

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

RIYADH – SAUDI ARABIA

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

WITH INDEPENDENT AUDITOR'S REVIEW REPORT

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY) – RIYADH

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

WITH INDEPENDENT AUDITOR'S REVIEW REPORT

CONTENTS

PAGE

- Independent auditor's review report on the interim condensed consolidated financial statements	1
- Interim condensed consolidated statement of financial position (unaudited)	2
- Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)	3
- Interim condensed consolidated statement of changes in shareholders' equity (unaudited)	4
- Interim condensed consolidated statement of cash flows (unaudited)	5
- Notes to the interim condensed consolidated financial statements (unaudited)	6 – 15

Professional LLC
Paid Capital One Million Saudi Riyals
C.R. No. 4030291245
Al Khobar Dammam Highway
Bandaria District
P.O.Box 200, Al Khobar 31952
Kingdom of Saudi Arabia
T: 013 882 2193
F: 013 8821973
Head Office - Jeddah
www.elayouty.com

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

**TO THE SHAREHOLDERS OF
SAUDI INDUSTRIAL EXPORT COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH - SAUDI ARABIA**

REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Introduction:

We have reviewed the accompanying interim condensed consolidated financial position of Saudi Industrial Export Company ("the Company") and its subsidiaries (together "The Group"), as of June 30, 2025, the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended at June, 30, 2025, changes in shareholders equity and the statement of cash flows for six months then ended, and notes to the interim condensed consolidated financial statements, including other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 "Interim Financial Reporting 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 the International Standard on Review Engagements No. 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 statement consists of making inquiries, primarily from people 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 attached are not prepared, in all material respects, in accordance with IAS 34 "That is endorsed in the Kingdom of Saudi Arabia.

FOR EL SAYED EL AYOUTY & CO.



Abdullah Ahmad Balamash
Certified Public Accountant
License No. (345)

Riyadh: Safar 10, 1447H
August 04, 2025



SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS OF JUNE 30, 2025

(All amounts in Saudi Riyals)

	Note	30-06-2025 (Un-audited)	31-12-2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Long term-bank deposits	(11)	---	3,965,734
Financial assets at fair value through profit or loss – non-current portion	(6)	14,933,500	13,152,000
Property, plant and equipment - Net		344,526	396,885
Intangible assets - Net		3,882	7,210
Total non-current assets		15,281,908	17,521,829
CURRENT ASSETS			
Financial investments carried at FVTPL	(6)	63,822,152	65,117,432
Financial investments at amortized cost	(7)	34,188,512	25,944,335
Trade receivables – Net	(8)	2,628,120	3,185,665
Prepayments and other debit balances – Net	(9)	3,821,499	4,616,937
Due from related parties	(10.1)	84,967	147,030
Short-term bank deposits	(11)	7,744,874	3,890,454
Cash and cash equivalents	(12)	898,936	13,328,776
Total current assets		113,189,060	116,230,629
Total Assets		128,470,968	133,752,458
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	(13)	194,400,000	194,400,000
Accumulated (losses)		(76,106,904)	(70,023,401)
Foreign exchange translation reserve		108	(5,475)
Actuarial reserve		569,367	569,367
Total shareholders' equity		118,862,571	124,940,491
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' defined benefit obligations		181,181	196,536
Total non-current liabilities		181,181	196,536
CURRENT LIABILITIES			
Trade payables		480,203	606,382
Accrued expenses and other current liabilities	(15)	512,195	1,255,569
Due to related parties	(10.2)	3,703,979	3,703,979
Zakat provision	(16)	4,730,839	3,049,501
Total current liabilities		9,427,216	8,615,431
Total Liabilities		9,608,397	8,811,967
Total shareholders' equity and Liabilities		128,470,968	133,752,458

