsidiary. The Article of Association was amended on Rabi-Al-Thani 8, 1441H corresponding to December 5, 2019, and the commercial registration was amended on Rabi-Al-Thani 14, 1441H corresponding to December 12, 2019.

# **NASEEJ INTERNATIONAL TRADING COMPANY**

(A Saudi Joint Stock Company)

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## **Notes to the interim condensed consolidated financial statements**

(All amounts in Saudi Riyals Thousands unless otherwise stated)

### **8. Investment in associates and joint ventures (continued)**

The investment, in Arabian Calcium Carbonate Production Company – 25% shareholding, has been accounted for using equity method of accounting based on management financial statements (un-audited) for the period ended June 30, 2025.

### **9. Subsequent event**

The management believes that no significant subsequent events have occurred since the statement of financial position date June 30, 2025, until the approval date of these financial statements may have a material impact on the Company's financial position.

### **10. Approval of financial statements**

The Board of Directors of the Group approved the interim unaudited condensed consolidated financial statements on July 31, 2025 (corresponding to Safar 06, 1447H).