

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2025
AND INDEPENDENT AUDITOR'S REVIEW REPORT

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2025

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Report on review of interim condensed consolidated financial statements

To the shareholders of National Industrialization Company
(Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Industrialization Company (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2025 and the related interim condensed consolidated statements of profit or loss and 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 ended 30 June 2025 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), as 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 International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity” as endorsed in the Kingdom of Saudi Arabia. A review of interim financial 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, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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, as endorsed in the Kingdom of Saudi Arabia

PricewaterhouseCoopers

Bader Benmohareb
License Number 471

03 August 2025

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NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in SR'000 unless otherwise stated)

		As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,264,943	5,435,921
Projects under progress	7	678,908	467,928
Right-of-use assets		150,135	161,325
Intangible assets		166,768	163,193
Investments in equity accounted associates and joint ventures	8	11,225,202	10,750,736
Investments in financial assets designated as FVOCI	15	872,486	961,434
Investments in debt securities		176,461	126,110
Other non-current assets		846,344	787,148
Total non-current assets		19,381,247	18,853,795
Current assets			
Inventories		965,695	847,542
Accounts receivable		1,396,682	1,257,499
Prepayments and other current assets		526,841	841,463
Short term investments		-	486,000
Cash and bank balances	9	2,439,553	4,089,652
Total current assets		5,328,771	7,522,156
Total assets		24,710,018	26,375,951
EQUITY AND LIABILITIES			
Equity			
Share capital		6,689,142	6,689,142
Statutory reserve		668,914	668,914
Other reserves		(652,739)	(648,547)
Retained earnings		3,774,654	2,944,669
Equity attributable to the equity holders of Parent		10,479,971	9,654,178
Non-controlling interests		3,202,876	2,364,288
Total equity		13,682,847	12,018,466
Liabilities			
Non-current liabilities			
Long-term borrowings	10	3,134,478	3,979,593
Employee benefits obligations		652,364	605,551
Lease liabilities		137,143	155,100
Other non-current liabilities		1,056,171	1,067,143
Total non-current liabilities		4,980,156	5,807,387
Current liabilities			
Long-term borrowings - current portion	10	2,335,595	4,675,401
Lease liabilities - current portion		31,343	29,734
Accounts payable		1,560,186	1,511,588
Accruals, provisions and other current liabilities		1,211,674	1,375,603
Zakat and income tax payable	11	908,217	957,772
Total current liabilities		6,047,015	8,550,098
Total liabilities		11,027,171	14,357,485
Total equity and liabilities		24,710,018	26,375,951

Chief Financial Officer

Chief Executive Officer

Authorized Board Member


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

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(All amounts in SR'000 unless otherwise stated)

	Note	For the three month period ended 30 June		For the six month period ended 30 June	
		2025	2024	2025	2024
Revenue	14	808,912	1,007,069	1,671,562	1,768,471
Cost of revenue		(686,807)	(912,214)	(1,480,150)	(1,654,053)
Gross profit		122,105	94,855	191,412	114,418
Selling and distribution expenses		(59,678)	(51,055)	(110,736)	(97,281)
General and administrative expenses		(103,671)	(112,904)	(203,132)	(199,217)
(Impairment) / reversal of impairment of financial assets, net		(3,214)	1,317	(5,729)	1,331
Share of (loss) / profit from associates and joint ventures, net	8	(2,727)	166,544	(71,488)	247,274
Operating (loss) / profit		(47,185)	98,757	(199,673)	66,525
Other income, net		41,894	32,662	77,502	63,806
Finance costs		(76,053)	(88,944)	(192,034)	(183,612)
Finance income		49,181	61,303	101,735	132,876
Gain on debt restructuring, net	10	-	-	2,028,980	-
(Loss) / profit before zakat and income tax		(32,163)	103,778	1,816,510	79,595
Zakat and income tax		(55,899)	(29,890)	(92,953)	(102,881)
(Loss) / profit for the period		(88,062)	73,888	1,723,557	(23,286)
Attributable to:					
Equity holders of Parent		(65,823)	52,842	829,985	(19,210)
Non-controlling interests		(22,239)	21,046	893,572	(4,076)
		(88,062)	73,888	1,723,557	(23,286)
Basic and diluted (loss) / earnings per share (SR)	12				
From (loss) / profit attributable to equity holders of Parent		(0.10)	0.08	1.24	(0.03)