CFO
Hamada Ali

MD
Ghassan Abdulrahman Al Haidari

Chairman
Hatem bin Ali Barjash

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

		For the three months period ended		For the six months Period ended	
	Note	30-06-2025 (Un-audited)	30-06-2024 (Un-audited)	30-06-2025 (Un-audited)	30-06-2024 (Un-audited)
Revenue	(17)	---	18,817,446	---	22,726,802
Cost of revenue		---	(21,866,607)	---	(25,621,951)
Gross (loss)		---	(3,049,161)	---	(2,895,149)
General and administrative expenses		(3,283,658)	(4,380,390)	(7,196,714)	(9,368,757)
Realized gains on disposal of investments carried at FVTPL	(6.c)	325,000	604,898	736,642	1,548,667
Unrealized gains on investments carried at FVTPL	(6.d)	(1,168,843)	(1,552,769)	492,457	3,585,556
Reversal/(provision) expected credit losses	(8.1)	70,307	(1,518,798)	204,471	(2,345,364)
Other income		45,000	225,479	159,277	225,479
Operating (losses) for the period		(4,012,194)	(9,670,741)	(5,603,867)	(9,249,568)
Change in foreign currencies		---	(2,884)	(1,375)	(7,631)
Income from financial investments at amortized cost	(7)	450,171	189,875	919,780	189,875
Bank deposits income	(11)	140,854	83,168	283,297	198,233
Net (losses) for period before zakat		(3,421,169)	(9,400,582)	(4,402,165)	(8,869,091)
Zakat	(16)	(1,681,338)	(218,269)	(1,681,338)	(218,269)
Net (losses) for the period after zakat		(5,102,507)	(9,618,851)	(6,083,503)	(9,087,360)
Other comprehensive income:					
Item that will not be reclassified subsequently to profit or loss:					
Foreign exchange translation differences		3,213	844	5,583	844
Total comprehensive (losses) for the period		(5,099,294)	(9,618,007)	(6,077,920)	(9,086,516)
Earnings per share (basic and diluted)	(18)	(0.03)	(0.05)	(0.03)	(0.05)

CFO
Hamada Ali

MD
Ghassan Abdulrahman Al Haidari

Chairman
Hatem bin Ali Barjash

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

	Share capital	Statutory reserve	Accumulated (losses)	Foreign exchange translation reserve	Actuarial reserve	Total shareholders' equity
Six-month period ended 30-06-2024						
Balance as at 01-01-2024 – (audited)	194,400,000	642,645	(51,099,153)	---	502,297	144,445,789
Net (losses) for the period	---	---	(9,087,560)	---	---	(9,087,360)
Foreign exchange translation differences	---	---	---	(844)	---	(844)
Balance as at 30-06-2024 (un-audited)	194,400,000	642,645	(60,186,513)	(844)	502,297	135,357,585
Six-month period ended 30-06-2025						
Balance as at 01-01-2025 – (audited)	194,400,000	---	(70,023,401)	(5,475)	569,367	124,940,491
Net (losses) for the period	---	---	(6,083,503)	---	---	(6,083,503)
Foreign exchange translation differences	---	---	---	5,583	---	5,583
Balance as at 30-06-2025 (un-audited)	194,400,000	---	(76,106,904)	108	569,367	118,862,571



