

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2025

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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

**TO THE SHAREHOLDERS OF NATURAL GAS DISTRIBUTION COMPANY
A SAUDI JOINT STOCK COMPANY**

(1 / 1)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Natural Gas Distribution Company (the "Company") as at 30 June 2025 and the related interim statement of profit or loss and other comprehensive income for the six-month period then ended, and the interim statements of changes in equity and cash flows for the six-month period then ended and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

OTHER MATTER

The financial statements of the Company for the year ended 31 December 2024 were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements dated 25 Ramadan 1446H, corresponding to 25 March 2025.

The interim condensed financial statements of the Company for the six-month period ended 30 June 2024 were reviewed by another firm of chartered accountants who expressed an unmodified conclusion on those interim condensed financial statements dated 18 Safar 1446H, corresponding to 22 August 2024.

For PKF Al-Bassam Chartered Accountants



Ahmed Mohandis
Certified Public Accountant
License No. 477
Riyadh, Kingdom of Saudi Arabia
5 Rabi' Al-Awwal 1447H
Corresponding to: 28 August 2025



NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	30 June 2025 Unaudited	31 December 2024 Audited
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS:</u>			
Property and equipment, net		64,483,525	63,201,036
Investment in joint venture	5	1,553,858	532,285
Intangible assets, net		119,034	129,834
TOTAL NON-CURRENT ASSETS		66,156,417	63,863,155
<u>CURRENT ASSETS</u>			
Inventories		254,480	242,771
Trade receivables	6	17,969,580	13,690,281
Due from related parties	7.2	678,195	428,730
Prepayments and other receivables		2,825,063	1,484,828
Term deposits	8	-	4,188,956
Cash and cash equivalents		13,676,362	9,758,069
TOTAL CURRENT ASSETS		35,403,680	29,793,635
TOTAL ASSETS		101,560,097	93,656,790
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY</u>			
Share capital	1	50,000,000	50,000,000
Statutory reserve		4,324,928	4,324,928
Retained earnings		4,691,702	4,943,520
TOTAL EQUITY		59,016,630	59,268,448
<u>NON-CURRENT LIABILITIES</u>			
Long-term loan	9.2	5,018,758	3,335,630
Provision for end-of-service benefits		2,162,336	1,945,439
TOTAL NON-CURRENT LIABILITIES		7,181,094	5,281,069
<u>CURRENT LIABILITIES</u>			
Trade payables		27,820,988	22,409,659
Current portion of long-term loan	9.2	1,254,689	3,440,626
Accrued and other payable		3,195,597	2,509,703
Dividend payable	17	2,500,000	-
Due to related party	7.2	-	131,487
Provision for network maintenance		514,474	514,474
Provision for zakat	10	76,625	101,324
TOTAL CURRENT LIABILITIES		35,362,373	29,107,273
TOTAL LIABILITIES		42,543,467	34,388,342
TOTAL LIABILITIES AND EQUITY		101,560,097	93,656,790

Contingencies and commitments 11

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial statements.



Mostafa Mohammed Kamal
Chief Financial Officer



Raed Mubarak Al Mubarak
Chief Executive Officer

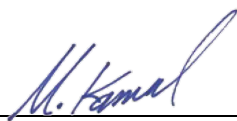


Abdulrahman Abdulaziz
Mohammed Bin Sulaiman
Chairman

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

		For the six-month period ended	
	Note	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)
Revenues	12	75,313,934	54,319,884
Cost of revenue	13	(69,798,981)	(50,278,214)
GROSS PROFIT		5,514,953	4,041,670
General and administrative expenses		(3,420,609)	(2,885,752)
OPERATING PROFIT		2,094,344	1,155,918
Finance costs		(49,800)	(37,664)
Profit / (loss) from investment in joint venture	5	21,573	(250,000)
Other income		254,783	674,270
NET PROFIT BEFORE ZAKAT		2,320,900	1,542,524
Zakat expense for the period	10	(72,718)	(50,052)
NET PROFIT FOR THE PERIOD		2,248,182	1,492,472
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,248,182	1,492,472
Basic and diluted earnings per share	14	0.45	0.30

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial statements.



