NATIONAL ENVIRONMENTAL RECYCLING COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

AND INDEPENDENT AUDITOR'S REVIEW REPORT

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Independent auditor's review report
on the interim condensed financial statements

To the Shareholders of National Environmental Recycling Company
A Saudi Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Introduction
We have reviewed the accompanying interim condensed statement of financial position of National Environmental Recycling Company (A Saudi Joint Stock Company) (the "Company") as at 30 September 2025, and the interim condensed statement of profit or loss and other comprehensive income for the three and nine-month periods then ended, and the interim condensed statements of changes in equity, and cash flows for the nine-month period then ended, 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 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 information 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.

Other matter
The comparative information for the interim condensed statement of profit or loss and other comprehensive income for the three and nine-month periods ended 30 September 2024, interim condensed statements of changes in equity and cash flows for nine-month period ended 30 September 2024, have not been audited or reviewed.

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 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdullah Al Hajjaj
Certified Public Accountant
License no. (562)

شركة الزومان والفهد والحجاج للاستشارات المهنية
Alzoman, Alfahad & Alhajjaj Professional Services
CR 1010461402

Riyadh, Kingdom of Saudi Arabia

Date: 8 Jumada Al-Awwal 1447H
Corresponding to 30 October 2025

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NATIONAL ENVIRONMENTAL RECYCLING COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	**30 September 2025**	31 December 2024
		(Unaudited)	(Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	**216,462,807**	155,292,894
Right-of-use assets		**3,944,129**	4,987,732
Total non-current assets		**220,406,936**	160,280,626
Current assets			
Inventories	5	**184,892,989**	163,409,855
Trade receivables	6	**95,526,129**	51,822,512
Prepayments and other receivables	7	**61,529,799**	28,786,347
Cash and cash equivalents	8	**23,885,540**	16,493,223
Total current assets		**365,834,457**	260,511,937
Total assets		**586,241,393**	420,792,563
Equity and liabilities			
Equity			
Share capital	9	**116,160,000**	116,160,000
Treasury shares	10	**(2,242,000)**	(4,000,000)
Statutory reserve		**10,040,024**	10,040,024
General reserve	11	**3,734,787**	-
Share-based payment reserve		**48,887**	404,026
Share premium		**67,838,889**	67,838,889
Retained earnings		**79,953,478**	47,743,261
Total equity		**275,534,065**	238,186,200
Liabilities			
Non-current liabilities			
Long-term borrowings	12/A	**100,490,956**	26,744,986
Lease liabilities		**1,805,165**	2,331,436
Employees' benefit obligations		**2,649,246**	2,093,309
Total non-current liabilities		**104,945,367**	31,169,731
Current liabilities			
Trade payables		**11,899,856**	1,938,654
Accrued expenses and other liabilities		**12,708,995**	6,364,826
Short-term borrowings	12/B	**162,956,535**	127,704,144
Zakat provision	14	**3,192,864**	3,045,428
Current portion of long-term borrowings	12/A	**13,999,566**	10,924,775
Current portion of lease liabilities		**1,004,145**	1,458,805
Total current liabilities		**205,761,961**	151,436,632
Total liabilities		**310,707,328**	182,606,363
Total equity and liabilities		**586,241,393**	420,792,563

Chairman of Board of Directors	**Managing Director**	**Chief Financial Officer**
Eyad Abdulaziz Alnafei	Nasser bin Mohammed Al-Dueb	Bharat Bhatnagar
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The accompanying notes from 1 to 25 form an integral part of these interim condensed financial statements.