CFO
Hamada Ali



MD
Ghassan Abdulrahman Al Haidari



Chairman
Hatem bin Ali Barjash

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

	For the six-month period ending June 30	
	2025 (Un-audited)	2024 (Un-audited)
Cash flows from operating activities:		
Net (losses) for the period before zakat	(4,402,165)	(8,869,091)
Adjustments for:		
Depreciation of property, plant and equipment	52,359	104,563
Amortization of intangible assets	3,328	3,328
Allowance for expected credit losses	(204,471)	2,345,364
Realized (gains) on disposal of investments carried at FVTPL	(736,642)	(1,548,667)
Unrealized (gains) / losses on investments carried at FVTPL	(492,457)	(3,585,556)
Employees' defined benefit obligations	58,146	110,710
Bank deposits income	(283,297)	(117,796)
Financial investment returns at amortized cost	(919,780)	(189,875)
Foreign currency differences	1,375	7,631
Cash flows (used in) operating activities	(6,923,604)	(11,739,389)
Changes in working capital items:		
Trade receivables	762,016	(3,196,586)
Due from related party	62,063	774,610
Prepayments and other debit balances	795,438	2,514,320
Trade payables	(126,179)	184,188
Accrued expenses and other current liabilities	(155,632)	(788,104)
Due to related party	---	(488)
Defined benefit obligations paid to employees	(73,501)	(5,673)
Zakat paid	(589,117)	(3,074,415)
Net cash flows (used in) operating activities	(6,248,516)	(15,331,537)
Cash flows from investing activities		
Acquisition of financial investments listed at fair value through profit or loss	(230,092)	(24,837,373)
Acquisition of financial investments at amortized cost	(17,755,225)	(25,000,000)
Dividends received	650,000	633,334
Proceeds from the sale of financial investments listed at fair value through profit or loss	322,971	19,426,514
Proceeds from Financial Investments at Amortized Cost	9,675,603	---
Income Received from Investments at Amortized Cos	755,225	---
Investment in bank deposits	394,611	(7,447,151)
Additions to property, plant and equipment	---	(262,707)
Net cash flows (used in) from investing activities	(6,186,907)	(37,487,383)
Net change in cash and cash equivalents during the period	(12,435,423)	(52,818,920)
Foreign exchange translation differences	5,583	(844)
Cash and cash equivalents at the beginning of the period	13,328,776	77,094,917
Cash and cash equivalents at the end of the period	898,936	24,275,153

CFO
Hamada Ali

MD
Ghassan Abdulrahman Al Haidari

Chairman
Hatem bin Ali Barjash

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

1. General

- Saudi Industrial Export Company is a Saudi Joint Stock Company (the "Company"), established pursuant to the Minister of Industry and Trade resolution, No. 954 dated 12 Dhu al-Qidah 1410H. (Corresponding to 5 June 1990). The Company is registered under Commercial Register No. 1010077554 issued in Riyadh on 25 Dhu al-Qidah 1410H. (Corresponding to 18 June 1990). Unified entity no. 7001344865.
- The Company is engaged in the wholesale of lubricating oils and refined petroleum products, the wholesale of cement, plaster and the like, the wholesale of primary plastic materials, rubber and synthetic fibers, and storage in ports and customs or free zones.
- The Company's head office is located in:
P.O. Box 21977
Riyadh 11485
Kingdom of Saudi Arabia
- The Group's issued and authorized capital amounts to 194,400,000 Saudi Riyals divided into 194,400,000 shares of 1 Saudi Riyals each.
- The financial year for the Group starts from January 1 and ends on December 31 of each year and the presented interim condensed consolidated financial statements for the period ended June 30, 2025 compared with June 30, 2024.
- On October 3, 2024, Hadaj Investment Company (a subsidiary) entered into a non-binding memorandum of understanding to establish an investment fund with Fad Financial Partners, licensed by the Capital Market Authority (CMA) under license number 32-23270, and Nama Chemicals Company. The agreement aims to establish an investment fund to acquire a share in Jubail Chemical Industries Company (Jana) (a subsidiary of Nama Chemicals), establish the fund's basic rules, and conduct due diligence and valuation. On December 30, 2024, an agreement was concluded to establish the fund for an additional three months under the same terms and conditions ending on April 3, 2025. The agreement may be extended by written agreement between the parties to complete the necessary procedures and studies related to the acquisition process, including financial, legal, commercial, and technical evaluations. The due diligence has been completed, and Hadaj Investment Company (a subsidiary) is awaiting the approval of the seller (Nama Chemicals Company) (Note 3.7).
- On November 27, 2024, the Saudi Industrial Export Company (the holding company) signed a non-binding memorandum of understanding with the Industrial Production Services Company to acquire the capital of Advanced Energy Trading and Contracting Company (a single-person company), one of the subsidiaries of the Industrial Production Services Company. On January 16, 2025, Alinma Investment was appointed as a financial advisor to conduct and complete the studies to complete the acquisition process (Note 3.7).
- The Group's operates through the following branches, which assets, liabilities and operational results have been included in these interim condensed consolidated financial statements:

Branch name	City	CR. number	Registration date
Saudi Industrial Exports Company - UAE Branch	Dubai	1473310	12/12/2019u

- The activity of the Saudi Industrial Export Company - UAE branch - is engaged in general trade under the industrial license issued by Decision No. 868310 on 15 Rabi' al-Akhir 1441H corresponding to 12 December 2019.
- On Rabi' al-Thani 3, 1445H (corresponding to October 18, 2023), the Saudi Industrial Exports Company, a "Saudi Joint Stock Company," established Haddaj Investment Company, a single person "Limited Liability Company," with an ownership percentage of 100% of the capital. The activity of Haddaj Investment Company a single person "limited liability company" is in financial services activities, with the exception of insurance, pension financing, and real estate activities in owned or leased properties.
- On Ramadan 17, 1445H (Corresponding to March 27, 2024), The Saudi Industrial Export Company "Saudi Joint Stock Company" (the "Company"), established Saudi Industrial Export Company – Africa – Kingdom of Morocco "Limited Liability Company" with an ownership percentage of 100% of the capital. The activity of Saudi Industrial Export Company – Africa – Kingdom of Morocco "Limited Liability Company" is in import and export activities , air and land transportation, commercial, industrial and agricultural services of all kinds, and civil and military service (contracting), and the Company has not carried out the activity until the date of the interim condensed consolidated financial statements. The Company's Board of Directors approved the closure of the Morocco entity and the completion of the necessary procedures in this regard.

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

1. General (Continued)

1.1 The interim condensed consolidated financial statements comprise of the holding company and it's following subsidiaries (together the "Group") as at June 30, 2025:

<u>Name of the subsidiaries</u>	<u>Country of incorporation</u>	<u>Percentage of ownership</u>	
		<u>2025</u>	<u>2024</u>
Haddaj Investment Company	Saudi Arabia	100%	100%
Saudi Industrial Exports Company - Africa - Morocco	Morocco	100%	---

1.2 Basis Of Consolidation

These interim condensed consolidated financial statements include the interim condensed consolidated statement of financial position, the interim consolidated statement of profit or loss, the interim consolidated statement of other comprehensive income, the interim consolidated statement of changes in shareholders' equity, the interim condensed consolidated statement of cash flows, as well as the notes to the group's interim condensed consolidated financial statements, as they include the assets, liabilities, and business results of the Company and its subsidiaries as stated in (Note 1.1). The Company and its subsidiaries are collectively referred to as the "Group". Subsidiary are companies that controlled by the Group. Subsidiaries is consolidated from the date on which control commences until such time that control ceases. The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured at the fair value of the identifiable assets acquired and the fair value of the previously existing equity interest in subsidiaries. The excess of the acquisition cost plus the fair value of non-controlling interests over the net value of the identifiable assets acquired is recorded as goodwill in the interim condensed consolidated statement of financial position. Non-controlling interests are measured by the proportion of their share of the net assets of the acquired company on the acquisition date. If the business combination is achieved in stages, the book value at the acquisition date of the interests previously owned by the group in the acquired company is remeasured to the fair value at the acquisition date, and any gains or losses arising from the remeasurement are recognized in the interim condensed consolidated statement of profit or loss. Transactions and balances, as well as unrealized income and expenses resulting from transactions between the Group 's companies, are eliminated. Subsidiaries accounting policies are amended, when necessary, to ensure consistency with the policies adopted by the Group. The company and its subsidiaries have the same reporting periods.

2) Basis of preparation the interim condensed consolidated financial statements

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2. Accounting convention/measurement basis:

These interim condensed consolidated financial statements have been prepared in accordance with the accrual accounting principle using the going concern concept and on the basis of historical cost.

2.3 Functional and presentation currency

The interim condensed consolidated financial statements items are presented in Saudi Riyals ("SR") which is the functional and presentation currency unless otherwise stated.