Mostafa Mohammed Kamal
Chief Financial Officer



Raed Mubarak Al Mubarak
Chief Executive Officer




Abdulrahman Abdulaziz
Mohammed Bin Sulaiman
Chairman

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share Capital	Statutory Reserve	Retained earnings	Total
<u>For the six-month period ended 30 June 2025</u>				
Balance at 1 January 2025 (Audited)	50,000,000	4,324,928	4,943,520	59,268,448
Net profit for the period	-	-	2,248,182	2,248,182
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	2,248,182	2,248,182
Dividends (Note 17)	-	-	(2,500,000)	(2,500,000)
Balance as at 30 June 2025 (Unaudited)	50,000,000	4,324,928	4,691,702	59,016,630
<u>For the six-month period ended 30 June 2024</u>				
Balance at 1 January 2024 (Audited)	50,000,000	3,948,029	4,149,442	58,097,471
Net profit for the period	-	-	1,492,472	1,492,472
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,492,472	1,492,472
Dividends (Note 17)	-	-	(2,500,000)	(2,500,000)
Balance as at 30 June 2024 (Unaudited)	50,000,000	3,948,029	3,141,914	57,089,943

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial statements.



Mostafa Mohammed Kamal
Chief Financial Officer



Raed Mubarak Al Mubarak
Chief Executive Officer

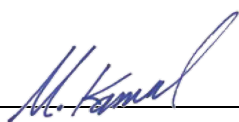


**Abdulrahman Abdulaziz
Mohammed Bin Sulaiman**
Chairman

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
INTERIM STATEMENT OF CASHFLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

		For the six-month period ended	
	Note	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
<u>Cash flows from operating activities</u>			
Net profit before zakat		2,320,900	1,542,524
Adjustments for:			
Depreciation of property and equipment		2,489,498	2,683,359
Amortization of intangible assets		10,800	8,300
(Profit) / loss from investment in joint venture	5	(21,573)	250,000
Provision for employee retirement benefits		216,897	174,446
Provision for gas network maintenance		-	(139,750)
		<u>5,016,522</u>	<u>4,518,879</u>
<u>Changes in working capital:</u>			
Inventories		(11,709)	21,921
Trade receivables		(4,279,299)	(8,045,700)
Due from related parties		(249,465)	4,242,695
Prepayments and other receivables		(1,340,235)	(624,987)
Term deposits		4,188,956	-
Trade payables		5,411,329	3,009,835
Due to related parties		(131,487)	(14,325)
Accrued and other payable		685,894	942,540
Cash generated from operations		<u>9,290,506</u>	<u>4,050,858</u>
Employees end-of-service benefits paid		-	(98,439)
Zakat paid	10	(97,417)	(386,778)
Net cash generated from operating activities		<u>9,193,089</u>	<u>3,565,641</u>
<u>Cash flows from investing activities</u>			
Purchase of property and equipment		(224,120)	(32,267)
Additions to projects under construction		(3,548,305)	(254,118)
Proceeds from disposal of property and equipment		438	1,377
Investment in joint venture	5	(1,000,000)	-
Net cash used in investing activities		<u>(4,771,987)</u>	<u>(285,008)</u>
<u>Cash flows from financing activities</u>			
Proceeds from long-term loans	9	2,567,191	-
Payment of long-term loans	9	(3,070,000)	(2,560,000)
Net cash used in financing activities		<u>(502,809)</u>	<u>(2,560,000)</u>
Net increase in cash and cash equivalents		3,918,293	720,633
Cash and cash equivalents at beginning of the period		<u>9,758,069</u>	<u>14,683,033</u>
Cash and cash equivalents at end of the period		13,676,362	15,403,666

The accompanying notes from 1 to 19 form an integral part of these interim condensed financial statements.



Mostafa Mohammed Kamal
Chief Financial Officer



Raed Mubarak Al Mubarak
Chief Executive Officer



Abdulrahman Abdulaziz
Mohammed Bin Sulaiman
Chairman

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ITS ACTIVITIES

The Natural Gas Distribution Company was established as a limited liability Company and registered in Commercial Register No. 1010160762 (Unified No: 7001411201) on 20 Jumada Al-Ula 1421 H (corresponding to 20 August 2000 G) issued in Riyadh with a capital of SR 15 million.