NATIONAL ENVIRONMENTAL RECYCLING COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	**Three-month period ended 30 September**		**Nine-month period ended 30 September**	
		2025	2024	**2025**	2024
		(Unaudited)	(Unaudited and Unreviewed)	**(Unaudited)**	(Unaudited and Unreviewed)
Revenue	15	**258,533,020**	199,066,107	**754,691,503**	595,957,427
Cost of revenue	16	**(241,110,454)**	(185,297,093)	**(689,079,359)**	(560,158,796)
Gross profit		**17,422,566**	13,769,014	**65,612,144**	35,798,631
General and administrative expenses	17	**(2,881,216)**	(3,763,059)	**(12,226,264)**	(8,527,609)
Expected credit losses		**(190,066)**	(126,000)	**(2,653,191)**	(1,438,338)
Operating profit		**14,351,284**	9,879,955	**50,732,689**	25,832,684
Other income / (loss) – *net*	18	**2,885,232**	(51,513)	**1,804,637**	1,098,807
Finance cost	19	**(4,578,693)**	(1,951,598)	**(11,766,872)**	(4,939,877)
Profit before zakat		**12,657,823**	7,876,844	**40,770,454**	21,991,614
Zakat	14	**(1,656,892)**	(782,000)	**(3,133,561)**	(1,861,065)
Profit for the period		**11,000,931**	7,094,844	**37,636,893**	20,130,549
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Re-measurement loss of employees' benefit obligations		**-**	-	**(289,028)**	(112,913)
Total comprehensive income for the period		**11,000,931**	7,094,844	**37,347,865**	20,017,636
Earnings per share for the period:	20				
Basic		**0.098**	0.063	**0.335**	0.179
Diluted		**0.098**	0.062	**0.334**	0.176

Chairman of Board of Directors	**Managing Director**	**Chief Financial Officer**
Eyad Abdulaziz Alnafei	Nasser bin Mohammed Al-Dueb	Bharat Bhatnagar
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The accompanying notes from 1 to 25 form an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Treasury shares	Statutory reserve	General reserve	Share-based payment reserve	Share premium	Retained earnings	Total equity
For the nine-month period ended 30 September 2025								
As at 1 January 2025 (Audited)	**116,160,000**	**(4,000,000)**	**10,040,024**	-	**404,026**	**67,838,889**	**47,743,261**	**238,186,200**
Profit for the period	-	-	-	-	-	-	**37,636,893**	**37,636,893**
Other comprehensive loss	-	-	-	-	-	-	**(289,028)**	**(289,028)**
Total comprehensive income for the period	-	-	-	-	-	-	**37,347,865**	**37,347,865**
Transfer on allocation of treasury shares to employees	-	**1,402,861**	-	-	-	-	**(1,402,861)**	-
Share based payment transactions (note 9)	-	**355,139**	-	-	**(355,139)**	-	-	-
Transfer to the general reserve (note 10)	-	-	-	**3,734,787**	-	-	**(3,734,787)**	-
As at 30 September 2025 (Unaudited)	**116,160,000**	**(2,242,000)**	**10,040,024**	**3,734,787**	**48,887**	**67,838,889**	**79,953,478**	**275,534,065**
For the nine-month period ended 30 September 2024								
As at 1 January 2024 (Audited)	58,080,000	(2,000,000)	6,459,719	-	201,730	67,838,889	71,341,348	201,921,686
Profit for the period	-	-	-	-	-	-	20,130,549	20,130,549
Other comprehensive loss	-	-	-	-	-	-	(112,913)	(112,913)
Total comprehensive income for the period	-	-	-	-	-	-	20,017,636	20,017,636
Share based payment expense (note 9)	-	-	-	-	151,722	-	-	151,722
Transfer to the general reserve (note 10)	-	-	2,001,764	-	-	-	(2,001,764)	-
As at 30 September 2024 (Unaudited & Unreviewed)	58,080,000	(2,000,000)	8,461,483	-	353,452	67,838,889	89,357,220	222,091,044

Chairman of Board of Directors	**Managing Director**	**Chief Financial Officer**
Eyad Abdulaziz Alnafei	Nasser bin Mohammed Al-Dueb	Bharat Bhatnagar
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The accompanying notes from 1 to 25 form an integral part of these interim condensed financial statements.