3) Significant accounting estimates, assumptions and judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The significant accounting judgments, estimates and assumptions that have a material impact on the interim condensed consolidated financial statements are stated as follows:

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

3. Significant accounting estimates, assumptions and judgments (Continued)

3.1 Measurement of employees benefits obligations

The Group's obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value. The calculation is performed annually by a qualified actuary using the projected unit credit method. Judgments are used in estimating the actuarial assumptions.

3.2 Provision for expected credit losses (ECL)

The Group applies the expected credit loss (ECL) model to determine the impairment losses of trade receivables and other receivables. This requires the Group to take certain factors to ensure that the balances of receivables are not overvalued as a result of the possibility of un-collecting them, such as ageing of receivables and continuous credit evaluation. Provisions are recorded when there is an objective evidence indicates the possibility of un-collection according to IFRS 9.

3.3 Useful lives of property, plant and equipment

The management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the estimated useful lives and the method of depreciation to ensure that the method and duration of depreciation are consistent with the expected model of the economic benefits from these assets. The change in depreciation expenses (if any) is adjusted in the current and future periods.

3.4 Impairment of non-financial assets

The Group assesses at each financial reporting date whether there are indications of impairment of non-financial assets at each financial reporting date. Non-financial assets are tested for impairment if there are indications that the carrying amount may not be recoverable.

When value in use is calculated, management evaluates the future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate to calculate the present value of these cash flows.

3.5 Duration of lease contracts

In determining the term of a lease, management takes into account all facts and circumstances that create an economic incentive to exercise the extension option or the valuation is revised if a material event or significant change in circumstances occurs that affects such valuation. During the current financial year, there was no material financial impact from reviewing the terms of lease contracts to reflect the effect of exercising extension or termination options, as most of the Group's lease contracts are short-term.

3.6 Measurement of fair value

The fair value of the assets and liabilities

Fair value is the selling price that would be received in exchange for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring the fair value of a financial asset or liability, the Group uses market observable data as much as possible.

Fair values are categorized into a hierarchy based on the data used in the valuation techniques as follows:

- **Level 1:** Listed (unadjusted) prices in active markets for identical assets or liabilities can be obtained on the measurement date.
- **Level 2:** Inputs other than listed prices which already listed at level 1 which are observable to the assets and liabilities in direct manner (such as prices) or indirect manner (derived from prices)
- **Level 3:** Inputs of assets or liabilities are not based on observable market data (non-observable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

3. Significant accounting estimates, assumptions and judgments (Continued)

3.6 Measurement of fair value (Continued)

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. As at June 30, 2025 and December 31, 2024, there are no transfers between levels.

3.7 Going concern principle

The interim condensed consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will continue its business operations for the foreseeable future.

Although there have been some indicators that may raise doubts about the group's ability to continue as a going concern, the accumulated losses amounted to SR 76,106,904 as of June 30, 2025, representing 39.1% of the Group's capital, Negative operating cash flows amounting to SR. 6,248,516, and net losses for the period amounting to SR. 6,083,503..

However, the Group's management reasonably expects the Group to remain a going concern for the foreseeable future through the implementation of the new strategy, which will be implemented after the formation of the new Board of Directors for its term commencing on June 16, 2025, and through the Group's entry into a number of investment agreements (Note 1).

4) New standards, amendments to standards and interpretations

New standards and a set of amendments to the standards have been issued, effective as of January 1, 2024, and have been explained in the group's annual consolidated financial statements, but they do not have a material impact on the group's interim condensed consolidated financial statements.

5. Summary of significant accounting policies

The accounting policies applied in these interim condensed consolidated financial statements (unaudited) are the same as those applied in the group's latest consolidated annual financial statements for the year ending December 31, 2024.

