NATIONAL BUILDING AND MARKETING COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

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

To the Shareholders
National Building and Marketing Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Building and Marketing Company ("the Company") and its subsidiaries (together "the Group") as at 30 June 2026 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Other matter

The consolidated financial statements for the year ended 31 December 2025 and the interim condensed consolidated financial statements for the six-months period ended 30 June 2025 of the Group were audited and reviewed by another auditor who expressed an unmodified opinion and conclusion on 18 Shawwal 1447H corresponding to 6 April 2026G and 15 Rabi Al Awwal 1447H corresponding to 7 September 2025G respectively.

Baker Tilly Professional Services

Majed Muneer Al Nemer
(Certified Public Accountant - License No. 381)
19 Rabi' al-Awwal 1448H
(corresponding to 1 September 2026G)

بيكر تيلي للإستشارات المهنية
س.ت: C.R: 1010428101
BAKER TILLY Professional Services

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited) (Refer note 18)
ASSETS			
Non-current assets			
Property, plant and equipment	4	**441,340,762**	439,625,903
Investment in an associate	5	**31,217,860**	29,296,031
Right-of-use assets	6	**1,088,320**	1,160,686
Investment properties	7	**70,556,986**	91,121,903
Total non-current assets		**544,203,928**	561,204,523
Current assets			
Investments at fair value through profit or loss	9	**3,206,325**	3,527,934
Inventories, net	10	**79,421,253**	83,500,060
Development properties	8	**152,978,371**	152,823,797
Trade receivables and other assets		**151,757,985**	133,142,414
Contract assets		**-**	3,264,301
Due from related parties	11	**229,268,754**	264,834,558
Cash and cash equivalents		**12,874,179**	16,375,095
Total current assets		**629,506,867**	657,468,159
TOTAL ASSETS		**1,173,710,795**	1,218,672,682
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**120,000,000**	120,000,000
Retained earnings		**241,013,182**	228,011,716
Remeasurement reserve on employee defined benefit's obligation		**3,941,358**	3,941,358
Equity attributable to the shareholders of the parent company		**364,954,540**	351,953,074
Non-controlling interests		**350,769**	79,074
Total equity		**365,305,309**	352,032,148
LIABILITIES			
Non-current liabilities			
Loans - non-current portion	13	**35,250,000**	47,000,000
Lease liabilities – non-current portion	6	**44,890,896**	48,819,624
Employees' defined benefit obligations		**7,142,978**	6,243,041
Total non-current liabilities		**87,283,874**	102,062,665
Current liabilities			
Loans – current portion	13	**505,628,887**	511,121,073
Lease liabilities – current portion	6	**50,521,146**	66,992,311
Contract liabilities		**-**	13,325,345
Trade payables and other liabilities		**161,862,231**	165,916,166
Due to related parties	11	**2,735,705**	5,853,010
Provision for zakat	14	**373,643**	1,369,964
Total current liabilities		**721,121,612**	764,577,869
Total liabilities		**808,405,486**	866,640,534
TOTAL EQUITY AND LIABILITIES		**1,173,710,795**	1,218,672,682

الشركة الوطنية للبناء والتسويق
مساهمة مدرجة
الرياض
س.ت / ١٠١٠١٥٣٦٧٨
C.R. 1010153678
Riyadh
National Building & Marketing Co.

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Director**
Salahuddin J. Mohammad	Meshal bin Abdul Rahman Al-Okla	Mohammed Iqbal Radawan Daboul

The accompanying notes form an integral part of these interim condensed consolidated financial statements

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

		For six months period ended 30 June	
		2026	2025
	Notes	**(Unaudited)**	(Unaudited)
Revenue		**430,802,899**	412,776,023
Cost of revenue		**(378,720,396)**	(366,729,472)
Gross profit		**52,082,503**	46,046,551
General and administrative expenses		**(12,596,588)**	(10,369,945)
Reversal of / (charged for) expected credit losses		**1,442,873**	(210,206)
Operating profit		**40,928,788**	35,466,400
Loss on revaluation of investments at FVPL	9	**(321,609)**	(454,466)
Share in result of investment in an associate	5	**1,921,829**	2,147,372
Finance cost		**(28,996,767)**	(28,557,959)
Profit before zakat		**13,532,241**	8,601,347
Zakat charge	14	**(259,080)**	(1,327,656)
Profit for the period		**13,273,161**	7,273,691
Profit for the period attributable to:			
Shareholders of the Company		**13,001,466**	7,278,160
Non-controlling interests		**271,695**	(4,469)
Profit for the period		**13,273,161**	7,273,691
Other comprehensive income:		**-**	-
Total comprehensive income for the period		**13,273,161**	7,273,691
Total comprehensive income attributable to:			
Shareholders of the Company		**13,001,466**	7,278,160
Non-controlling interests		**271,695**	(4,469)
Total comprehensive income for the period		**13,273,161**	7,273,691
Basic and diluted earnings per share	15	**1.08**	0.61