Chief Financial Officer



Chief Executive Officer



Authorized Board Member

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NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(All amounts in SR'000 unless otherwise stated)

		For the three month period ended 30 June		For the six month period ended 30 June	
	Note	2025	2024	2025	2024
(Loss) / profit for the period		(88,062)	73,888	1,723,557	(23,286)
Other comprehensive income / (loss)					
Items that may be reclassified to profit or loss in subsequent periods:					
Cash flow hedge reserve	15	(3,732)	(1,599)	(7,131)	7,218
Share of other comprehensive income / (loss) from associates and joint ventures, net	8	74,644	(4,011)	114,949	4,425
Total items that may be reclassified to profit or loss in subsequent periods		70,912	(5,610)	107,818	11,643
Items that will not be reclassified to profit or loss in subsequent periods:					
Gain / (loss) from investments in financial assets designated as FVOCI	15	5,594	(59,822)	(88,948)	(91,122)
Share of other comprehensive income / (loss) from associates and joint ventures, net		630	20,683	1,054	(18,466)
Total items that will not be reclassified to profit or loss in subsequent periods		6,224	(39,139)	(87,894)	(109,588)
Total other comprehensive income / (loss) for the period		77,136	(44,749)	19,924	(97,945)
Total comprehensive (loss) / income for the period		(10,926)	29,139	1,743,481	(121,231)
Attributable to:					
Equity holders of Parent		(4,437)	4,592	825,793	(114,207)
Non-controlling interests		(6,489)	24,547	917,688	(7,024)
		(10,926)	29,139	1,743,481	(121,231)


 Chief Financial Officer


 Chief Executive Officer


 Authorized Board Member

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NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in SR'000 unless otherwise stated)

	Equity attributable to the equity holders of Parent					Non-controlling interests	Total equity
	Share Capital	Statutory reserve	Other reserves	Retained earnings	Total		
As at 1 January 2024 (Audited)	6,689,142	1,574,243	(523,344)	1,909,478	9,649,519	2,538,599	12,188,118
Loss for the period	-	-	-	(19,210)	(19,210)	(4,076)	(23,286)
Other comprehensive loss	-	-	(94,997)	-	(94,997)	(2,948)	(97,945)
Total comprehensive loss for the period	-	-	(94,997)	(19,210)	(114,207)	(7,024)	(121,231)
Transfer from statutory reserve	-	(905,329)	-	905,329	-	-	-
As at 30 June 2024 (Unaudited)	6,689,142	668,914	(618,341)	2,795,597	9,535,312	2,531,575	12,066,887
As at 1 January 2025 (Audited)	6,689,142	668,914	(648,547)	2,944,669	9,654,178	2,364,288	12,018,466
Profit for the period	-	-	-	829,985	829,985	893,572	1,723,557
Other comprehensive (loss) / income	-	-	(4,192)	-	(4,192)	24,116	19,924
Total comprehensive (loss) / income for the period	-	-	(4,192)	829,985	825,793	917,688	1,743,481
Dividend paid by subsidiaries to non-controlling interests	-	-	-	-	-	(79,100)	(79,100)
As at 30 June 2025 (Unaudited)	6,689,142	668,914	(652,739)	3,774,654	10,479,971	3,202,876	13,682,847


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

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

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in SR'000 unless otherwise stated)