NATIONAL ENVIRONMENTAL RECYCLING COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited and Unreviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before zakat	**40,770,454**	21,991,614
Adjustments for non-cash items:		
Depreciation of property, plant, and equipment	**8,573,222**	4,994,552
Loss on disposal of property, plant, and equipment	**53,824**	-
Depreciation of right-of-use assets	**1,043,603**	1,012,729
Expected credit losses	**2,653,191**	1,438,338
Charge of employees’ end of service benefits	**276,131**	407,098
Finance cost	**11,766,872**	4,939,877
Share based payment expense	**-**	151,722
	65,137,297	34,935,930
Changes in operating assets and liabilities:		
Inventories	**(21,483,134)**	(27,588,366)
Trade receivables	**(46,356,808)**	2,222,360
Prepayments and other receivables	**(32,743,452)**	28,266,936
Trade payables	**9,961,202**	(5,872,597)
Accrued expenses and other liabilities	**6,344,169**	1,070,906
	(19,140,726)	33,035,169
Zakat paid	**(2,986,125)**	(2,146,852)
Employees defined benefits paid	**(9,222)**	(117,070)
Net cash (used in) /generated from operating activities	**(22,136,073)**	30,771,247
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(70,555,976)**	(35,110,825)
Proceeds from sale of property, plant and equipment	**759,017**	-
Net cash used in investing activities	**(69,796,959)**	(35,110,825)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings	**324,846,162**	151,022,779
Repayments of loans and borrowings	**(215,589,116)**	(137,370,951)
Repayments of lease liabilities	**(1,175,930)**	(911,457)
Finance cost paid	**(8,755,767)**	(4,755,537)
Net cash generated from financing activities	**99,325,349**	7,984,834
Net changes in cash and cash equivalents	**7,392,317**	3,645,256
Cash and cash equivalents at the beginning of the period	**16,493,223**	9,803,459
Cash and cash equivalents at the end of the period	**23,885,540**	13,448,715
Non-cash transactions		
Shares issued from treasury shares for employee options	**1,758,000**	-
Re-measurement of employee benefit obligations	**289,028**	112,913

Chairman of Board of Directors	**Managing Director**	**Chief Financial Officer**
Eyad Abdulaziz Alhafei	Nasser bin Mohammed Al-Dueb	Bharat Bhatnagar
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The accompanying notes from 1 to 25 form an integral part of these interim condensed financial statements.

1. LEGAL STATUS AND OPERATIONS

National Environmental Recycling Company (hereinafter the "Company") is a Saudi Joint Stock Company, established under the Commercial Register No. 1010465140 dated 27 Jumada Al-Akhira 1436 AH (corresponding to 16 April 2015) in Riyadh, Kingdom of Saudi Arabia.

The principal activities of the Company are represented in the wholesale of waste, scrap and materials for recycling, including collection, classification, segregation, stripping, storage, and delivery.

The Company carries out its activities through the factory of National Environmental Recycling Company (the Branch), which is registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010432838 on 29 Muharram 1438 AH (corresponding to 30 October 2016). The Branch is engaged in the production of copper, aluminium and iron blocks, plastic granules and blocks containing precious metals under industrial license no. 1438100182884. The registered address of the Company is P.O. Box 3431, Riyadh 13524, Al-Malqa District, Riyadh Kingdom of Saudi Arabia.

These interim condensed financial statements include the Company's assets, liabilities, activities and the Branch.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 ''Interim Financial Reporting'' as endorsed in the Kingdom of Saudi Arabia. These interim condensed financial statements do not include all the information required to prepare a complete set of financial statements prepared in accordance with International Financial Reporting Standards. These interim condensed financial statements should be read along with the Company's audited financial statements for the year ended on 31 December 2024.

The interim period is considered to be an integral part of the full fiscal year; still, the results of operations for the interim periods may not be a fair indication of the results for the full-year operations.

2.2 Accounting policies

The accounting policies and calculation methods applied in preparing the interim condensed financial statements are consistent with those followed in preparing the Company's annual financial statements for the year ended 31 December 2024.

The interim condensed financial statements are presented in Saudi Riyals, which is the Company's functional currency, and all amounts are rounded to the nearest Saudi Riyal, unless otherwise indicated.

2.3 New standards, amendments to standards and interpretations standards

New and revised standards, interpretations and amendments effective during the period

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim condensed financial statements of the Company other than presentation and disclosures, except as stated otherwise.

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

New and revised standards, interpretations and amendments issued but not effective:

The following new and revised standards, interpretations and amendments are effective for annual periods beginning on or after 1 October 2025 and earlier application is permitted; however, the Company has not early adopted them in preparing these interim condensed financial statements.

- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. USE OF JUDGMENTS AND ESTIMATES

The preparation of interim condensed financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. The significant estimates made by management in applying the Company's accounting policies and the primary sources of estimation of uncertainty were the same as those that were applied in the Company's audited financial statements for the year ended 31 December 2024.

4. PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2025, the carrying amount of property, plant and equipment amounted to SR 216.46 million (31 December 2024: SR 155.29 million). During the nine-month period ended 30 September 2025, the Company acquired property, plant and equipment with a total cost of SR 70.56 million (year ended 31 December 2024: SR 48.41 million). Disposals during the period resulted in a net book value of SR 0.81 million being derecognized (31 December 2024: SR 8,799). Depreciation charged for the period amounted to SR 8.57 million (30 September 2024: SR 4.99 million). Land with a carrying amount of SR 25.26 million as at 30 September 2025 (31 December 2024: SR 25.26 million) is pledged as security against bank borrowings.

5. INVENTORIES

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Raw materials	**174,717,909**	131,991,677
Finished goods	**8,531,690**	29,128,525
Spare parts	**1,643,390**	2,289,653
	184,892,989	163,409,855

6. TRADE RECEIVABLES

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables	**100,414,529**	54,057,721
Less: Expected credit losses*	**(4,888,400)**	(2,235,209)
	95,526,129	51,822,512

*** The movement in expected credit losses:**

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period / year	**2,235,209**	931,537
Charged during the period / year	**2,653,191**	1,388,366
Written off during the period / year	**-**	(84,694)
Balance at end of the period / year	**4,888,400**	2,235,209

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Advance to suppliers	**53,120,556**	18,506,932
Value added tax	**5,538,398**	6,757,240
Refundable deposits	**1,810,575**	1,217,622
Prepaid expenses	**863,554**	1,249,968
Employee receivable	**196,491**	54,585
Other*	**225**	1,000,000
	61,529,799	28,786,347

8. CASH AND CASH EQUIVALENTS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cash at banks	**23,175,285**	16,299,727
Cash in hand	**710,255**	193,496
	23,885,540	16,493,223

9. SHARE CAPITAL

On 22 Safar 1447H (corresponding to 26 August 2025), the Board of Directors recommended an increase in the Company's share capital by 100% through the issuance of bonus shares to the shareholders, granting one bonus share for each share owned. This recommendation has been approved by the Capital Market Authority (CMA) and is pending approval by the Extraordinary General Assembly of the Company's shareholders.

On 17 Jumada Al-Akhira 1446H (corresponding to 18 December 2024), the Extraordinary General Assembly of the Company's shareholders approved the Board of Directors' recommendation to increase the Company's share capital by 100% through the issuance of bonus shares to shareholders, granting one bonus share for each share owned. This resulted in an increase in the Company's share capital to SR 116,160,000, with a nominal value of SR 1 per share.

10. TREASURY SHARES

	Notes	**30 September 2025 (Unaudited)**	31 December 2024 (Audited)
Balance as at beginning of the period / year		**4,000,000**	2,000,000
Transfer on allocation of treasury shares to employees		**(1,402,861)**	-
Share based payment transactions		**(355,139)**	-
Bonus share issued	10.1	**-**	2,000,000
Balance as at end of the period / year		**2,242,000**	4,000,000

10.1 The number of treasury shares held by the Company increased by 2 million ordinary shares as a result of the issuance of bonus shares during 2024.

10.2 Pursuant resolution of the Extraordinary General Assembly held on 1 Muharram 1447H (corresponding to 26 September 2025), it was approved to extend the maximum period during which the Company may retain the treasury shares, which was previously approved in the resolution of the Extraordinary General Assembly held on 13 Safar 1443H (corresponding to 20 September 2021), amounting to 2 million shares before the issuance of bonus shares and 4 million shares after the issuance of bonus shares, for an additional four years starting from the date of approval by the Extraordinary General Assembly. Upon the expiry of this period, the Company will follow the procedures and regulations stipulated in the applicable laws.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

10. TREASURY SHARES (CONTINUED)

10.3 During the period, the Company transferred 1,758,000 treasury shares to employees under the approved share-based payment plan, from a total allocation of 2,000,000 shares. In accordance with IFRS 2 – Share-based Payment, an amount of SR 355,139, previously recognised in the share-based payment reserve, was transferred to treasury shares upon settlement. The remaining SR 1,402,861, representing the excess of the cost of treasury shares over the amount recognised in the reserve, was adjusted directly in retained earnings, in accordance with IAS 32. No gain or loss was recognised in interim condensed statement of profit or loss.