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Director**
Salahuddin J.Mohammad	Meshal bin Abdul Rahman Al-Okla	Mohammed Iqbal Radawan Daboul

The accompanying notes form an integral part of these interim condensed consolidated financial statements

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Remeasurement reserve on employees' benefit obligation	Equity attributable to the shareholders	Non-controlling interests	Total equity
Balance as at 1 January 2026 (audited)	**120,000,000**	**-**	**228,011,716**	**3,941,358**	**351,953,074**	**79,074**	**352,032,148**
Profit for the period	**-**	-	**13,001,466**	**-**	**13,001,466**	**271,695**	**13,273,161**
Other comprehensive income	**-**	-	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	-	**13,001,466**	**-**	**13,001,466**	**271,695**	**13,273,161**
Balance as at 30 June 2026 (unaudited)	**120,000,000**	**-**	**241,013,182**	**3,941,358**	**364,954,540**	**350,769**	**365,305,309**
Balance as at 1 January 2025 (audited)	120,000,000	26,183,635	192,516,305	3,967,715	342,667,655	11,517,043	354,184,698
Profit / (loss) for the period	-	-	7,278,160	-	7,278,160	(4,469)	7,273,691
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	7,278,160	-	7,278,160	(4,469)	7,273,691
Balance as at 30 June 2025 (unaudited)	120,000,000	26,183,635	199,794,465	3,967,715	349,945,815	11,512,574	361,458,389

Chief Financial Officer
Salahuddin J.Mohammad

Chief Executive Officer
Meshal bin Abdul Rahman Al-Okla

Chairman of Board of Director
Mohammed Iqbal Radawan Daboul

The accompanying notes form an integral part of these interim condensed consolidated financial statements

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		**13,532,241**	8,601,347
Adjustments for:			
Depreciation of property, plant and equipment	4	**18,874,013**	18,644,791
Depreciation of right of use assets	6	**72,366**	103,848
Depreciation of investment properties	7	**20,564,917**	20,564,917
Interest expense on lease liability	6	**3,402,812**	5,160,668
Finance costs		**25,593,955**	23,397,291
Share of results of investment in an associate	5	**(1,921,829)**	(2,147,372)
Loss on revaluation of investments at FVPL	9	**321,609**	454,466
Employees' benefits obligation		**899,937**	1,126,502
Reversal of / (charge for) expected credit losses		**(1,442,872)**	210,206
Changes in operating assets and liabilities:			
Inventories, net		**4,078,807**	(19,440,815)
Trade receivables and other assets		**(19,023,745)**	(33,772,191)
Contract assets		**3,264,301**	(11,138,117)
Due from related parties		**37,416,850**	(9,989,446)
Contract liabilities		**(13,325,345)**	(1,224,275)
Trade payables and other liabilities		**(16,955,485)**	(8,434,592)
Due to related parties		**(3,117,305)**	(6,330,240)
Development properties		**(154,574)**	15,121,944
Cash generated from operations		**72,080,653**	12,056,993
Employees' benefits obligation paid		**-**	(37,958)
Zakat paid	14	**(1,255,401)**	(637,212)
Finance costs paid		**(12,692,405)**	(21,328,665)
Net cash generated from / (used in) operating activities		**58,132,847**	(9,946,842)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	**(20,588,872)**	(25,362,702)
Additions to an investments at fair value through profit or loss		**-**	(7,064,478)
Disposal of investments at fair value through profit or loss		**-**	10,607,199
Dividend from investment in associate	5	**-**	9,806,400
Net cash used in investing activities		**(20,588,872)**	(12,013,581)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities	6	**(23,802,705)**	(8,912,500)
Loan obtained during the period	13	**706,630,573**	302,540,131
Loan paid during the period	13	**(723,872,759)**	(305,279,683)
Net cash used in financing activities		**(41,044,891)**	(11,652,052)
Net change in cash and cash equivalents		**(3,500,916)**	(33,612,475
Cash and cash equivalents at the beginning of the period		**16,375,095**	41,115,725
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**12,874,179**	7,503,250

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Director**
Salahuddin J. Mohammad	Meshal bin Abdul Rahman Al-Okla	Mohammed Iqbal Radawan Daboul

The accompanying notes form an integral part of these interim condensed consolidated financial statements

(All amounts in Saudi Riyals unless otherwise stated)

1. CORPORATE INFORMATION

National Building and Marketing Company, a listed Saudi Joint Stock Company, was established as per Ministerial Resolution No. (70/Q) on 29 Rabi Al-Awwal 1435H (corresponding to 30 January 2014). The Company was registered in the Commercial Register in Riyadh under 1010153678 with unified number 7001396071 dated 17 Muharram 1420H (corresponding to 3 May 1999).