		For the six month period ended 30 June	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat and income tax		1,816,510	79,595
Adjustments for:			
Depreciation and amortization		200,445	127,042
Right-of-use assets depreciation		14,900	11,210
Amortization of deferred settlement income		(9,407)	(9,468)
Share of loss / (profit) from equity accounted associates and joint ventures, net		71,488	(247,274)
Provision for slow moving inventories		10,485	3,092
Impairment / (reversal) of financial assets, net		5,729	(1,331)
Employee benefits expenses		32,152	13,923
Income on debt securities		-	(3,319)
Finance costs		192,034	183,612
Finance income		(101,735)	(132,876)
Gain on debt restructuring, net	10	(2,028,980)	-
Changes in operating assets and liabilities:			
Other non-current assets		13,065	14,448
Inventories		(128,638)	(15,413)
Accounts receivable		(186,836)	(171,847)
Prepayments and other current assets		256,828	(124,722)
Other non-current liabilities		(21,336)	(25,020)
Accounts payable		48,598	127,812
Accruals, provisions and other current liabilities		(70,974)	(30,148)
Cash generated from / (used in) operations		114,328	(200,684)
Employee benefits paid		(7,536)	(20,208)
Zakat and income tax paid		(140,032)	(99,810)
Net cash used in operating activities		(33,240)	(320,702)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(17,988)	(32,194)
Additions to projects under progress		(206,388)	(34,120)
Additions to intangible assets		(14,605)	(4,602)
Investments in debt securities		(50,000)	-
Short term investments		486,000	(353,000)
Finance income received		100,068	107,214
Dividends received from associates and joint ventures		39,357	613,518
Movement in restricted cash		302,244	-
Additions to long term interests in joint ventures		(466,800)	(276,459)
Net cash generated from investing activities		171,888	20,357
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		(1,134,147)	(171,730)
Finance costs paid		(192,118)	(151,807)
Payment of principal portion of lease liabilities		(24,587)	(16,437)
Repayment of loan to related party		(56,551)	-
Dividend paid by subsidiaries to non-controlling interests		(79,100)	-
Net cash used in financing activities		(1,486,503)	(339,974)
Net change in cash and cash equivalents		(1,347,855)	(640,319)
Cash and cash equivalents at beginning of the period – unrestricted		3,787,408	3,630,930
Cash and cash equivalents at end of the period – unrestricted	9	2,439,553	2,990,611
Refer note 17 for non-cash transactions.			

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

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

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
(All amounts in SR'000 unless otherwise stated)

1. STATUS AND NATURE OF ACTIVITIES

National Industrialization Company (the "Company" or "Tasnee" or "Parent") is a Saudi Joint Stock Company registered in Riyadh under Commercial Registration no. 1010059693 dated 7 Shawwal 1405H (corresponding to 25 June 1985G). The Company was formed pursuant to the Ministerial Resolution no. 601 dated 24 Dhul Hijja 1404H (corresponding to 19 September 1984G).

The principal activities, registered address, effective shareholding percentages in subsidiaries, associates, joint ventures and joint operation of the Company and its subsidiaries (collectively referred to as "the Group") have not materially changed from year ended 31 December 2024.

2. BASIS OF PREPARATION

(i) Statement of Compliance

These interim condensed consolidated financial statements are prepared in accordance with the International Accounting Standard No. 34 – "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

These interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

An interim period is considered as an integral part of the whole fiscal year. However, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

(ii) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is the Parent's functional currency. All amounts have been rounded to the nearest thousand (SR '000), unless otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024. Amendments to existing standard, which are effective from 1 January 2025 as explained in the Group's annual consolidated financial statements are applied for the first time in 2025 and are explained as follows:

Amendments to IAS 21 - Lack of Exchangeability

These amendments add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. These amendments do not have a material effect on these interim condensed consolidated financial statements.

4. USE OF CRITICAL ESTIMATES AND JUDGMENTS

In preparing these interim condensed consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual consolidated financial statements for the year ended 31 December 2024, except for the estimate of the initial fair value of the restructured loan facilities (refer note 10).

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
(All amounts in SR'000 unless otherwise stated)

5. ACQUISITION OF SAUDI ACRYLIC MONOMERS COMPANY ("SAMCO")

On 31 December 2024, the Group completed its acquisitions of SAMCO with an objective to increase the integration of the Group's Acrylic business as an integrated unit. Details of this acquisition are disclosed in note 45 of the annual consolidated financial statements for the year ended 31 December 2024. The Group is currently in process to complete the fair valuation of the assets and liabilities acquired which is expected to be finalized within 12 months from the date of acquisition as allowed under the applicable accounting standards.