11. GENERAL RESERVE

Pursuant to the resolution of the Extraordinary General Assembly held on 1 Muharram 1447H (corresponding to 26 June 2025), the shareholders approved an amendment to Article 39 of the Company's Bylaws relating to the distribution of profits. In accordance with the amended Bylaws, 10% of the net profit shall be allocated to a general (discretionary) reserve. The Ordinary General Assembly may resolve to suspend this allocation once the reserve reaches 30% of the paid-up share capital.

12. LOANS AND BORROWINGS

A- Long-term borrowings:

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Loans from local commercial banks (1)	**106,676,313**	25,514,633
Loans from Saudi Industrial Development Fund (3)	**-**	1,428,423
Loan from a Finance Company (4)	**7,814,209**	10,726,705
	114,490,522	37,669,761
Long-term loans are classified and presented as follows:		
Non-current portion	**100,490,956**	26,744,986
Current portion	**13,999,566**	10,924,775
	114,490,522	37,669,761

B- Short-term borrowings:	**30 September 2025**	31 December 2024
	(Unaudited)	(Audited)
Loans from local commercial banks (1)	**113,206,786**	78,523,633
Loans from Saudi Export and Import Bank (2)	**49,749,749**	49,180,511
	162,956,535	127,704,144

12. LOANS AND BORROWINGS (CONTINUED)

1) Loans from local commercial banks information is as follows:

- The Company entered into an agreement to obtain Islamic facilities from local commercial bank during years 2022, 2023 and 2024 in the total amount of 120 million of which SR 77 million were utilized at a predetermined profit rate from those facilities to finance the capital expenditures and working capital. As a guarantee for the financing, a promissory note and a pledge of land as security has been provided (see note 4).

- On January 26, 2025, the Company entered into a Sharia-compliant credit facility agreement with a local commercial bank, with a total credit limit of SR 170 million. These facilities include a SR 90 million as bridge financing for the loan to be obtained from Saudi Industrial Development Fund (SIDF) to be available after signing the facilities agreement with the SIDF and SR 45 million as a bank guarantee in favour of SIDF.

  As at the financial statements' approval date, the bridge financing amount of SR 74.4 million has been drawn down. Also, SR 35 million of the total credit limit has been utilized at a pre-agreed profit rate to finance working capital requirements. The Company has provided a promissory note covering the full value of the facilities as collateral for this financing.

- On January 26, 2025, the Company entered into a Sharia-compliant credit facility agreement with a local commercial bank, with a total credit limit of SR 40 million, where SR 39.9 million were utilized at a predetermined profit rate from those facilities to finance the working capital. The Company has provided a promissory note covering the full value of the facilities as collateral for this financing.

2) The Company entered into an agreement with the Saudi Export-Import Bank in 2023 to obtain Murabaha financing, securing SR 36 million to fund its working capital. Furthermore, on 3 November 2024, the Company entered into another agreement, increasing existing line to SR 50 million. As a guarantee for the financing, a promissory note equivalent to the agreement's value has been provided.

3) On 25 April 2017, the Company agreed with SIDF to obtain a loan amounting to SR 13.8 million to finance the purchase of machinery and equipment at a predetermined rate. During the year 2021, the Company agreed with SIDF to modify a loan amounting to SR 10.141 million. The Company has fully repaid the amount during April 2025.

4) The Company entered into an agreement with a finance Company in 2022 and 2023 to obtain financing facilities amounting to SR 16 million at an agreed-upon Murabaha rate to fund capital expenditures.

All working capital financing is revolving in nature, with a maturity of less than 12 months, whereas capital expenditure financing has a maturity of 3 to 7 years. All financing is secured by either promissory notes or land as collateral.

The agreements include covenants that require, among other conditions, the maintenance of specific financial ratios, a designated level of capital expenditures, and other obligations. As at 30 September 2025, the Company was compliant with these covenants.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties include key management personnel such as members of the Board of Directors and senior management employees of the Company. Senior management employees are those individuals who have the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including managers.