The registered office of the Company is located at Building No. 7180, Abdullah Ibn Salmah, Al Olaya District, Unit No.27, Riyadh 12222-2376, Kingdom of Saudi Arabia.

The Group's activities are the wholesale and retail trade in construction materials, general construction, real estate trading, real estate development, manufacturing of primary iron products, steel sheets, panels, strip coils, bars, skewers, angles, wires, and sections of all shapes as well as manufacture of pipes, tubes and hollow shapes of iron and steel, extending communication cables, network extensions, installing and extending computer and communication networks, providing wholesale infrastructure services, analyzing systems, designing and programming special software, and providing communications and information network management services.

These interim condensed consolidated financial statements include the accounts of the Head Office and a branch of National Building and Marketing Company, C.R No.1010612194, renewed till 18 Safar 1449H (corresponding to 22 July 2027).

National Building and Marketing Company is referred to as "the Company" or together with its subsidiaries as "the Group" throughout these interim condensed consolidated financial statements. The subsidiaries are listed below.

		Ownership in ordinary shares %	
Subsidiaries	**Country of incorporation**	**30 June 2026**	31 December 2025
Ajeej Steel Manufacturing Company (A)	Kingdom of Saudi Arabia	**100**	100
Flex Shield Company for Information Technology (B)	Kingdom of Saudi Arabia	**90**	90
Yuzmash Industry Company (C)	Kingdom of Saudi Arabia	**55**	55
Arabian Steel Trading Company (D)	Kingdom of Saudi Arabia	**100**	100
Al-Ahsa Real Estate Growth Fund (E)	Kingdom of Saudi Arabia	**-**	-
Al- Ahsa Growth Investment Company (E)	Kingdom of Saudi Arabia	**100**	-

These interim condensed consolidated financial statements include the Group's share in an associate as listed below:

		Ownership in ordinary shares %	
Joint Venture	**Country of incorporation**	**30 June 2026**	31 December 2025
German Saudi Industrial Company (note 5)	Kingdom of Saudi Arabia	**9.08**	9.08

A. Ajeej Steel Manufacturing Company, wholly owned by the Group, is a single shareholder closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia on 1 Ramadan 1429H (corresponding to 1 September 2008) under commercial registration number 1011016123. The share capital of the Company is SAR 300,000,000 divided into 300,000,000 shares. In 2024, the company's legal form was converted from limited liability to a closed joint stock company. All legal formalities were completed during 2024.

1. CORPORATE INFORMATION (CONTINUED)

B. Flex Shield Company for Information Technology, 90% owned by Group, is a closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia on 28 Jumada al-Alkhirah 1442H (corresponding to 10 February 2021) under commercial registration number 1010686702. The share capital of the company comprises of 12,500 shares amounting to SAR 125,000. The main activities of the company include extending communication cables, network extensions, installing and extending computer and communication networks.

C. Yuzmash Industry Company, 55% owned by the Group, is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia on 18 Jumada al-Ula 1443H (corresponding to 22 December 2021) under commercial registration number 1010766757. The share capital of the company is SAR 100,000 divided into 10,000 shares. The company has not started operations since its inception to date.

D. Arabian Steel Trading Company , wholly owned by the Group, is a closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia on 22 Jumada al-Ula 1445H (corresponding to 6 December 2023) under commercial registration number 1010958893. The share capital of the company comprises of 12,500 shares amounting to SAR 125,000. The company has not started activity since its inception to date.

E. Al-Ahsa Real Estate Growth Fund is an investment fund aimed at achieving medium-term capital growth for unit holders. The Group's investment in the Fund increased from 61.54% in 2022 to 91.62% as of 21 Shawwal 1444 AH (11 May 2023). In 2025, the Group acquired the remaining 8.38% interest (1,089,000 units out of 13,000,000) from minority shareholders for SAR 12,633,540. The carrying amount of the non-controlling interest at acquisition was SAR 11,313,321, representing 8.38% of the Fund's net assets as of 31 December 2024 of SAR 135,003,839, with an effective date of 1 January 2025. The premium paid over the NCI carrying amount of SAR 1,320,219 was recognized directly in equity. The Fund was subsequently liquidated, and all assets and liabilities were transferred at carrying values to Al-Ahsa Growth Investment Company. This subsidiary, registered under national unified number 7025769113 issued on 8 Safar 1443 (15 September 2021), was created to achieve medium-term capital growth.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

The accompanying 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 that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

These interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated audited financial statements for the year ended 31 December 2025. In addition, results for the six months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

These interim condensed consolidated financial statements have been prepared under the historical cost basis using the accrual basis of accounting and going concern concept except for the employee defined benefit liability which has been measured based on actuarial present value calculations, investments at FVTPL which have been measured at fair value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

These interim condensed consolidated financial statements of the Group have been presented in Saudi Riyal (SR), which is the functional and presentation currency.