6. PROPERTY, PLANT AND EQUIPMENT

During the six month period ended 30 June 2025, the Group made additions to property, plant, and equipment with a cost of SR 17.9 million (six month period ended 30 June 2024: SR 32.2 million).

7. PROJECTS UNDER PROGRESS

Projects under progress mainly represent costs related to an ilmenite smelting complex in Jazan (the "Slagger") producing high quality chloride slag, slag fines, basic and high purity pig iron and certain costs for expansion of production lines, safety and environmental improvement costs. During the six-month period ended 30 June 2025, additions to projects under progress amounted to SR 211.4 million (six-month period ended 30 June 2024: SR 39.6 million). Also refer notes 13.3 and 17.

On 11 February 2025, a subsidiary, AMIC entered into a letter agreement with Tronox pursuant to which all provisions of the Option Agreement were extinguished including the parties' respective rights and obligations in and to the Option Agreement and any claims arising thereunder except for AMIC's obligation to repay the balance of Tronox Loan and interest accrued thereunder on 20 February 2025. Accordingly, the outstanding balance of Tronox Loan (principal and interest) was fully repaid by AMIC on 20 February 2025. Further, details in respect of the Slagger and the related Option Agreement are disclosed in note 9 of the annual consolidated financial statements for the year ended 31 December 2024.

8. INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES AND JOINT VENTURES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Investments in associates	2,365,570	2,516,360
Investments in joint ventures	8,859,632	8,234,376
	11,225,202	10,750,736

Share of net loss from associates and joint ventures during six month period ended 30 June 2025, includes share of losses from an associate Tronox Holdings plc., amounting to SR 230 million primarily attributable to the restructuring and other charges in respect of idling of one of its facilities. The share of other comprehensive income from associates and joint ventures mainly includes exchange gain due to foreign currency translation differences.

The value of the Group's investment in Tronox based on the closing share price as at 30 June 2025 was SR 714.5 million (31 December 2024: SR 1,419.1 million). The Group has revalidated the impairment assessment of its investment in Tronox based on updated facts and circumstances by comparing the carrying value with recoverable amount using discounted cash flow model, which resulted in no impairment.

9. CASH AND BANK BALANCES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Short-term deposits and Murabaha	2,083,603	3,365,190
Bank balances – unrestricted	355,950	422,218
Cash and cash equivalents – unrestricted	2,439,553	3,787,408
Bank balances – restricted	-	302,244
	2,439,553	4,089,652

NATIONAL INDUSTRIALIZATION COMPANY
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FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
(All amounts in SR'000 unless otherwise stated)

9. CASH AND BANK BALANCES (continued)

Restricted bank balances represent balances in debt service reserve accounts of certain of the Group's subsidiaries, which were restricted, pending completion of restructuring negotiations with commercial lenders of the subsidiaries. Utilization of these funds was subject to the prior consent of commercial lenders until the debt restructuring negotiations were concluded (also refer note 10).

10. LONG-TERM BORROWINGS

The Group's long-term borrowings were as follows:

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Saudi Industrial Development Fund	10.1	1,208,207	1,491,777
Commercial banks	10.2	5,070,659	6,932,605
Total loans		6,278,866	8,424,382
Add: Accrued finance cost	10.2	26,498	297,452
Less: Unamortized finance cost	10.2	(835,291)	(66,840)
		5,470,073	8,654,994
Less: Long-term borrowings – current portion	10.1 & 10.2	(2,335,595)	(4,675,401)
Total non-current loans		3,134,478	3,979,593

10.1 During the period ended 30 June 2025, certain subsidiaries of the Group have signed amended loan agreements with SIDF to change the payment profiles and extend the maturity dates of the loans from 2025 to 2033. There were no substantial modifications in other terms and conditions resulting in no material modification gain / loss.