	30 September 2025	30 September 2024
	(Unaudited)	(Unaudited)
Senior management salaries and allowances	**2,610,755**	1,368,414
Board of Directors' rewards and allowances	**856,000**	866,616
	3,466,755	**2,235,030**

14. ZAKAT PROVISION

The Company submits its Zakat returns to the Zakat, Tax and Customs Authority (ZATCA). Zakat is due at the rate of 2.5% of the approximate zakat base or adjusted net profit, whichever is higher.

The movement of the Zakat provision during the period / year is as follows:

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	**3,045,428**	2,319,715
Provision created during the period / year	**3,133,561**	2,872,565
Paid during the period / year	**(2,986,125)**	(2,146,852)
Balance as at the end of the period / year	**3,192,864**	3,045,428

The Company has submitted its ZATCA for all years up to December 31, 2024. It has received the Zakat assessment for the year 2021 and settled its position with ZATCA. Additionally, the Company finalized its Zakat status for the years 2016, 2017, and 2018 during 2020. However, the years 2019, 2020, 2022, and 2024 remain under review by ZATCA, for the year 2023, the Company received an assessment notice from ZATCA differences amounting to SR 113,560, which was settled during the period ended 30 September 2025.

The Company has also obtained the zakat certificate issued by ZATCA, valid until 30 April 2026.

15. REVENUE

	Three-month period ended 30 September		**Nine-month period ended 30 September**	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited and Unreviewed)	**(Unaudited)**	(Unaudited and Unreviewed)
Export Sales	**179,112,557**	124,635,473	**506,664,701**	390,562,760
Local Sales	**79,420,463**	74,430,634	**248,026,802**	205,394,667
	258,533,020	199,066,107	**754,691,503**	595,957,427

Revenue is recognized at a point in time, which is the moment control (risk and reward) of the products is transferred to the customers.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

16. COST OF REVENUE

	Three-month period ended 30 September		**Nine-month period ended 30 September**	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited and Unreviewed)	**(Unaudited)**	(Unaudited and Unreviewed)
Cost of goods sold	**209,039,135**	166,437,161	**607,393,407**	506,255,673
Production cost	**24,399,239**	13,938,237	**61,509,900**	42,535,851
Depreciation of property, plant and equipment	**2,937,821**	2,163,258	**8,352,786**	4,932,045
Repair and maintenance	**1,916,621**	837,692	**4,511,214**	1,593,156
Spare parts	**1,670,595**	965,276	**3,898,000**	2,095,455
Insurance cost	**394,079**	174,862	**1,129,732**	621,419
Depreciation of right-of-use assets	**199,839**	293,128	**914,782**	893,996
Other	**553,125**	487,479	**1,369,538**	1,231,201
	241,110,454	185,297,093	**689,079,359**	560,158,796

17. GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month period ended 30 September		**Nine-month period ended 30 September**	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited and Unreviewed)	**(Unaudited)**	(Unaudited and Unreviewed)
Salaries, wages and other benefits	**1,819,994**	2,313,439	**8,044,699**	5,059,467
Professional consulting fee	**260,124**	300,098	**603,305**	689,701
Office expenses	**88,365**	81,710	**223,909**	228,598
Depreciation of property, plant and equipment	**83,479**	22,566	**220,436**	62,507
Government expenses	**78,793**	40,615	**183,666**	128,985
Depreciation of right-of-use assets	**44,089**	40,473	**128,821**	118,733
Other	**506,372**	964,158	**2,821,428**	2,239,618
	2,881,216	3,763,059	**12,226,264**	8,527,609

18. OTHER INCOME / (LOSS) – NET

	Three-month period ended 30 September		**Nine-month period ended 30 September**	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited and Unreviewed)	**(Unaudited)**	(Unaudited and Unreviewed)
Customs duty refund / incentive	**3,200,235**	26,580	**3,595,071**	1,179,542
Foreign exchange loss	**(315,962)**	(110,312)	**(693,713)**	(161,613)
Other	**959**	32,219	***(1,096,721)**	80,878
	2,885,232	(51,513)	**1,804,637**	1,098,807

* The amount includes SR 1,000,000, which represents a provision recognized against other receivables.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

19. FINANCE COST

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited and Unreviewed)	**(Unaudited)**	(Unaudited and Unreviewed)
Loans and borrowings	**4,520,614**	1,951,598	**11,571,873**	4,939,877
Other	**58,079**	-	**194,999**	-
	4,578,693	1,951,598	**11,766,872**	4,939,877

20. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the period profit attributable to shareholders by the weighted average number of common shares outstanding during the period.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited and Unreviewed)	**(Unaudited)**	(Unaudited and Unreviewed)
Profit for the period	**11,000,931**	7,094,844	**37,636,893**	20,130,549
Number of shares:				
Weighted average number of shares for purposes of calculating basic earnings per share (share)	**112,584,239**	112,160,000	**112,302,967**	112,160,000
Weighted average number of shares for purposes of calculating diluted earnings per share (share)	**112,826,239**	114,160,000	**112,544,967**	114,160,000
Earnings per share				
Basic	**0.098**	0.063	**0.335**	0.179
Diluted	**0.098**	0.062	**0.334**	0.176

The weighted average number of shares has been retrospectively adjusted for comparative periods to reflect the impact of bonus shares issued subsequently.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below shows book values and fair values of financial assets and liabilities including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities that are not measured at fair value if the book value reasonably approximates fair value.

	30 September 2025 (Unaudited)				
	Book value		Fair value		
	Fair value	Amortized cost	Level 1	Level 2	Level 3
Financial assets at amortized cost					
Trade receivables	-	95,526,129	-	-	-
Cash and cash equivalents	-	23,885,540	-	-	-
Total financial assets	-	119,411,669	-	-	-
Financial liabilities at amortized cost					
Loans and borrowings	-	277,447,057	-	-	-
Lease liabilities	-	2,809,310	-	-	-
Trade payables	-	11,899,856	-	-	-
Accrued expenses and other liabilities	-	12,708,995	-	-	-
Total financial liabilities	-	304,865,218	-	-	-

	31 December 2024 (Audited)				
	Book value		Fair value		
	Fair value	Amortized cost	Level 1	Level 2	Level 3
Financial assets at amortized cost					
Trade receivables	-	51,822,512	-	-	-
Cash and cash equivalents	-	16,493,223	-	-	-
Total financial assets	-	68,315,735	-	-	-
Financial liabilities at amortized cost					
Loans and borrowings	-	165,373,905	-	-	-
Lease Liabilities	-	3,790,241	-	-	-
Trade payables	-	1,938,654	-	-	-
Accrued expenses and other liabilities	-	6,364,826	-	-	-
Total financial liabilities	-	177,467,626	-	-	-

The risk management policies of financial instruments during the period did not change from those followed by management during the year ended 31 December 2024.

22. CONTINGENCIES

As at 30 September 2025, the Company had outstanding letters of guarantee issued by a local commercial bank in the normal course of business amounting to SR 2,700,000 (31 December 2024: SR 766,666).

23. SEGMENT INFORMATION

The Company operates in a single operating segment, which includes the export, wholesale, and retail trade of scrap, aluminium, copper, plastic, electrical and electronic appliances, spare parts, tires, glass, and various types of iron, as well as related sorting, storage, and distribution activities.

This classification is based on the internal reports reviewed regularly by the Chief Operating Decision Maker (CODM) to make strategic decisions and assess performance.

As the Company's operations are integrated and managed as a single business unit, no separate segment financial information is reported internally. Accordingly, the Company has determined that it has only one reportable operating segment in accordance with IFRS 8 – Operating Segments.

Revenue and profit for this operating segment are consistent with the revenue and net profit presented in the interim condensed financial statements.

There have been no changes in the basis of segmentation or the measurement of segment results compared to the annual financial statements for the year ended 31 December 2024.

24. SUBSEQUENT EVENTS

Subsequent to the reporting period, in October 2025, the Company entered into an agreement with the Saudi Export-Import Bank to increase its existing Murabaha financing facility from SR 50 million to SR 75 million. The additional facility is intended to support the Company's working capital requirements. A promissory note equivalent to the revised facility amount has been provided as a guarantee.

Except for the matter mentioned above, management believes that there have been no other significant subsequent events since 30 September 2025 up to the date of approval of these interim condensed financial statements that may have a material impact on, or require adjustment to, the Company's interim condensed financial statements for the period ended on that date.

25. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Company's Board of Directors on 6 Jumada Al-Awwal 1447H (corresponding to 28 October 2025).