Material Accounting Policies

In April 2024, the International Accounting Standards Board issued IFRS 18 "Presentation and Disclosure in Financial Statements", which will replace IAS 1 "Presentation of Financial Statements". IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the Standard.

IFRS 18 introduces new requirements relating principally to the presentation of the interim condensed consolidated statement of profit or loss, including the classification of income and expenses into defined categories and the presentation of specified totals and subtotals. The Standard also introduces enhanced requirements for the aggregation and disaggregation of financial information and specific disclosure requirements for management-defined performance measures. In addition, consequential amendments have been made to IAS 7 "Statement of Cash Flows".

The Group is currently assessing the expected impact of IFRS 18 on its interim condensed consolidated financial statements. Based on the work performed to date, the principal areas under review are set out below.

a) Structure of the interim condensed consolidated statement of profit or loss

IFRS 18 requires income and expenses to be classified into operating, investing and financing categories, together with income taxes and discontinued operations, where applicable. The Standard also requires the presentation of specified subtotals, including operating profit or loss and profit or loss before financing and income taxes.

The Group is reviewing the classification and presentation of its existing income and expense items, including those arising from its operating activities, investment and property-related activities, equity-accounted investments and financing arrangements. The Group is also assessing the presentation of its existing totals and subtotals against the requirements of IFRS 18.

The detailed classification assessment, including the consideration of specified main business activities where relevant, remains in progress.

b) Aggregation and disaggregation

IFRS 18 introduces enhanced principles relating to the aggregation and disaggregation of information presented in the primary interim condensed consolidated financial statements and the notes.

The Group is reviewing the grouping and description of material income and expense items and the level of information presented in the primary interim condensed consolidated financial statements and related notes to determine whether changes will be required upon adoption of IFRS 18.

c) Consequential amendments to IAS 7

The consequential amendments to IAS 7 "Statement of Cash Flows" require entities applying the indirect method to use operating profit or loss as the starting point for reporting cash flows from operating activities.

The Group currently uses profit before zakat as the starting point for its indirect-method cash flow reconciliation and is assessing the related presentation changes that will be required upon adoption of IFRS 18.

The Group's assessment remains in progress and the final impact on the presentation and disclosures in the interim condensed consolidated financial statements will be determined as the implementation exercise progresses. The Group expects to complete the required changes before IFRS 18 becomes effective.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)
Material Accounting Policies (Continued)

d) Management-defined performance measures
IFRS 18 introduces disclosure requirements for management-defined performance measures, being certain subtotals of income and expenses used in public communications outside the interim condensed consolidated financial statements to communicate management's view of an aspect of the Group's financial performance.

The Group is reviewing the performance measures used in its public communications to determine whether any such measures meet the definition of a management-defined performance measure and, where applicable, the related disclosure requirements under IFRS 18.

Critical accounting judgements and key sources of estimation and uncertainty
The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited consolidated financial statements. Management believes that other than the certain actuarial assumptions for valuation of present value of defined benefit obligations, all other sources of estimation uncertainty remain similar to those disclosed in the annual consolidated financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

3. OPERATING SEGMENTS
The Group is organised into four operating segments consisting of Manufacturing of Steel Products, Contracting Projects, Real Estate and Trading of Construction Materials, and Information Technology. All operations are carried out within the Kingdom of Saudi Arabia.

The CEO of the Group and the Board of Directors review the internal management reports of each segment for the purpose of resources allocation and assessment of performance. All other operating segments that are not reportable are combined under "Others". The following table presents the operations of each reportable segment for the period.

(All amounts in Saudi Riyals unless otherwise stated)

3. OPERATING SEGMENTS (CONTINUED)

Six months period ended 30 June 2026 (Unaudited)	**Manufacturing of steel products**	**Contracting and real estate**	**Trading of construction materials**	**Information technology**	**Other**	**Total**
Revenue	**339,737,583**	**57,098,423**	**24,463,924**	**9,502,969**	**-**	**430,802,899**
Cost of revenue	**(313,996,367)**	**(43,878,744)**	**(17,525,196)**	**(3,320,089)**	**-**	**(378,720,396)**
Finance cost	**(8,262,392)**	**(13,978,714)**	**(5,897,499)**	**(858,162)**	**-**	**(28,996,767)**
Net profit / (loss) for the period	**14,710,974**	**(3,435,464)**	**(763,053)**	**2,795,704**	**(35,000)**	**13,273,161**
Property, plant and equipment, net	**440,459,435**	**232,657**	**-**	**648,670**	**-**	**441,340,762**