10.2 During 2023, the restructuring discussions with the commercial lenders in respect of debts related to certain subsidiaries of the Group were concluded and a term sheet signed agreeing the terms of the restructuring including extended payment profiles and revised pricing mechanism. During the period ended 30 June 2025, the new refinancing agreements have been signed with effect from 19 February 2025 ("the restructuring effective date"). Pursuant to these agreements, the commercial lenders participated in a prepayment and waiver process and agreed to a partial waiver of loans amounting to SR 1,011 million by settling the loan of SR 1,761 million against prepayment of SR 750 million. The remaining loans amounting to SR 1,309 million have been refinanced at a preferential profit rate and extended repayment period of 15 years up to 2040.

As per the requirements of applicable standards, the restructuring has been accounted for as a substantial modification resulting in the derecognition of the existing liability and recognition of a new liability at fair value calculated as the present value of the estimated future cash flows using an appropriate discount rate representative of the market conditions existing at the restructuring effective date. The discount rate used is determined based on the time value of money for a similar tenor and associated risks. The difference amounting to SR 2,028.9 million between the carrying amount of extinguished liability at the restructuring effective date and the fair value of new liability, prepayment and the restructuring fee has been recognized as gain on debt restructuring in the interim condensed consolidated statement of profit or loss.

During the period ended 30 June 2025, the Group's management has initiated discussions with commercial lenders to refinance a loan amounting to SR 2 billion classified under current liabilities for an extended payment profile and mutually agreed loan terms which are under progress.

10.3 There are no indications that the Group would have difficulties complying with the covenants when they are next tested at the reporting date.

11. ZAKAT AND INCOME TAX PAYABLE

The Company and its 100% owned subsidiaries have filed consolidated zakat returns with Zakat, Tax and Customs Authority ("ZATCA") up to the years ended 31 December 2024 and finalized its status with ZATCA for the periods up to 2022. Non-wholly owned subsidiaries in KSA file their Zakat and income tax returns individually. Some of these subsidiaries have received initial assessments for several years from the ZATCA, raising additional liability amounting to SR 113 million (31 December 2024: SR 75 million). The subsidiaries have submitted appeals against these assessments which are still under review. Management believes sufficient provisions are recorded by the Group wherever necessary and no material additional liability is likely to arise from open assessments, once finalized.

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
(All amounts in SR'000 unless otherwise stated)

12. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit / (loss) attributable to equity holder of Parent by the weighted average number of ordinary shares issued, that is 668,914 thousand shares as at 30 June 2025 (30 June 2024: 668,914 thousand shares).

The shareholders of Tasnee, during the 22nd Extraordinary General Assembly meeting held on 11 May 2025 corresponding to 13 Dhu al-Qidah 1446H), approved the purchase up to 66,891,416 shares of the Company to hold as treasury shares. The purchase will be completed after following the procedures and controls stipulated in the relevant laws and regulations.

13. RELATED PARTIES TRANSACTIONS AND BALANCES

In the ordinary course of its activities, the Group transacts business with related parties, based on mutually agreed terms and conditions. Balances and transactions between the Company and its subsidiaries are eliminated. A summary of such transactions and balances with the related parties are as follows:

13.1 Trading transactions

The following are the significant related party transactions:

	Sale of goods and services		Purchase of goods and services	
	For the six month period ended		For the six month period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Associates	122,921	174,311	-	-
Joint ventures	131,959	271,526	314,793	693,973
Others	15,221	11,166	-	-

13.2 Amounts due from / to related parties

The following balances were outstanding as at 30 June 2025:

	Due from related parties			Due to related parties		
	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
<u>Current</u>						
Trade	41,354	97,682	139,036	-	1,181,101	1,181,101
Other non-trade	403	115,679	116,082	-	-	-
Loans	-	-	-	-	57,673	57,673
	41,757	213,361	255,118	-	1,238,774	1,238,774
<u>Non-current</u>						
Loans	-	583,665	583,665	-	151,868	151,868
Total	41,757	797,026	838,783	-	1,390,642	1,390,642

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13. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

13.2 Amounts due from / to related parties (continued)

The following balances were outstanding as at 31 December 2024:

	Due from related parties			Due to related parties		
	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
Current						
Trade	28,766	88,369	117,135	7,922	1,107,730	1,115,652
Other non-trade	-	148,037	148,037	-	-	-
Loans	-	57,323	57,323	97,939	57,672	155,611
	28,766	293,729	322,495	105,861	1,165,402	1,271,263
Non-current						
Loans	-	504,273	504,273	-	169,980	169,980
Total	28,766	798,002	826,768	105,861	1,335,382	1,441,243

13.3 Other related party transactions and balances

- An amount of SR 466.8 million (six month period ended 30 June 2024: SR 276.5 million) has been funded as a long-term interest in a joint venture in respect of construction of a new thermal cracking furnace.
- Investment in quoted securities includes investment in a related party as at 30 June 2025 amounting to SR 92.4 million (31 December 2024: SR 116 million).
- Loans from non-controlling interests as at 30 June 2025 amount to SR 358.9 million (31 December 2024: SR 354 million). Interest expense for the six month period ended 30 June 2025 amounts to SR 5.1 million (six month period ended 30 June 2024: SR 5.4 million).
- Liabilities relating to research and development contribution from joint ventures as at 30 June 2025 amounts to SR 550.5 million (31 December 2024: SR 535.3 million). Contribution received during the six month period ended 30 June 2025 amounts to SR 60.6 million (six month period ended 30 June 2024: SR 60.1 million).
- Net deferred obligation pertaining to the sale of MGT as at 30 June 2025 amounts to SR 336.1 million (31 December 2024: SR 324.6 million).
- Finance income on loans to related parties for the six month period ended 30 June 2025 amounts to SR 24 million (six month period ended 30 June 2024: SR 23.6 million).
- For the six month period ended 30 June 2025, sales to Tronox of feedstock material produced by the Slagger amounted to SR 122.9 million (six month period ended 30 June 2024: SR 174.3 million).
- For the six month period ended 30 June 2025, repayments of the Tronox loan totaled SR 98.5 million (30 June 2024: SR 131 million). Also refer note 17.
- Also refer notes 8 & 16 in respect of investments in equity accounted associates and joint ventures and financial guarantees to joint ventures.

13.4 Compensation of key management personnel

The remuneration of key management personnel during the six month period ended 30 June 2025 amounts to SR 9.2 million (six month period ended 30 June 2024: SR 12.3 million).

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14. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has three reportable segments, Metallurgy, Petrochemicals and Downstream & Others. The Group's total revenue, expenses items for the six month period ended 30 June 2025 and 2024 by operating segments, are as follows:

	Metallurgy	Petrochemicals	Downstream & Others	Total
For the six month period ended 30 June 2025 (Unaudited)				
Sale of goods	210,910	728,839	604,627	1,544,376
Rendering of services	-	-	87,762	87,762
Others	-	38,727	697	39,424
Total segment revenue	210,910	767,566	693,086	1,671,562
Segment expenses	298,936	798,150	702,661	1,799,747
Share of (loss) / profit from associates and joint ventures, net	(229,811)	158,456	(133)	(71,488)
Depreciation and amortization	23,859	127,065	64,421	215,345
Segment EBITDA	(285,195)	261,638	116,731	93,174
For the six month period ended 30 June 2024 (Unaudited)				
Sale of goods	200,230	827,061	578,229	1,605,520
Rendering of services	-	-	85,601	85,601
Others	-	68,206	9,144	77,350
Total segment revenue	200,230	895,267	672,974	1,768,471
Segment expenses	314,643	938,707	695,870	1,949,220
Share of (loss) / profit from associates and joint ventures, net	(33,041)	284,895	(4,580)	247,274
Depreciation and amortization	23,646	54,894	59,712	138,252
Segment EBITDA	(123,587)	285,784	106,386	268,583

The Group calculates EBITDA by adding other income (net), depreciation, amortization and impairment of non-financial assets to the operating profit.

