Saudi Industrial Export Company

(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements

For The Three-Month and Six-Month Periods Ended 30 June 2026

And Independent Auditor's Review Report

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

TO THE SHAREHOLDERS OF SAUDI INDUSTRIAL EXPORT COMPANY
(A SAUDI JOINT STOCK COMPANY) **(1/1)**
RIYADH, KINGDOM OF SAUDI ARABIA

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Industrial Export Company ("the Company") and its subsidiary (together "the Group") as of 30 June 2026 and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of 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 this interim condensed consolidated financial information in accordance with International Accounting Standards 34 – "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1-d to the interim condensed consolidated financial statements, which indicates that the Group did not generate operating revenue during the six-month period ended 30 June 2026. Furthermore, the Group incurred a net loss of SAR 1,888,980 for the six-month period ended 30 June 2026 (30 June 2025: SAR 6,083,503), and its accumulated losses amounted to SAR 96,836,891 as at 30 June 2026 (31 December 2025: SAR 94,947,911). These conditions indicate that a material uncertainty exists that may cast a doubt on the Group's ability to continue as a going concern. As disclosed in Note 1-d, management has assessed the Group's ability to continue as a going concern and, accordingly, these interim condensed consolidated financial statements have been prepared on a going concern basis. Our conclusion 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 interim condensed financial statements for the period ended 30 June 2026 are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The Group's interim condensed consolidated financial statements as at and for the three-month and six-month periods ended 30 June 2025 were reviewed by another auditor, who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 4 August 2025. In addition, the Group's consolidated financial statements for the year ended 31 December 2025 were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on 26 April 2026.

For Sultan Ahmed Alshubaily
Certified Public Accountants Company

Sultan Ahmed Alshubaily
Certified Public Accountant - License No. 600

شركة سلطان أحمد الشبيلي محاسبون ومراجعون قانونيون
Sultan Ahmed AlShubaily Ceterfied Public Accountants Company
CR: 1010676810

Riyadh, Kingdom of Saudi Arabia
20 Safar 1448H
Corresponding to: 3 August 2026

Saudi Industrial Export Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Financial Position
As at 30 June 2026
(All amounts in "⃁" unless otherwise stated)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Non-Current Assets			
Property and equipment	5	105,094	296,735
Investments carried at FVTPL– non-current portion	6	23,734,584	15,028,250
Total Non-Current Assets		23,839,678	15,324,985
Current Assets			
Investments carried at FVTPL–current portion	6	81,091,522	17,488,907
Prepayments and other current assets		879,064	765,973
Due from related parties	9	-	57,821
Short term bank deposits	10	-	3,872,976
Cash and cash equivalents		1,027,199	74,226,411
Total Current Assets		82,997,785	96,412,088
Total Assets		106,837,463	111,737,073
Equity and Liabilities			
Equity			
Share capital	12	194,400,000	194,400,000
Accumulated losses		(96,836,891)	(94,947,911)
Remeasurement reserve of employee benefit obligations		570,972	570,972
Total Equity		98,134,081	100,023,061
LIABILITIES			
Non-Current Liabilities			
Employees' defined benefits obligation		199,982	188,483
Total Non-Current Liabilities		199,982	188,483
Current Liabilities			
Trade payables		680,789	480,204
Accrued expense and other current liabilities		1,003,018	1,686,100
Due to related parties	9	3,703,979	3,703,979
Zakat provision	13	3,115,614	5,655,246
Total Current Liabilities		8,503,400	11,525,529
Total Liabilities		8,703,382	11,714,012
Total Equity and Liabilities		106,837,463	111,737,073

Hamada Ali Chief Financial Officer	Halim Ali Essayem Managing Director	Khalid bin Abdullah Al-Ajlan Chairman of Board of Directors

The accompanying notes (1) to (21) form an integral part of these interim condensed consolidated financial statements

Saudi Industrial Export Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the three-month and six-month periods ended 30 June 2026
(All amounts in "⃁" unless otherwise stated)

	Note	For the three-month period ended 30 June 2026 (Unaudited)	For the three-month period ended 30 June 2025 (Unaudited)	For the six-month period ended 30 June 2026 (Unaudited)	For the six-month period ended 30 June 2025 (Unaudited)
Revenues		-	-	-	-
Cost of revenue		-	-	-	-
Gross Profit		-	-	-	-
General and administrative expenses		**(1,395,931)**	(3,283,658)	**(2,545,284)**	(7,196,714)
Reversal of expected credit loss provision	8	**521,000**	70,307	**521,000**	204,471
Losses on disposal of property and equipment		-	-	**(162,587)**	-
Other income		**27,635**	45,000	**141,912**	159,277
Operating Loss		**(847,296)**	(3,168,351)	**(2,044,959)**	(6,832,966)
Realized (losses) / gains on the sale of investments carried at FVTPL	6-c	**(472,313)**	-	**(472,313)**	86,642
Dividend income from investments carried at FVTPL	6-b	**81,250**	325,000	**162,500**	650,000
Change in the measurement of investments carried at FVTPL	6-d	**2,100,571**	(1,168,843)	**1,448,578**	492,457
Currency exchange		-	-	-	(1,375)
Returns on financial investments at amortized cost	7	-	450,171	-	919,780
Returns on bank deposits	10	**406,405**	140,854	**713,573**	283,297
Profit / (loss) before zakat		**1,268,617**	(3,421,169)	**(192,621)**	(4,402,165)
Zakat	13	**(1,696,359)**	(1,681,338)	**(1,696,359)**	(1,681,338)
Loss for the period		**(427,742)**	(5,102,507)	**(1,888,980)**	(6,083,503)
Other Comprehensive Income:					
Items that will not be reclassified subsequently to the statement of profit or loss:					
Foreign currency translation differences		-	3,213	-	5,583
Total other comprehensive income for the period		-	3,213	-	5,583
Total comprehensive loss for the period		**(427,742)**	(5,099,294)	**(1,888,980)**	(6,077,920)
Loss per share					
Basic and diluted loss per share attributable to the Group's ordinary equity holders	14	**(0.002)**	(0.03)	**(0.01)**	(0.03)