On Dhul Qi'dah 20 1430 AH (corresponding to November 16, 2009 AD) the shareholders unanimously decided to approve the transformation of the Company from a limited liability company to a closed joint stock company and an increase in its capital from SR 15 million to SR 50 million divided into 5 million ordinary shares of SR 10 each. The company was registered as a closed joint stock company on Safar 19, 1431 AH (corresponding to February 3, 2010).

On Muharram 1, 1442 (corresponding to August 20, 2020), the Extraordinary General Assembly also approved the direct listing of the company's shares in the parallel market "Nomu". On 18 Shaaban 1442 (corresponding to March 31, 2021 AD), the approval of the Capital Market Authority was issued to register the company's shares for the purpose of direct listing in the parallel market. The Saudi Tadawul announced that the Company's shares were listed and started trading in the parallel market "Nomu" as of the date of Safar 15, 1443 (corresponding to September 22, 2021) as a direct listed Company with Tadawul code No. 9516.

The Company's activities include the distribution of gaseous fuels through pipes and gas pipelines, their maintenance and repair, the wholesale sale of gaseous fuels, and the transportation of natural gas through pipelines. The Company's current activity is the purchase of dry gas from Saudi Aramco and the establishment, operation and maintenance of the distribution network to all current and future factories in the Second Industrial City of the Industrial Estates and Technology Zones in Riyadh.

The company's principal address is the Second Industrial City, Al-Kharj Road, P.O. Box. 000512, Postal Code 11382 Riyadh, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These interim condensed financial statements have been prepared under historical cost basis, using the accrual basis of accounting and the going concern concept.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2024. The performance of the Company for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Arabian Riyal (SAR), which is the Company's functional and presentation currency. All the financial information presented has been rounded to the nearest Saudi Riyal unless otherwise stated.

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements

The preparation of these interim condensed financial statements requires the use of judgments, estimates and assumptions that affect the values of income, expenses, assets, liabilities and notes attached thereto and the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates may result in a material adjustment to the carrying amounts of the assets and liabilities in future periods. The significant judgements and estimates made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those described in the Company's financial statements for the year ended 31 December 2024.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

There are no new standards issued however, there are number of amendments to standards which are effective from 1 January 2025 and the details of the same have been explained in Company's annual financial statements for the year ended 31 December 2024, but they do not have a material effect on the Company's interim condensed financial statements.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 31 December 2024.

5. INVESTMENT IN JOINT VENTURE

On May 15, 2023, the Company signed an agreement with Arab Energy Company (an Egyptian joint stock company) to establish a partnership between them through the establishment of a limited liability company in the Kingdom of Saudi Arabia in accordance with the Companies Law, the Investment Law, and their implementing regulations. On August 29, 2023, the articles of association of the First Gas Company (a limited liability company) were issued as a joint venture. The company's capital was set at SAR 0.5 million, divided into 500 equal shares, each worth SAR 1,000. During the period, the share capital has been increased to SAR 2.5 million and the Company made additional investment of SAR 1 million. These shares were distributed among the partners as follows:

Arab Energy Company SAR 1,250,000 and the Natural Gas Distribution Company SAR 1,250,000. The commercial registration and other legal requirement are in progress at the date of issuance of interim financial statements.

The joint venture's main activities are the extension, maintenance, and repair of oil and gas pipelines and gas pipeline extensions.

	30 June 2025	31 December 2024
	<u>Unaudited</u>	<u>Audited</u>
Opening	532,285	250,000
Share of profit from joint venture	552,674	582,057
Unrealized loss	(531,101)	(299,772)
	21,573	282,285
Additional investment during the period/year	1,000,000	-
Closing	<u>1,553,858</u>	<u>532,285</u>

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6. TRADE RECEIVABLES

	30 June 2025	31 December 2024
	<u>Unaudited</u>	<u>Audited</u>
Trade receivables	<u>17,969,580</u>	<u>13,690,281</u>

Aging of trade receivables is as follows:

	30 June 2025	31 December 2024
	<u>Unaudited</u>	<u>Audited</u>
Current – not due	13,374,595	11,390,693
0 – 90 days	4,205,876	1,628,942
90 – 180 days	389,109	670,646
	<u>17,969,580</u>	<u>13,690,281</u>

7. RELATED PARTY TRANSACTIONS AND BALANCES

<u>Related party</u>	<u>Nature of relationship</u>
National Gas and Industrialization Company	Major shareholder and common management
Al Abdullatif Industrial Investment Company	Major shareholder and common management
Riyadh Cables Company	Major shareholder
Saudi Gas Cylinder Factory Company	Subsidiary of Major shareholder
First Gas Company	Joint venture
ADFA Blanket Company	Subsidiary of Major shareholder
Artex Industrial Investment Company	Subsidiary of Major shareholder

7.1 Transactions with related parties

	<u>Nature of transaction</u>	30 June 2025	30 June 2024
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
First Gas Company	Expenses	270,817	421,023
	Services	2,724,326	-
Artex Industrial Investment Company	Sales	477,501	379,531
Saudi Gas Cylinder Factory Company	Sales	267,065	187,057
Riyadh Cables Company	Sales	1,891,762	1,446,501
ADFA Blanket Company	Sales	636,329	447,504
National Gas and Industrialization Company	Expenses	-	15,000

7.2 Balances with related parties

	30 June 2025	31 December 2024
	<u>(Unaudited)</u>	<u>(Audited)</u>
Due from related parties		
Riyadh Cables Company	323,217	192,047
ADFA Blanket Company	119,686	123,788
First Gas Company	108,392	-
Artex Industrial Investment Company	71,950	70,160
Saudi Gas Cylinder Factory Company	54,950	42,735
	<u>678,195</u>	<u>428,730</u>

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

7.2 Balances with related parties (Continued)

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Due to related party		
First Gas Company	-	131,487
	-	131,487

7.3 Transactions with key management personnel

Key management personnel of the Company include its Directors, Chief Executive Officer, Chief Financial Officer, Director of Human Resources and Chief Operating Officer. The following table illustrates details of remuneration and compensation paid to Directors and Key Management Personnel:

	Nature of transaction	30 June 2025	30 June 2024
		Unaudited	Unaudited
Board of directors	Remuneration	419,502	391,002
Key management personnel	Salaries and compensation	705,306	621,385
	Allowances	305,658	222,005
		1,430,466	1,234,392

8. TERM DEPOSITS

Term deposits represents Islamic deposits with local banks and financial institutions maturing within a period of more than 3 months and less than one year. These term deposits have been matured and received during the period earning a profit amounting to SAR 0.24 million (30 June 2024: SAR 0.47 million).

9. LONG TERM LOANS

9.1 INDUSTRIAL DEVELOPMENT FUND LOAN

The Unified Industrial Development Fund loan agreement was signed on 24 May 2018 for an amount of SAR 20,500,000, from which SAR 1,540,000 was deducted for studies and industrial evaluation costs. The loan was granted against a promissory note guarantee and a mortgage over all the Company's assets in favour of the Fund and the Company received an amount of SAR 15,899,054 from the loan, including the full cost of studies and evaluation. The loan was to be repaid in 10 instalments commenced on 28 January 2021 and ended on 14 April 2025. The loan was fully paid during the period.

9.2 RIYADH BANK LOAN

The Company signed a medium-term Islamic financing agreement (5 years) with Riyadh Bank on 1 December 2024 to finance the Company's expansion project for extending the natural gas distribution network in the Second Industrial City, with a total facility amount of SAR 7.38 million and the Company has received an amount of SAR 6.27 million from the loan, which will be repaid in 10 equal semi-annual instalments starting from 1 December 2025 and the loan was granted against a promissory note as security. The loan carrying interest rate of SIBOR+1.9%. There are no special covenants relating to this loan. The finance cost has been capitalized as borrowing cost amounting to SAR 0.16 million (30 June 2024: Nil).