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

6. Investments carried at Fair Value Through Profit or Loss (FVTPL)

	30-06-2025 (un-audited)	31-12-2024 (audited)
Investment in financial assets at fair value (a)	18,169,208	18,678,938
Investment in mutual Funds (b)	60,586,444	59,590,494
	78,755,652	78,269,432
Non-current portion	14,933,500	13,152,000
Current portion	63,822,152	65,117,432

- a. Investment in financial assets measured at fair value though profit or loss are represented in a managed portfolio for the benefit of the Company for the purpose of trading in listed equities shares in Saudi capital exchange market in compliance with Islamic sharia; the following represents the movement of Investments carried at FVTPL:

Movement of investments in financial assets at fair value at the following:-	30-06-2025 (un-audited)	31-12-2024 (audited)
Balance At the beginning of the period / year	18,678,938	4,914,111
Additions during the period / year	230,092	22,007,824
Disposals during the period / year	(322,971)	(8,625,759)
Realized gains on disposal of investments carried at FVT (c)	86,642	1,257,524
Changes in fair value measurement of investments carried at FVTPL at end of the year(d)	(503,493)	(874,762)
Balance at the end of the period / year	18,169,208	18,678,938
Current portion	18,169,208	18,678,938

b. The investment in mutual funds in compliance with Islamic sharia details as follow:

	Number of Units (units)		Carrying amount (Saudi Riyals)	
	30-06-2025	31-12-2024	30-06-2025 (un-audited)	31-12-2024 (audited)
Tasharuk Fund	2,000,000	2,000,000	20,108,334	20,108,334
Blom Hajar Real Estate Fund	7,000	7,000	7,902,510	7,902,510
Mieyar Fund for Saudi shares	1,500,000	1,500,000	17,642,100	18,427,650
WatheeQ Financial Fund*	100,000	100,000	1,374,000	1,402,000
WatheeQ Cities Fund *	1,175,000	1,175,000	13,559,500	11,750,000
			60,586,444	59,590,494
Non-current portion			14,933,500	13,152,000
Current portion			45,652,944	46,438,494

* Wethaq Supply Chain Technologies Fund and Wethaq Smart Cities Fund have been classified under Financial Assets at Fair Value Through Profit or Loss – Non-Current Portion, as both funds have an investment duration of three years starting from May 21, 2024.

Movement of investments in joint investment funds is subject to Islamic Sharia at the following:-

	30-06-2025 (un-audited)	31-12-2024 (audited)
Balance At the beginning of the period / year	59,590,494	57,697,093
Additions during the period / year	---	12,750,000
Disposals during the period / year	---	(14,317,114)
Realized gains of investments carried at FVTPL	650,000	1,300,000
Distributions from Realized Gains During the Period / Year	(650,000)	(1,283,333)
Changes in fair value measurement of investments carried at FVTPL at end of the period / year	995,950	3,443,848
Balance at the end of the period / year	60,586,444	59,590,494

c. Realized gains from the sale of investments at fair value through profit or loss

	30-06-2025 (un-audited)	30-06-2024 (un-audited)
Realized gains / (losses) from investments in financial assets at fair value (a)	86,642	898,666
Realized gains from investments in mutual funds (b)	650,000	650,001
	736,642	1,548,667

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

6. Investments carried at Fair Value Through Profit or Loss (FVTPL)...Continued

d. Unrealized gains from the sale of investments at fair value through profit or loss

	30-06-2025 (un-audited)	30-06-2024 (un-audited)
Unrealized gains from investments in financial assets at fair value (a)	(503,493)	496,508
Unrealized gains from investments in mutual funds (b)	995,950	3,089,048
	<u>492,457</u>	<u>3,585,556</u>

7. Financial investments at amortized cost

On May 26, 2024, the Group acquired investments at amortized cost (Murabaha) with a financial company licensed by the Capital Market Authority (Al-Khair Capital) in accordance with the provisions of Islamic Sharia at an annual return rate range from 5.39% to 6.05%, and are due within 1 month to 3 months. The income from these investments is included in the income from investments at amortized cost in the interim condensed consolidated statement of profit or loss and other comprehensive income. The Group has accrued income from investments at amortized cost until June 30, 2025 in the amount of SR. 164,555.