Hamada Ali Chief Financial Officer	Halim Ali Essayem Managing Director	Khalid bin Abdullah Al-Ajlan Chairman of Board of Directors

The accompanying notes (1) to (21) form an integral part of these interim condensed consolidated financial statements.

Saudi Industrial Export Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Changes in Equity
For the six-month period ended 30 June 2026
(All amounts in "⃁" unless otherwise stated)

	Share capital	Accumulated losses	Foreign currency translation reserve	Remeasurement reserve of employee benefit obligations	Total
For the six-month period ended 30 June 2025					
Balance at 1 January 2025 (audited)	194,400,000	(70,023,401)	(5,475)	569,367	124,940,491
Loss for the period	-	(6,083,503)	-	-	(6,083,503)
Other comprehensive income	-	-	5,583	-	5,583
Comprehensive loss for the period	-	(6,083,503)	5,583	-	(6,077,920)
Balance at 30 June 2025 (unaudited)	194,400,000	(76,106,904)	108	569,367	118,862,571
For the six-month period ended 30 June 2026					
Balance at 1 January 2026 (audited)	194,400,000	(94,947,911)	-	570,972	100,023,061
Loss for the period	-	(1,888,980)	-	-	(1,888,980)
Other comprehensive income	-	-	-	-	-
Comprehensive loss for the period	-	(1,888,980)	-	-	(1,888,980)
Balance at 30 June 2026 (unaudited)	**194,400,000**	**(96,836,891)**	**-**	**570,972**	**98,134,081**

Hamada Ali	Halim Ali Essayem	Khalid bin Abdullah Al-Ajlan
Chief Financial Officer	Managing Director	Chairman of Board of Directors

The accompanying notes (1) to (21) form an integral part of these interim condensed consolidated financial statements.

Saudi Industrial Export Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Cash Flows
For the six-month period ended 30 June 2026
(All amounts in "⃁" unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities			
Loss before Zakat		**(192,621)**	(4,402,165)
Adjustments for:			
Depreciation of property and equipment	5	**29,054**	52,359
Amortization of intangible assets		**-**	3,328
Reversal of expected credit loss provision	8	**(521,000)**	(204,471)
Realized losses / (gains) on the sale of investments carried at FVTPL	6-c	**472,313**	(86,642)
Dividend income from investments carried at FVTPL	6-b	**(162,500)**	(650,000)
Change in the measurement of investments carried at FVTPL	6-d	**(1,448,578)**	(492,457)
Provision of employees' defined benefits obligation		**46,913**	58,146
Returns on bank deposits	10	**(713,573)**	(283,297)
Losses on disposal of property and equipment	5	**162,587**	-
Reversal of provision for amounts due from shareholders	9	**(27,635)**	-
Returns on financial investments carried at amortized cost	7	**-**	(919,780)
Currency exchange		**-**	1,375
		(2,355,040)	(6,923,604)
Changes in the working capital			
Trade receivables		**521,000**	762,016
Due from related parties		**85,456**	62,063
Prepayments and other current assets		**(113,091)**	795,438
Trade payables		**200,585**	(126,179)
Accrued expense and other current liabilities		**(683,082)**	(155,632)
Cash used in operating activities		**(2,344,172)**	(5,585,898)
Zakat paid	13	**(4,235,991)**	(73,501)
Employees' defined benefits obligation paid		**(35,414)**	(589,117)
Net cash flows used in operating activities		**(6,615,577)**	(6,248,516)
Cash flows from investing activities			
Payment to purchase investments carried at FVTPL	6	**(77,000,000)**	(230,092)
Payment to purchase investments carried at amortized cost	7	**-**	(17,000,000)
Dividends received	6-b	**162,500**	650,000
Proceeds from the sale of investments carried at FVTPL	6	**5,667,316**	322,971
Proceeds from the sale of investments carried at amortized cost		**-**	8,920,378
Proceeds from returns on investments at amortized cost	7	**-**	755,225
Payments for additions to short-term bank deposits	10	**(72,889,224)**	-
Return received from bank deposits	10	**886,549**	394,611
Proceeds from redemption of short-term bank deposits	10	**76,589,224**	-
Net cash flows used in investing activities		**(66,583,635)**	(6,186,907)
Net change in cash and cash equivalent		**(73,199,212)**	(12,435,423)
Foreign currency translation differences		**-**	5,583
Cash and cash equivalent beginning of the period		**74,226,411**	13,328,776
Cash and cash equivalent at the end of the period		**1,027,199**	898,936
Noncash transactions			
Accrued returns on investments carried at amortized cost		**-**	164,555

Hamada Ali Chief Financial Officer	Halim Ali Essayem Managing Director	Khalid bin Abdullah Al-Ajlan Chairman of Board of Directors

The accompanying notes (1) to (21) form an integral part of these interim condensed consolidated financial statements.