NATURAL GAS DISTRIBUTION COMPANY
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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

9. LONG TERM LOANS (CONTINUED)

9.2 RIYADH BANK LOAN (CONTINUED)

The Company signed a short-term Islamic financing agreement (with a maximum term of two years) with Riyadh Bank on 1 December 2024 to finance the Company's expansion project for extending the natural gas distribution network in the Second Industrial City, with a total facility amount of SAR 14.76 million and this loan will be settled upon obtaining a loan of equivalent value from the Saudi Industrial Development Fund and the loan was granted against a promissory note as security. The loan carrying interest rate of SIBOR+1.9%.

Movement in long term loans is as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>Unaudited</u>	<u>Audited</u>
Balance at the beginning of the period / year	6,776,256	8,700,000
Received during the period / year	2,567,191	3,706,256
Payments made during the period / year	(3,070,000)	(5,630,000)
Balance at the end of the period / year	6,273,447	6,776,256
	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>Unaudited</u>	<u>Audited</u>
Current portion	1,254,689	3,440,626
Non-current portion	5,018,758	3,335,630
	6,273,447	6,776,256

10. PROVISION FOR ZAKAT

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>Unaudited</u>	<u>Audited</u>
Balance at the beginning of the period / year	101,324	386,778
Provision during the period / year	72,718	101,324
Payments made during the period / year	(97,417)	(386,778)
Balance at the end of the period / year	76,625	101,324

The Company submitted its zakat and tax returns until 31 December 2024 and obtained provisional zakat certificate from Zakat, Tax and Customs Authority ("ZATCA") valid till 13 Dhu al-Qi'dah 1447H corresponding to 30 April 2026. The Company has closed all Zakat assessments up to 2018. The Company has no open assessment orders to the date of issuance of interim condensed financial statements.

11. CONTINGENCIES AND COMMITMENTS

a) Contingencies

Contingencies represent letter of guarantee issued to Saudi Arabian Oil Company (Aramco) for gas supply amounted to SAR 32.8 million as at 30 June 2025 (31 December 2024: SAR 32.8 million).

b) Commitments

The Company has SAR 10.15 million of commitments in respect of capital expenditures for construction and expansion of gas pipeline network as at 30 June 2025 (31 December 2024: SAR 11.19 million).

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

12. REVENUE

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Revenue	75,313,934	54,319,884

Revenues are generated from sale of gas to customers and revenues are recognized at point in time.

13. COST OF REVENUE

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Gas purchases	64,514,504	45,077,510
Depreciation of property and equipment's	2,421,314	2,611,740
Wages and salaries	1,844,864	1,524,740
Other operating costs	1,018,299	1,064,224
	69,798,981	50,278,214

14. EARNINGS PER SHARE:

Earnings per share have been calculated based on the net profit using the weighted average number of outstanding shares at the end of the period. The share capital of the Company comprises of 5 million ordinary shares as at 30 June 2025 (30 June 2024: 5 million ordinary shares).

There were no potentially dilutive shares outstanding at any time during the periods ended 30 June 2025 and 30 June 2024 respectively.

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Net profit attributable to ordinary shareholders (SAR)	2,248,182	1,492,472
Weighted average number of ordinary shares in issue	5,000,000	5,000,000
Basic and diluted earnings per share (SAR)	0.45	0.30

15. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial instruments which are measured at fair value as at the reporting date. Accordingly, the fair value hierarchy disclosures are not applicable to the Company.

NATURAL GAS DISTRIBUTION COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

16. RECLASSIFICATIONS

Certain comparative figures have been reclassified to conform to current period presentation which are majorly as follows:

	For the six-month period ended 30 June 2024		
	Amount	From	To
Trade receivable	2,966,873	Due from related parties	Trade receivable

17. DIVIDEND PAYABLE

The Ordinary General Assembly of the Company approved the distribution of cash dividends for the year ended 31 December 2024 in their meeting held on 18 June 2025. The dividend amounting to SR 2.5 million (at SR 0.50 per share) was actually distributed to the Company's shareholders on 7 July 2025 (30 June 2024: SR 2.5 million (at SR 0.50 per share)).

18. SUBSEQUENT EVENT

There are no other significant subsequent events since the period end that would require additional disclosure or adjustment in these interim condensed financial statements of the Company.

19. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors on 3 Rabi' Al-Awwal, 1447 corresponding to 26 August 2025.