The Group's total assets and liabilities as at 30 June 2025 and 31 December 2024 by operating segments are as follows:

	Metallurgy	Petrochemicals	Downstream & Others	Total
As at 30 June 2025 (Unaudited)				
Segment assets	5,152,533	14,432,121	5,125,364	24,710,018
Segment liabilities	2,169,822	2,877,872	5,979,477	11,027,171
Investments in equity accounted associates and joint ventures	2,241,506	8,859,632	124,064	11,225,202
As at 31 December 2024 (Audited)				
Segment assets	5,021,612	15,225,069	6,129,270	26,375,951
Segment liabilities	1,977,217	5,730,501	6,649,767	14,357,485
Investments in equity accounted associates and joint ventures	2,390,546	8,234,376	125,814	10,750,736

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15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

All financial assets and liabilities have been accounted at amortized cost except for the investments in equity instruments designated at FVOCI and interest rate swaps which have been carried at fair value.

The management assessed that fair values of other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and / or the contracting rate approximates market value.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount (amortized cost) is a reasonable approximation of fair value.

Nature of financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 30 June 2025				
Investments in quoted equity shares	562,792	562,792	-	-
Investments in unquoted equity shares	309,694	-	-	309,694
	872,486	562,792	-	309,694
Interest rate swap	15,976	-	15,976	-
	888,462	562,792	15,976	309,694
As at 31 December 2024				
Investments in quoted equity shares	634,896	634,896	-	-
Investments in unquoted equity shares	326,538	-	-	326,538
	961,434	634,896	-	326,538
Interest rate swap	23,107	-	23,107	-
	984,541	634,896	23,107	326,538

The valuation of each publicly traded investment is based upon the closing market price of that stock as at the valuation date, less a discount if the security is restricted.

Fair values of investments in unquoted equity shares classified in Level 3 are determined based on the EBITDA Multiple and Value in Use model based on the information of the said company.

Interest rate swap is classified as Level 2. The Group relies on the counterparty for the valuation of these derivatives. The valuation techniques applied by the counterparties include the use of forward pricing standard models using present value calculations and mid-market valuations.

The initial recognition of the restructured loan facilities from commercial banks at fair value in respect of certain subsidiaries of the Group is based on discounted cash flows using an appropriate discount rate. This fair value is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs (also refer note 10).

15.1 Transfers between levels

There have been no transfers between the levels during the reporting periods. There were also no changes made during the period ended 30 June 2025 to any of the valuation techniques applied as of 31 December 2024.

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16. COMMITMENTS AND CONTINGENCIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
16.1 Capital and purchase commitments:		
Capital commitments for projects under progress and purchase of property, plant and equipment	168,891	150,966
16.2 Letters of Guarantees:		
Letters of guarantees issued by banks on behalf of the Group	48,205	48,142
16.3 Letters of Credit:		
Letters of credit issued by banks in favor of the Group	62,039	35,130
16.4	Additionally, the Group has issued corporate guarantee amounted to SR 727.9 million (31 December 2024: SR 758.4 million) to lender against loan obtained by a joint venture.	

17. NON-CASH TRANSACTIONS

Following non-cash transactions were recorded during the six month period ended 30 June 2025:

- (i) The transfer of SR 0.4 million (six month period ended 30 June 2024: SR 32.1 million) from projects under progress to property, plant and equipment and intangible assets.
- (ii) Finance costs amounting to SR 5 million (six month period ended 30 June 2024: SR 5.5 million) were capitalized as part of projects under progress.
- (iii) Additions to right-of-use assets and lease liabilities of SR 3.7 million (six month period ended 30 June 2024: SR 1.2 million).
- (iv) Loss of SR 88.9 million (six month period ended 30 June 2024: SR 91.1 million) was recognized in respect of investments in financial assets designated as FVOCI.
- (v) Receivable under forward sale agreement amounting to SR 57.3 million (six month period ended 30 June 2024: SR nil) was transferred from prepayments and other current assets to other non-current assets based on revised settlement period.
- (vi) Tronox loan amounting to SR 41.9 million (six month period ended 30 June 2024: SR 131.1 million) was settled against the chloride slag sales to Tronox.

18. EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to the reporting date and before the issuance of these interim condensed consolidated financial statements which require adjustment to, or disclosure, in these interim condensed consolidated financial statements.

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved from the Board of Directors on 03 August 2025.