1- Company information

A- Incorporation of the company

Saudi Industrial Export Company (the "Company") is a Saudi joint-stock company established pursuant to the resolution of the Minister of Commerce No. 954 dated 12 Dhu al-Qi'dah 1410H (corresponding to 5 June 1990), under Commercial Registration No. 1010077554 issued in Riyadh on 25 Dhu al-Qi'dah 1410H (corresponding to 18 June 1990). The Unified Entity No. is 7001344865.

The company's headquarters is located in Riyadh, Kingdom of Saudi Arabia (P.O. Box 21977, Postal Code 11485).

The Company's activities consist of the wholesale and retail sale of new motor vehicle spare parts and accessories (including car accessories), the wholesale and retail sale of used motor vehicle spare parts and accessories, the wholesale and retail sale of motor vehicle tires and related accessories, and the wholesale and retail sale of vehicle batteries, spark plugs, and related accessories.

The Group has a branch, Saudi Industrial Export Company – UAE Branch, whose activity is general trading pursuant to the commercial license issued by the Dubai Department of Economic Development under License No. 868310 dated 15 Rabi' Al-Thani 1441H, corresponding to 12 December 2019. On 25 August 2025, the Company's Board of Directors resolved to close Saudi Industrial Export Company – UAE Branch. However, the statutory procedures relating to the branch had not been completed as of the date of the interim condensed consolidated financial statements for the period ended 30 June 2026.

On 4 March 2026, the Group terminated the non-binding Memorandum of Understanding entered into with Industrial Production Services Company (a Closed Joint Stock Company) in relation to the proposed acquisition of the share capital of Advanced Energy Trading and Contracting Company (a Single-Person Company), its subsidiary. This decision followed the completion of the feasibility studies and due diligence procedures, the results of which did not meet the Group's expectations and strategic objectives. Accordingly, the Board of Directors resolved not to proceed with the proposed investment and to terminate the related agreements.

B- Information about the Group

The interim condensed consolidated financial statements comprise the interim condensed financial statements of Saudi Industrial Export Company and the interim condensed financial statements of the entities controlled by the Company (its subsidiaries) as at 30 June:

Names of subsidiaries	Country of incorporation	Percentage of Ownership	
		2026	2025
Haddaj Investment Company	Kingdom of Saudi Arabia	**100%**	100%
Saudi Industrial Export Company	Kingdom of Morocco	**0%***	100%

On 3 Rabi' al-Thani 1445H (corresponding to 18 October 2023), the Saudi Industrial Export Company (a Saudi joint-stock company) established Haddaj Investment Company (a single-person limited liability company), holding 100% of its capital. The principal activities of Haddaj Investment Company (a Single-Person Limited Liability Company) are financial service activities, excluding insurance and pension funding, and real estate activities involving owned or leased properties.

*On 17 Ramadan 1445H (corresponding to 27 March 2024), Saudi Industrial Export Company (a Saudi Joint Stock Company) established Saudi Industrial Export Company – Africa – Kingdom of Morocco (a Limited Liability Company), in which it holds a 100% ownership interest. The principal activities of Saudi Industrial Export Company – Africa – Kingdom of Morocco (a Limited Liability Company) include import and export activities, air and land transportation, commercial, industrial and agricultural services of all kinds, and civil and military contracting services. The company had not commenced operations as of the date of the interim condensed consolidated financial statements. On 17 Ramadan 1446H (corresponding to 17 March 2025), the Group's Board of Directors approved the closure of the Morocco company and the completion of the necessary legal procedures. On 6 October 2025, the company's commercial registration was officially cancelled.

1. Company information (continued)

B- Information about the Group (Continued)

On 14 August 2025, the Board of Directors of Saudi Industrial Export Company (the "Parent Company") approved an investment of ⃁ 70,000,000, including the Company's share of fund establishment costs amounting to ⃁ 1,278,250. This investment was to be made through Haddaj Investment Company (the subsidiary) by subscribing to the FAD Industrial Fund (a private closed-ended fund licensed by the Capital Market Authority) and managed by FAD Financial Partners Company. The fund's objective is to achieve capital growth through private equity investments by way of subscriptions or acquisitions of stakes in target companies operating in the industrial sector. On 9 December 2025, the Group received a notification from the fund manager of the FAD Industrial Fund stating that the offering period had ended without achieving the minimum required subscription to launch the fund. Accordingly, the offering was cancelled in accordance with the Investment Funds Regulations. The fund manager also indicated that the Group's subscription amount remains available in its investment account, with the option to transfer it to the bank account.

On 24 February 2026, the Group received the full subscription amount related to the FAD Industrial Fund, which had previously been transferred to its investment account on 9 December 2025, and on 4 March 2026, following the completion of feasibility studies and due diligence procedures, it was concluded that the results did not meet the Group's expectations and strategic objectives. Accordingly, it was decided not to proceed with this investment.

C- Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31 of each year, in accordance with its bylaws.

D- Going Concern

The Group incurred a net loss of ⃁ 1,888,980 for the six-month period ended 30 June 2026 (30 June 2025: ⃁ 6,083,503). In addition, accumulated losses amounted to ⃁ 96,836,891 as at 30 June 2026 (31 December 2025: ⃁ 94,947,911). The Group did not generate any operating revenue during the six-month period ended 30 June 2026. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Management has performed a detailed assessment of the Group's ability to continue as a going concern, taking into consideration the current circumstances and future expectations, including the preparation of future cash flow forecasts. These forecasts are based on a number of key assumptions, the most significant of which are as follows:

- Improving liquidity through the restructuring of certain investments.
- Activating operating activities and generating future revenues.
- Rationalizing operating expenses.
- The ability to liquidate certain investments, if required.

Based on the results of this assessment, management believes that the Group has the ability to meet its obligations as they fall due and has sufficient liquidity to continue its operations for the foreseeable future. On 5 April 2026, the Group's Board of Directors acknowledged that, despite the current circumstances, the Group's continuation as a going concern depends primarily on the successful implementation of management's plans and the achievement of the related assumptions. There is no intention to liquidate the Group or cease its operations. Accordingly, on the same date, the Board of Directors resolved that the interim condensed consolidated financial statements of the Group be prepared on the going concern basis.

E- Functional and Presentation Currency

The interim condensed consolidated financial statements are presented in Saudi Riyals ("⃁"), which is the Group's functional and presentation currency.

2- Basis of preparation

2-1 Statement of compliance

These interim condensed consolidated financial statements 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 issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). They should be read in conjunction with the latest consolidated financial statements of the Company for the year ended 31 December 2025. These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements; however, specific explanatory notes have been included to explain significant events and transactions to provide an understanding of the changes in the Group's consolidated financial position and consolidated performance since 31 December 2025.

2-2 Basis of measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except as disclosed in the relevant accounting policies in the Group's consolidated financial statements for the year ended 31 December 2025.

2-3 Basis of consolidation of the interim condensed consolidated financial statements

The consolidated financial statements comprise the financial statements of the parent company, Saudi Industrial Export Company (a Saudi Joint Stock Company), and its subsidiary, Haddaj Investment Company (collectively referred to as the "Group"), as at 30 June 2026. In the comparative period, the Group comprised the parent company, Haddaj Investment Company, and Saudi Industrial Export Company – Kingdom of Morocco. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- Any additional facts or circumstances indicating whether the Group has, or does not have, the current ability to direct the relevant activities at the time when decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group reassesses whether it controls an investee whenever facts and circumstances indicate that there is a change in one or more of the elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses such control.

Assets, liabilities, income, and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the date control is transferred to the Group until the date such control ceases.

Where necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with the accounting policies of the Group.

All intercompany balances within the Group, including assets, liabilities, equity, income, expenses, and cash flows arising from transactions between Group companies, are fully eliminated upon consolidation of the financial statements.

2- Basis of preparation (continued)

2-3 Basis of consolidation for the interim condensed consolidated financial statements (continued)

Any change in the ownership interests in subsidiaries, without loss of control, is accounted for as an equity transaction. In the event that the Group loses control over its subsidiaries, it ceases to recognize the related assets, liabilities, non-controlling interests, and other components of equity, and recognizes the resulting gain or loss in the condensed consolidated statement of profit or loss. The retained investment is recognized at fair value.

When the Group loses control over a subsidiary:

- The carrying amounts of the subsidiary's assets and liabilities are derecognised as at the date the Group loses control of the subsidiary.
- The carrying amount of any non-controlling interests is derecognized.
- The cumulative balance of other equity components related to the subsidiary is derecognized.
- The fair value of the consideration received is recognized.
- The fair value of any retained investment is recognized.
- Any resulting surplus or deficit in profit or loss is recognized.

The parent's share of amounts previously recognized in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3- Use of estimates and judgments

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

The significant estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the most recent annual consolidated financial statements.

4- Significant accounting policies

4-1 New standards, amendments to standards, and interpretations

The new standards and amendments to standards disclosed in the Group's annual consolidated financial statements remain unchanged.

IFRS 18, Presentation and Disclosure in Financial Statements, is the new standard governing the presentation and disclosure of information in the consolidated financial statements. It replaces IAS 1, Presentation of Financial Statements, with a particular focus on updates relating to the statement of profit or loss.

The key new concepts introduced by IFRS 18 are as follows:

- The structure of the statement of profit or loss through the introduction of specified subtotals;
- A requirement to identify the most useful structured summary for presenting expenses in the statement of profit or loss, including the classification of income and expenses into the operating, investing, financing, income taxes, and discontinued operations categories;
- Disclosure requirements within a single note to the consolidated financial statements for certain profit or loss performance measures communicated outside the Group's consolidated financial statements (i.e., Management-Defined Performance Measures (MPMs)); and
- Enhanced principles for aggregation and disaggregation that apply to the primary financial statements and the notes to the financial statements generally.