Six months period ended 30 June 2025 (Unaudited)	**Manufacturing of steel products**	**Contracting and real estate**	**Trading of construction materials**	**Information technology**	**Other**	**Total**
Revenue	325,338,984	57,445,884	7,253,056	6,016,521	16,721,578	412,776,023
Cost of revenue	(302,778,323)	(40,403,807)	(2,669,969)	(3,738,537)	(17,138,836)	(366,729,472)
Finance cost	(5,884,219)	(17,765,508)	(4,005,272)	(902,960)	-	(28,557,959)
Net profit for the period	13,153,862	(6,496,764)	737,139	347,712	(468,258)	7,273,691
Property, plant and equipment, net	424,356,011	290,130	-	15,592	-	424,661,733

(All amounts in Saudi Riyals unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings on leased hold lands*	Machinery and equipment	Motor vehicles	Furniture and fixtures	Office equipment	Tools	Computers	Capital work in progress**	Total
Cost										
1 January 2025	-	168,301,871	403,475,389	698,538	733,188	134,056	527,460	493,977	20,292,328	594,656,807
Additions	-	153,675	29,432,052	156,181	34,255	-	233,764	83,799	14,526,850	44,620,576
Prior year adjustments (refer note 18)	-	-	-	-	-	-	-	-	15,050,228	15,050,228
Reclassification***	29,268,125	(29,268,125)	-	-	-	-	-	-	-	-
31 December 2025	29,268,125	139,187,421	432,907,441	854,719	767,443	134,056	761,224	577,776	49,869,406	654,327,611
Additions	**-**	**73,098**	**12,478,268**	**-**	**-**	**-**	**437,591**	**22,298**	**7,577,617**	**20,588,872**
30 June 2026	**29,268,125**	**139,260,519**	**445,385,709**	**854,719**	**767,443**	**134,056**	**1,198,815**	**600,074**	**57,447,023**	**674,916,483**
Accumulated Depreciation										
1 January 2025	-	76,705,230	98,357,317	221,939	589,495	132,451	346,839	359,714	-	176,712,985
Charge for the year	-	11,093,159	26,669,128	96,369	36,827	1,150	61,057	31,033	-	37,988,723
31 December 2025	-	87,798,389	125,026,445	318,308	626,322	133,601	407,896	390,747	-	214,701,708
Charge for the year	**-**	**5,501,673**	**13,209,206**	**48,201**	**45,069**	**455**	**45,945**	**23,464**	**-**	**18,874,013**
30 June 2026	**-**	**93,300,062**	**138,235,651**	**366,509**	**671,391**	**134,056**	**453,841**	**414,211**	**-**	**233,575,721**
Net book value										
30 June 2026	**29,268,125**	**45,960,457**	**307,150,058**	**488,210**	**96,052**	**-**	**744,974**	**185,863**	**57,447,023**	**441,340,762**
31 December 2025	29,268,125	51,389,032	307,880,996	536,411	141,121	455	353,328	187,029	49,869,406	439,625,903

*Buildings on leasehold land include a factory building constructed on land leased from the Saudi Authority for Industrial Cities and Technology Zones (MODON) for a period of twenty years commencing in 2010, subject to renewal for subsequent additional periods in accordance with the concluded contract. The factory building is pledged as security against the Group's loan facilities.

**This represents ongoing capital work-in-progress projects as of 30 June 2026, including the new Ajeej factory housing project based in Al Kharj, installation of a new scrap metal processor, ongoing warehouse expansions and workshop maintenance projects. These are at various stages of completion and will be capitalized upon commissioning. These projects are expected to be completed in the last quarter of 2026.

*** During the period, the management reassessed the classification of certain buildings constructed on leasehold land and determined that a portion of the underlying land is not subject to the lease arrangement. Accordingly, the relevant portion of the land has been reclassified from buildings on leasehold land to land. There was no impact on accumulated depreciation as the land was capitalized on 31 December 2025. The land is pledged as security against the Group's loan facilities. The management has planned to construct a new building for expansion of warehouses storage facility on this land.

(All amounts in Saudi Riyals unless otherwise stated)

5. INVESTMENT IN AN ASSOCIATE

Investment in an associate comprises the following:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
German Saudi Industrial Company	**31,217,860**	29,296,031
	31,217,860	29,296,031

German Saudi Industrial Company (“GESICO”) is a closed Saudi joint stock company established and operating in the Kingdom of Saudi Arabia. The purpose of the company's activity lies in the manufacture of basic organic chemicals, acetylene, except for fertilizers and nitrogenous compounds, under Commercial Registration No. 2050062639 dated 25 Rajab 1428 AH, corresponding to 8 August 2007, issued in the city of Dammam. Under license of the Ministry of Energy, Industry and Mineral Resources No. 293 dated 6 Safar 1440 AH. The Group has significant influence over GESICO through its representation on the Board of Directors. Additionally, a member of the Company's Board of Directors holds a 15% equity interest in GESICO.