4-Significant accounting policies (continued)

4-1 New standards, amendments to standards, and interpretations (continued)

The adoption of IFRS 18 is not expected to have any impact on the Group's reported net profit, total comprehensive income, or equity. Its impact will be limited to changes in the presentation and disclosure of the consolidated financial statements.

On 29 June 2026, the Capital Market Authority ("CMA") announced that listed companies on the Saudi Exchange (Tadawul) are permitted to early adopt IFRS 18, Presentation and Disclosure in Financial Statements. IFRS 18 is mandatory for annual reporting periods beginning on or after 1 January 2027. The CMA's announcement also requires listed companies to disclose a preliminary assessment of the expected impact of the initial application of IFRS 18 in their approved interim and annual financial statements for reporting periods beginning on or after 1 April 2026. Accordingly, the Group has performed a preliminary assessment of the expected impact of adopting IFRS 18, as presented below.

The Group has not early adopted IFRS 18 in the preparation of these interim condensed consolidated financial statements. The Group has established an implementation plan for the new standard, which includes preparing its first interim condensed consolidated financial statements in accordance with IFRS 18 for the period ending 31 March 2027 and its first annual consolidated financial statements in accordance with IFRS 18 for the year ending 31 December 2027. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers in accordance with the requirements of IFRS 18. The Group has performed a preliminary impact assessment to determine the appropriate classification of items presented in the statement of profit or loss in accordance with the requirements of IFRS 18. The Group expects to make the following changes to the presentation and disclosures in its consolidated financial statements upon the adoption of IFRS 18:

A- Structure of the statement of profit or loss

- The Group will present the two new required subtotals, "Operating profit or loss" and "Profit or loss before financing and zakat," in the statement of profit or loss.
- The Group will classify fair value gains and losses on financial assets at fair value through profit or loss (FVTPL), dividend income from financial assets at FVTPL, and realized gains and losses on the disposal of financial assets at FVTPL within the investing category.
- The Group will classify returns on bank deposits and returns on financial investments measured at amortized cost within the investing category.
- The Group will classify the finance cost relating to the defined benefit obligation for employees within the financing category.

B- Management-defined performance measures

The Group is currently assessing the general disclosure requirements that should be considered in determining Management-Defined Performance Measures (MPMs). MPMs relate to the same reporting period as the consolidated financial statements. Accordingly, the MPMs to be disclosed by the Group upon the adoption of IFRS 18 will be determined based on the applicable general disclosure requirements in effect at that time.

5- Property and equipment

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost:		
Balance as at the beginning of the period / year	**1,475,883**	1,475,883
Disposals during the period / year	**(257,399)**	-
Balance as at the end of the period / year	**1,218,484**	1,475,883
Accumulated depreciation		
Balance as at the beginning of the period / year	**1,179,148**	1,078,998
Charge during the period /year	**29,054**	100,150
Disposals during the period / year	**(94,812)**	-
Balance as at the end of the period / year	**1,113,390**	1,179,148
Net book value	**105,094**	296,735

Depreciation expense for the period was allocated as follows:

	For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
General and administrative expenses	**29,054**	52,359
	29,054	52,359

6- Investments carried at FVTPL

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Investments in financial assets at fair value (A)	**8,932,561**	12,488,907
Investments in mutual funds (B)	**95,893,545**	20,028,250
	104,826,106	32,517,157
Non-current portion	**23,734,584**	15,028,250
Current portion	**81,091,522**	17,488,907

A- Investment in financial assets carried at fair value through profit or loss comprise investments in Shariah-compliant equity securities listed on the Saudi Exchange and held within an investment portfolio. Through this portfolio, the Group acquires equity interests in companies listed on the Saudi Exchange. The movement in investment carried at fair value through profit or loss is as follows.

Movement in investment carried at fair value through profit or loss

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**12,488,907**	18,678,938
Additions during the period / year	**-**	230,100
Disposals during the period / year	**(4,646,644)**	(3,787,051)
Change in the measurement of investment in financial assets caried at FVTPL (d)	**1,090,298**	(2,633,080)
Balance at the end of the period / year	**8,932,561**	12,488,907
Non-current portion*	**8,850,093**	-
Current portion	**82,468**	12,488,907

6-Investments carried at FVTPL (continued)

-During the period, the Group disposed investment carried at fair value through profit or loss with sale proceeds of ⃁ 4,167,316, resulting in realized losses of ⃁ 479,328. During the six-month period ended 30 June 2025, the Group disposed investment carried at fair value through profit or loss with sale proceeds of ⃁ 322,971, resulting in realized gains of ⃁ 86,642.

*On 27 April 2026, the Board of Directors resolved to designate investments in two investee companies, which are measured at fair value through profit or loss, as strategic long-term investments. Accordingly, these investments have been classified as non-current assets, consistent with management's intention to hold them for long term.

The current portion of investments carried at fair value through profit or loss represents an investment in an investment portfolio held for trading purposes.