The movement of investment in associate is as follows:

	2026 (Unaudited)	2025 (Audited)
Balance at beginning of the period / year	**29,296,031**	24,663,219
Increase in share capital	**-**	9,080,000
Dividend from associates	**-**	(9,806,400)
Share of profit for the period / year	**1,921,829**	5,423,252
Share of OCI	**-**	(64,040)
	31,217,860	29,296,031

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right of-use assets	**2026 (Unaudited)**	2025 (Audited)
Net book value at the beginning of the period/year	**1,160,686**	1,349,147
Depreciation for the period/year	**(72,366)**	(188,461)
Net book value at the end of the period/year	**1,088,320**	1,160,686

Lease liabilities	**2026 (Unaudited)**	2025 (Audited)
Balance at beginning of the period / year	**115,811,935**	140,325,174
Accreditation of interest	**3,402,812**	9,544,098
Payment of leases during the period / year	**(23,802,705)**	(34,057,337)
	95,412,042	115,811,935
Less: Current portion	**(50,521,146)**	(66,992,311)
	44,890,896	48,819,624

(All amounts in Saudi Riyals unless otherwise stated)

7. INVESTMENT PROPERTIES

Cost	**2026 (Unaudited)**	2025 (Audited)
Cost as at the beginning and end of the period / year	**207,467,073**	207,467,073
	207,467,073	207,467,073

Accumulated depreciation	**2026 (Unaudited)**	2025 (Audited)
Balance as at the beginning of the period/year	**116,345,170**	74,874,481
Depreciation for the period/year	**20,564,917**	41,470,689
Balance as at the end of the period/year	**136,910,087**	116,345,170
Net book value as at the end of the period/year	**70,556,986**	91,121,903

The investment properties represent lease contracts for a residential and commercial complex for a period of 5 years ending on 12 March 2028.

The fair value of the investment properties was determined using the income approach based on the discounted cash flow method, by discounting the expected future net cash flows comprising sublease rental income less lease rental payments to the lessor. The valuation was performed by an independent accredited valuer, One Alrai Real Estate Appraisal (OAREA) (License No. 13014; Commercial Registration No. 7002144470), accredited by the Saudi Authority for Accredited Valuers. The results of the valuation are summarized below:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Present value of expected rental income	**162,612,047**	193,156,409
Less: present value of lease rental payments	**(70,522,459)**	(92,159,431)
Net present value of expected net cash flows	**92,089,588**	100,996,978
Excess of net present value over carrying value of investment properties	**21,532,602**	9,875,074

8. DEVELOPMENT PROPERTIES

	2026 (Unaudited)	2025 (Audited)
Balance at beginning of the period / year	**152,823,797**	167,108,877
Addition during the period / year	**154,574**	6,389,515
Properties sold during the period / year	**-**	(18,788,337)
Provision for future losses during the period / year	**-**	(1,886,258)
	152,978,371	152,823,797

The Group's development properties related to "Zahraa project" are off-plan properties under construction classified as current because they are held for sale in the ordinary course of business. The properties are mortgaged as collateral to a local commercial bank. The development properties include an amount of SR 70 million related to the cost of the land on which the properties are developed.

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at fair value through profit or loss represent investments in quoted equity instruments. The movement is as follows:

	2026 (Unaudited)	2025 (Audited)
Balance as at beginning of the period / year	**3,527,934**	7,782,676
Additions during the period / year	**-**	7,071,784
Disposals during the period / year	**-**	(10,457,769)
Unrealized profit for the period / year	**(321,609)**	(868,757)
Balance as at end of the period / year	**3,206,325**	3,527,934

(All amounts in Saudi Riyals unless otherwise stated)

10. INVENTORIES, NET

	30 June 2026 (Unaudited)	31 December 2025 (Audited) (Refer note 18)
Steel billet - finished goods	**44,261,716**	36,696,121
Spare parts, fuel and oils	**17,659,992**	21,918,301
Construction materials	**6,713,777**	4,242,588
Scrap iron	**6,619,995**	17,606,018
Operation tasks	**4,165,773**	3,037,032
	79,421,253	83,500,060

11. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, the Group carried out the transactions with the following related parties. The terms of the transactions are in the ordinary course of business and approved by management.