B- Investment in sharia-compliant mutual funds is structured as follows:

	Number of units invested in (units)		**Investment Balance (⃁)**	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Tasharuk Fund *	500,000	500,000	**5,000,000**	5,000,000
Watheeq Fund for Supply Chain Technologies*	100,000	100,000	**1,346,197**	1,363,000
Watheeq Fund for Smart Cities*	1,175,000	1,175,000	**13,538,294**	13,665,250
Al Rajhi Namaa Fund*	75,484,370	-	**76,009,054**	-
			95,893,545	20,028,250

*In accordance with the terms and conditions of the investment funds, control over these investment funds rests with the fund manager. Accordingly, the Group does not control these investment funds.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Non-current portion	**14,884,491**	15,028,250
Current portion	**81,009,054**	5,000,000

- Watheeq Fund for Supply Chain Technologies and Watheeq Fund for Smart Cities, both of which are high-risk venture capital funds, have been classified as non-current investment carried at fair value through profit or loss. This classification reflects the funds' contractual term of three years, commencing on 21 May 2024, with an option to extend the term. The investments are not redeemable or liquid until the end of the funds' term.

-The investment in Tasharuk Fund is a highly liquid investment, which can be redeemed and converted into cash within a short period without incurring significant losses. Dividend income from financial assets at fair value through profit or loss amounted to ⃁ 162,500 during the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: ⃁ 650,000).

-During the period, the Group invested in Al Rajhi Namaa Fund by subscribing to 76,976,907 units at a total cost of ⃁ 77,000,000. Subsequently, the Group disposed of 1,492,537 units for sale proceeds of ⃁ 1,500,000, resulting in a realized gain of ⃁ 7,015.

6-Investments carried at FVTPL (continued)

The movement in investments in Shariah-compliant mutual investment funds is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**20,028,250**	59,482,160
Additions during the period / year	**77,000,000**	5,000,000
Disposals during the period / year	**(1,492,985)**	(46,330,160)
Amendment to the measurement of investment carried at FVTPL *	**137,571**	-
Change in the measurement of investment carried at FVTPL at the end of the period / year (d)	**220,709**	1,876,250
Balance at the end of the period / year	**95,893,545**	20,028,250

*During the current period, the Group received the audited financial statements of the investee fund for the year ended 31 December 2025. The audited net asset value differed from the preliminary financial information previously used by the Group in measuring the carrying amount of its investment as at 31 December 2025 by ⃁ 137,571. Management concluded that the difference was not material to the prior year's consolidated financial statements. Accordingly, the effect of this adjustment has been recognized in the current financial period.

c - Realized (losses) / gains on the sale of investments carried at FVTPL:

	For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Realized (losses) / gains on investments in financial assets at fair value (a)	**(479,328)**	86,642
Realized gains from investments in mutual funds (b)	**7,015**	-
	(472,313)	86,642

d - Unrealized gains from the change in the measurement of investments carried at FVTPL:

	For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Unrealized gains / (losses) on investments in financial assets carried at fair value (a)	**1,090,298**	(503,493)
Unrealized gains from investments in mutual funds (b)	**358,280**	995,950
	1,448,578	492,457

7- Financial investments at amortized cost

On 26 May 2024, the Group acquired Murabaha investments carried at amortized cost with a financial institution licensed by the Capital Market Authority (Alkhair Capital), in accordance with Shariah principles. These investments earn an annual profit rate ranging from 5.39% to 6.05% and mature within one to three months. Profit income from these investments is presented as income from investments measured at amortized cost in the interim condensed consolidated statement of profit or loss and other comprehensive income.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**-**	25,944,335
Additions during the period / year	**-**	17,000,000
Disposals during the period / year	**-**	(44,024,855)
Accrued returns on investments carried at amortized cost during the period / year	**-**	1,080,520
Balance at the end of the period / year	**-**	-

Returns from investments carried at amortized cost amounted to nil during the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: ⃁ 919,780, and accrued returns amounted to ⃁ 164,555).

8- Trade receivable

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivable	**3,775,954**	4,296,954
less: expected credit losses provision on trade receivables	**(3,775,954)**	(4,296,954)
	-	-

8-1 The movement in the expected credit losses provision on trade receivables is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**4,296,954**	1,873,305
Charged during the period / year	**-**	2,423,649
Reversal during the period / year *	**(521,000)**	-
Balance at the end of the period / year	**3,775,954**	4,296,954

* During the period, the Group collected a portion of trade receivables for which an expected credit loss provision had previously been recognized. As a result, an expected credit loss allowance of ⃁ 521,000 was reversed (six-month period ended 30 June 2025: ⃁ 204,471), and the effect of this reversal was recognized in the interim condensed consolidated statement of profit or loss for the period.

9- Related parties transactions and balances

During the period, the Group entered into transactions with related parties. The terms and conditions of these transactions are approved by the Group's management in the ordinary course of business. The nature and volume of these transactions are set out below:

The principal transactions with related parties during the period, together with the related outstanding balances, are as follows:

	Transaction Type	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Shareholders	Amounts collected from shareholders	**85,456**	-
Key management personnel	Salaries and benefits	**616,800**	900,958
Board of directors and committees' members	Attendance allowances and benefits	**351,071**	822,345

9-1 Due from related parties

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Amounts due from shareholders	**288,007**	373,463
Less: Provision for amounts due from shareholders	**(288,007)**	(315,642)
	-	57,821

Movement in the provision for amounts due from shareholders

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**315,642**	315,642
Reversal during the period / year *	**(27,635)**	-
Balance at the end of the period / year	**288,007**	315,642

*During the period, the Group collected ⃁ 85,456 of amounts due from shareholders for which an allowance had previously been recognized. As a result, a portion of the allowance amounting to ⃁ 27,635 was reversed (six-month period ended 30 June 2025: nil), and the effect of this reversal was recognized in the interim condensed consolidated statement of profit or loss for the period.