Name	**Relation**
German Saudi Industrial Company	Associate
Ethraa Holding Company	Affiliate
Al-Fayziyah Real Estate Development Company	Affiliate
Al-Kharj Union Factory Company	Affiliate
Flex Shield Company for Security and Safety	Affiliate
Resin factory For Industry	Affiliate
Trolley Carriage & Iron Works Co.	Affiliate
Manazel Al Alamiyah Company For Operation and Maintenance	Affiliate
Southern Factory For Building Machinery in the name of A.M. Makarov	Affiliate
Arabian Stones Company for Marble and Granite Industry Ltd	Affiliate
Adwaa Al-hedaya Schools Company	Affiliate
Manahil Al-Marifah Co.	Affiliate

The material transactions for the six months period ended 30 June are as follows:

		Six-months period ended 30 June	
Related Parties	**Nature of the transactions**	**2026 (Unaudited)**	2025 (Unaudited)
Al-Kharj Union Factory Company	Financing	**-**	1,072,157
	Revenue	**-**	2,164,114
	Purchases	**(31,680)**	(270,582)
	Collections	**315,313**	-
Ethraa Holding Company	Payment on behalf	**(1,178,491)**	(6,564,049)
	Financing	**(2,630,500)**	(29,898,606)
	Expenses on behalf	**(2,609,591)**	(318,441)
Al-Fayziyah Real Estate Development Company	Expenses paid on behalf	**280,965**	4,741,846
	Financing	**-**	(24,601,813)
	Payment on behalf	**(6,300,000)**	(178,318)
Manazel Al Alamiyah Company For Operation and Maintenance	Expenses paid on behalf	**2,169,601**	-
	Financing	**(36,753)**	-
	Payment on behalf	**(108,651)**	-
	Purchases	**(2,022,833)**	-
German Saudi Industrial Company	Financing	**-**	3,000,000
	Payment on behalf	**(1,100,000)**	(15,151,410)
	Dividends	**-**	9,806,400
	Revenue	**4,500,938**	678,454

(All amounts in Saudi Riyals unless otherwise stated)

11. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

		Six-months period ended 30 June	
Related Parties	**Nature of the transactions**	**2026 (Unaudited)**	2025 (Unaudited)
Adwaa Al-hedaya Schools Company	Collections	**(20,000,000)**	(43,103)
Trolley Carriage & Iron Works Co.	Expenses paid on behalf	**374**	53,987
	Revenue	**10,800,126**	10,662,938
	Financing	**-**	75,000
	Purchases	**(15,781,097)**	-

Related party balances

During the period end balances arising from transactions with related parties, are as follows:

Due from related parties

	30 June 2026 (Unaudited)	31 December 2025 (Audited) Refer note 18
Ethraa Holding Company	**119,743,020**	126,161,602
Al-Fayziyah Real Estate Development Company	**75,317,776**	81,336,811
Trolley Carriage & Iron Works Co.	**6,661,495**	11,642,092
Manazel Al Alamiyah company for operation and maintenance	**659,640**	658,276
Yugamesh International Co., Ltd	**30,000**	30,000
Southern Factory for Building Machinery in the name of A.M.	**15,000**	15,000
Adwaa Al-hedaya Schools Company	**28,818,566**	48,818,566
	231,245,497	268,662,347
Less: Provision for expected credit losses	**(1,976,743)**	(3,827,789)
	229,268,754	264,834,558

Movement in provision for expected credit losses is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the period / year	**3,827,789**	-
(Reversal) / charge for the period / year	**(1,851,046)**	3,827,789
Balance at end of the period / year	**1,976,743**	3,827,789

Due to related parties

	30 June 2026 (Unaudited)	31 December 2025 (Audited) Refer note 18
German Saudi Industrial Company	**2,264,063**	5,665,001
Al-Kharj Union Factory Company	**471,642**	188,009
	2,735,705	5,853,010

Transactions with key management personnel

Key management personnel include the Board of Directors, Chief Executive Officer and heads of departments. Compensation of the Group's key management personnel includes salaries and contributions to a post-employment defined benefit plan.

	Six-month period ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Short-term employee benefits	**1,181,000**	1,155,000
Post-employment benefits	**407,683**	380,847
	1,588,683	1,535,847

(All amounts in Saudi Riyals unless otherwise stated)

12. SHARE CAPITAL

The share capital of the Company amounting to SR 120,000,000 is divided into 12,000,000 shares of SR 10 each. On 29 Ramadan 1446H, corresponding to 29 March 2025, the Company's Board of Directors approved to increase the capital to SR 300,000,000 through the issuance of free shares by capitalizing SR 180 million from the retained earnings account. However, as on 30 June 2026, the decision has not been implemented.