9-2 Due to related parties

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Share capital subscription surplus - (a)	**437,136**	437,136
Dividends payable- (b)	**2,369,278**	2,369,278
Refunds from the sale of capital reduction fractions- (c)	**34,109**	34,109
Compensation due for rights issue shares – capital increase - (d)	**863,456**	863,456
	3,703,979	3,703,979

9-Related parties transactions and balances (continued)

a) The balance of the share capital subscription surplus represents the subscription amounts received from eligible shareholders who exercised their right to subscribe to newly issued shares and those entitled to fractional shares. The remaining balance of the surplus amounts to ⃁ 437,136 as of 30 June 2026 (31 December 2025: ⃁ 437,136). The Company cannot transfer these amounts due to the lack of availability or completeness of bank account information from 2018.

b) This balance represents dividends payable to the shareholders for the profits of previous years, which the shareholders did not present to receive it until the date of approval of these interim condensed consolidated financial statements.

c) The balance of the amounts payable in respect of the sale of fractional shares arising from the capital reduction represents shareholders' entitlements to fractional shares resulting from the capital reduction. As at 30 June 2026, the remaining amount payable to shareholders was ⃁ 34,109 (31 December 2025: ⃁ 34,109). The Company has been unable to transfer these amounts due to the unavailability or incompleteness of the beneficiaries' bank account information.

d) The balance of compensation payable relating to the rights issue – capital increase represents amounts due to shareholders who did not exercise their rights to subscribe for rights issue shares. As at 30 June 2026, the remaining amount payable to shareholders was ⃁ 863,456 (31 December 2025: ⃁ 863,456). The Company has been unable to transfer these amounts due to the unavailability or incompleteness of the beneficiaries' bank account information.

10- Short-term bank deposits

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	**3,872,976**	3,890,453
Additions during the period / year	**72,889,224**	-
Accrued returns on bank deposits during the period / year	**713,573**	190,289
Return on bank deposit received during the period / year	**(886,549)**	(207,766)
Bank deposits matured during the period / year	**(76,589,224)**	-
At the end of the period / year	**-**	3,872,976

These represent Shariah-compliant bank deposits placed with local banks, earning an annual profit rate ranging from 5.10% to 5.15%, with maturities ranging from one to three months. Return from these deposits is presented as return on bank deposits in the interim condensed consolidated statement of profit or loss and other comprehensive income. As at 30 June 2026, the Group had accrued return on bank deposits amounting to ⃁ 713,573 (31 December 2025: ⃁ 190,289). Upon maturity, the Group did not renew these deposits and instead utilized the excess cash to make other investments.

11- Investments in debt instruments

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	**3,778,891**	3,965,735
Returns received from Murabaha Sukuk during the period / year	**-**	(186,844)
At the end of the period / year	**3,778,891**	3,778,891
Provision for impairment of Murabaha Sukuk	**(3,778,891)**	(3,778,891)
At the end of the period / year	**-**	-

11- Investments in debt instruments (continued)

On 6 June 2024, the Group subscribed to Murabaha Sukuk representing an investment in a financing instrument issued by AIS Limited, Guernsey, to finance a private facility provided to a company listed in the Kingdom of Saudi Arabia operating in the petrochemical sector. The investment was arranged through Alinma Investment Company, which is licensed by the Capital Market Authority (License No. 37-09134). The Sukuk carry a fixed semi-annual profit rate of 5%, and only one profit distribution has been received to date. The principal amount of the investment matured on 18 March 2026, unless repaid earlier or an event of default occurred in accordance with the terms and conditions of the issuance. The Sukuk are not listed on any securities exchange and were issued through a private placement.

Based on significant indicators, including the failure of the obligor to settle the amount due on the contractual maturity date of 18 March 2026, management assessed the recoverability of the investment instrument. Based on this assessment, and in accordance with the requirements of the applicable International Financial Reporting Standards, management recognized an impairment provision equal to the full carrying amount of the investment, reflecting the significant increase in credit risk and the existence of objective evidence of default.

12- Share capital

The Company's share capital amounts to ⃁ 194,400,000, consisting of 194,400,000 shares with a par value of ⃁ 1 per share as of 30 June 2026 (31 December 2025: ⃁ 194,400,000, consisting of 194,400,000 shares with a par value of ⃁ 1 per share).

13- Zakat provision

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	**5,655,246**	3,049,501
Zakat differences	**510,368**	1,681,338
Charge for the period / year	**1,185,991**	2,816,739
	1,696,359	4,498,077
Paid during the period / year	**(4,235,991)**	(1,892,332)
At the end of the period / year	**3,115,614**	5,655,246

13-1 Zakat Status

On 15 Jumada al-Awwal 1446H (corresponding to 17 November 2024), the Group obtained approval to file a consolidated Zakat return based on the Group's consolidated financial statements; this applies to the consolidated financial statements for the year ended 31 December 2024.