13. LOANS

	2026 (Unaudited)	2026 (Audited)
Balance at beginning of the period /year	**558,121,073**	520,000,000
Additions during the year / period	**706,630,573**	961,685,020
Paid during the period / year	**(723,872,759)**	(923,563,947)
	540,878,887	558,121,073
Less: Current portion	**(505,628,887)**	(511,121,073)
	35,250,000	47,000,000

The Group has signed facilities from various local commercial banks and a financial institution for the objective of financing the working capital of the Group. These loans are secured against the property, plant and equipment of Ajeej Steel Manufacturing Company, real estate Properties, personal guarantee of the main shareholder, and promissory notes. The loans carry an interest rate of SIBOR plus agreed margin annually. The long-term loan agreements contain certain financial and non-financial covenants, and the Group has complied with these covenants. The Company predominately utilizes short-term borrowing to finance its operations, which creates short-term liquidity pressure. The management monitors and manages the liquidity by rolling over and securing credit lines and tightly controlling cash operations and conversion cycles.

14. ZAKAT

The movement in the zakat provision is as follows:

	2026 (Unaudited)	2025 (Audited)
Balance at beginning of the period / year	**1,369,964**	1,629,185
Provision for the period / year	**259,080**	1,220,585
Payments during the period / year	**(1,255,401)**	(1,479,806)
	373,643	1,369,964

The Group submitted its zakat returns within the statutory period for the years up to 31 December 2025 and obtained the certificates. The review of zakat declarations up to 2023 has been finalized by the ZATCA.

15. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the periods ended 30 June 2026 and 2025 are calculated by dividing the net income for the period attributable to the shareholders of the Company by the weighted average number of shares. The diluted earnings per share is the same as the basic earnings per share.

	2026	2025
Net profit attributable to the shareholders of the Company	**13,001,466**	7,278,160
Weighted average number of outstanding shares during the period	**12,000,000**	12,000,000
Total earning per share – basic and diluted	**1.08**	0.61

16. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(All amounts in Saudi Riyals unless otherwise stated)

16. FAIR VALUE OF FINANCIAL INSTRUMENTS(Continued)

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability,

The table below presents the carrying values and fair values of financial assets and liabilities, including their levels in the fair value hierarchy, and does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount approximates fair value.

	Level 1	Level 2	Level 3	Total
As on June 30, 2026 (unaudited)				
Investments at fair value through profit or loss	**3,206,325**	-	-	**3,206,325**
As on 31 December 2025 (Audited)				
Investments at fair value through profit or loss	3,527,934	-	-	3,527,934

17. CONTINGENCIES AND COMMITMENTS

The Group has following commitments and contingencies as at 30 June 2026 and 31 December 2025:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Unexecuted contractual commitments	**173,366,976**	156,128,804
Letters of guarantee	**2,513,235**	2,513,235

18. PRIOR YEAR ADJUSTMENT

During the period, management reassessed the classification and presentation of certain balances in the comparative financial statements. The table below summarizes the reclassification impact on comparative information:

	Note	31 December 2025 (Audited)	Reclassification	31 December 2025 (Audited)
Property, plant and equipment	A	**424,575,675**	15,050,228	**439,625,903**
Inventories, net	A	**98,550,288**	(15,050,228)	**83,500,060**
Contract liabilities	B	**25,931,552**	(12,606,207)	**13,325,345**
Trade payables and other liabilities	B	**153,309,959**	12,606,207	**165,916,166**
Due to related parties	B	**40,633,127**	(34,780,117)	**5,853,010**
Due from related parties	B	**299,614,676**	(34,780,117)	**264,834,558**

A. During the period, management reassessed the classification of certain strategic spare parts that had been classified as inventories and determined that these items are held for use in production over more than one period and meet the criteria for recognition as property, plant and equipment. Accordingly, the items have been reclassified from inventories to capital work in progress within property, plant and equipment.

B. Further, management reassessed the presentation of certain comparative balances and made reclassifications to conform to the current period presentation. These reclassifications primarily relate to the presentation of contract liabilities, trade and other payables, and balances with related parties.

These reclassifications had no impact on the prior year’s net profit, net equity, or cash flows.

19. GEOPOLITICAL DEVELOPMENTS

The Group continues to monitor the regional geopolitical developments and their potential impact on Kingdome of Saudi Arabia and the broader GCC environment given that the majority of the Group's operations are conducted within GCC region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's interim condensed consolidated financial statements for the period ended 30 June 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

20. SUBSEQUENT EVENTS

There were no other events after 30 June 2026 and before the date of authorization of the interim condensed consolidated financial statements that would be expected to have a material impact on these consolidated financial statements.

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements for the six-month period ended 30 June 2026 were approved for issuance by the Board of Directors on 19 Rabi' al-Awwal 1448H (corresponding to 1 September 2026G)