The Group filed its Zakat return for the financial year ended 2025. During 2025, the Zakat, Tax and Customs Authority (the "Authority") issued a Zakat assessment for the financial year ended 31 December 2023, including Zakat differences amounting to ⃁ 1,681,338.

On 11 Muharram 1447H (corresponding to 6 July 2025), the Group submitted a request to ZATCA to settle its outstanding Zakat liabilities in instalments amounting to ⃁ 4,723,839, including liabilities relating to its subsidiaries amounting to ⃁ 589,117. ZATCA approved the instalment request on 13 Muharram 1447H (corresponding to 8 July 2025), with the instalment plan becoming effective from 13 Safar 1447H (corresponding to 7 August 2025). On 11 December 2025, after settling four instalments under the initial instalment plan amounting to ⃁ 1,892,332, the Group submitted a further request to ZATCA to reschedule the remaining outstanding Zakat liabilities amounting to ⃁ 2,838,504. On 14 December 2025, ZATCA approved the request, effective from 15 February 2026, to be settled in four equal instalments of ⃁ 709,626 each, with the final instalment due on 15 November 2026.

13- Zakat provision (continued)

13-1 Zakat Status (Continued)

The amount paid during the period represents the settlement of the Group's Zakat liability for the financial year ended 31 December 2025, together with the payment of two instalments under the Zakat settlement plan approved by the Zakat, Tax and Customs Authority.

On 6 June 2026, the Zakat, Tax and Customs Authority conducted an assessment of the Zakat return for the fiscal year ended 31 December 2024, and the preliminary assessment issued by the Authority amounted to ⃁ 510,368.

14- Loss per share

Basic and diluted loss per share is calculated by dividing the loss for the period attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued upon the conversion of all potential dilutive ordinary shares into ordinary shares.

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Net loss for the period	**(427,742)**	(5,102,507)	**(1,888,980)**	(6,083,503)
Weighted average number of shares	**194,400,000**	194,400,000	**194,400,000**	194,400,000
Basic and diluted loss per share	**(0.002)**	(0.03)	**(0.01)**	(0.03)

15- Segment information

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, and whose operating results are regularly reviewed to assess its performance and allocate resources. The Group monitors its operations as a single operating segment. Accordingly, management has concluded that segment reporting is not applicable to the Group.

16- Capital commitments and contingent liabilities

The Group had no contingent liabilities as at 30 June 2026 and 31 December 2025. In addition, the Group had no capital commitments as at 30 June 2026 and 31 December 2025.

17- Fair value of financial instruments

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. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.
The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

17- Fair value of financial instruments (continued)

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the fair value hierarchy by reassessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.The carrying amounts of financial assets not measured at fair value approximate their fair values. Financial liabilities are measured at amortized cost, which reasonably approximates their fair values.

18- Risk management

Special Commission Rate Risk

Special commission rate risk refers to the risk arising from fluctuations in the value of a financial instrument due to changes in prevailing market commission rates.

Credit Risk

Credit risk arises from the inability of other parties to meet their contractual obligations to the Group, potentially resulting in a financial loss for the Group. Concentrations of credit risk primarily involve trade receivables. Cash is deposited with banks holding high credit ratings, and Group management believes that there are no concentrations of credit risk for which adequate provisions have not been made as of the reporting date.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its financial obligations associated with financial instruments. Liquidity risk may arise from the inability to dispose of a financial asset quickly at an amount close to its fair value.

The table below summarizes the Group's contractual financial liabilities by maturity, based on the remaining contractual maturities as at the date of the consolidated statement of financial position.

30 June 2026	Book Value	3 Months to 1 Year	1 to 5 Years	More than 5 Years
Trade payables	**680,789**	**680,789**	-	-
Accrued expenses and other current liabilities	**1,003,018**	**1,003,018**	-	-
Due to related parties	**3,703,979**	**3,703,979**	-	-
Total	**5,387,786**	**5,387,786**	-	-

18- Risk management (continued)

Liquidity Risk (Continued)

31 December 2025	Book Value	3 Months to 1 Year	1 to 5 Years	More than 5 Years
Trade payables	480,204	480,204	-	-
Accrued expenses and other current liabilities	1,686,100	1,686,100	-	-
Due to related parties	3,703,979	3,703,979	-	-
Total	5,870,283	5,870,283	-	-

Increase In Risk Concentration

Concentration risk arises when multiple counterparties engage in similar business activities or operate within the same geographical region, or when they share economic characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentration risk reflects the relative sensitivity of the Group's performance to developments affecting a specific industry.

19- Subsequent events

Management believes that there have been no significant events subsequent to the reporting date that would require adjustment to, or disclosure in, these interim condensed consolidated financial statements.

20- Comparative figures

Certain comparative figures for the six-month period ended 30 June 2025 have been reclassified to conform to the presentation and classification of the current period, as follows:

	Before reclassification	Reclassification	After reclassification
Realized gains on the sale of investments carried at FVTPL	736,643	(650,000)	86,643
Dividend income from investments carried at FVTPL	-	650,000	650,000
Investments carried at FVTPL–current portion	17,515,990	(27,083)	17,488,907
Prepayments and other current assets	738,890	27,083	765,973

21- Approval of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements were approved by the Board of Directors on 14 Safar 1448H (corresponding to 28 July 2026).