	30-06-2025 (un-audited)	31-12-2024 (audited)
Balance At the beginning of the period / year	25,944,335	---
Additions during the period / year	17,000,000	25,000,000
Disposals during the period / year	(9,675,603)	---
Investment in income at amortized cost collected during the period / year	755,225	788,043
Interest in income from investments at amortized cost received during the period / year	164,555	156,292
Balance at the end of the period / year	34,188,512	25,944,335

8. Trade receivables – Net

	30-06-2025 (un-audited)	31-12-2024 (audited)
Trade receivables	4,296,954	5,058,970
Allowance for expected credit losses (Note: 8.1)	(1,668,834)	(1,873,305)
	<u>2,628,120</u>	<u>3,185,665</u>

8.1. Movement in the allowance for expected credit losses as the follows:

	30-06-2025 (un-audited)	31-12-2024 (audited)
Balance At the beginning of the period / year	1,873,305	1,350,324
(Reversal) / provision for the period / year	(204,471)	522,981
Balance at the end of the period / year	1,668,834	1,873,305

9. Prepayments and other debit balances – Net

	30-06-2025 (un-audited)	31-12-2024 (audited)
Advance payments to suppliers	5,532,117	5,557,844
Impairment of Other Current Assets*	(3,926,199)	(3,926,199)
	<u>1,605,918</u>	<u>1,631,645</u>
Prepaid expenses	930,685	2,126,315
VAT	1,201,146	776,692
Employees' receivables	13,750	---
Other debit balances	70,000	82,285
	<u>3,821,499</u>	<u>4,616,937</u>

* The impairment of other current assets relates to a decrease in the value of an advance payment made to a supplier in the United Arab Emirates. The Group's management filed a legal claim with the international court to recover the advance. On February 15, 2025, the Group obtained a final judgment in its favor to collect the full amount from the supplier. However, as of the date of the preparation of the condensed interim consolidated financial statements, the amount had not yet been collected.

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

10. Related parties' transactions and related balances

In the ordinary course of business, the Company undertakes transactions with the related parties of the company. All such transactions are executed on commercial terms that are approved by the management. Transactions during the year with related parties and the related balances as at June 30, are as follows:

Related Party	Nature of transactions	For the six-month period ending June 30	
		2025 (un-audited)	2024 (un-audited)
Management staff and committee members	Board attendance allowances	678,345	425,500
	Salaries and benefits	900,958	1,751,234
	Committee attendance allowances	144,000	126,000
10.1. Due from a related party		30-06-2025	31-12-2024
		(un-audited)	(audited)
Amounts due from shareholders		400,609	462,672
Less: Provision for amounts due from shareholders		(315,642)	(315,642)
		84,967	147,030
10.2. Due to related parties		30-06-2025	31-12-2024
		(un-audited)	(audited)
Share capital subscription surplus (a)		437,136	437,136
Dividend payable (b)		2,369,278	2,369,278
Refunds from the sale of capital reduction fractions (c)		34,109	34,109
Rights-issue holders' compensation share capital increase (Note 9.c) (d)		863,456	863,456
		3,703,979	3,703,979

a) The balance of the share capital subscription surplus represents the subscription amounts received from eligible shareholders who exercised their right to subscribe to newly issued shares and those entitled to fractional shares. The remaining balance of the surplus amounts to SR 437,136 as at June 30, 2025 (31 December 2024: SR. 437,136), the Company is not able to transfer these amounts due to the lack of availability or completeness of bank account information.

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

c) The balance of the amounts returned from the sale of fractional shares of the capital reduction represents the entitlements of the fractional shares from the capital reduction process. An amount of SR. 34,109 may remain of the amount due to shareholders as of June 30, 2025 (December 31, 2024: SR. 34,109). The company was unable to transfer these amounts due to the lack of Completion of receivables' bank accounts data.

d) The balance of compensation dues for rights shares - capital increase is represented by the dues of shareholders who did not exercise their right to subscribe to rights shares, and the remaining amounts due to shareholders amounted to SR. 863,456 as of June 30, 2025 (December 31, 2024: 863,456). The company was unable to transfer these amounts due to the unavailability or incompleteness of the receivables' bank account data.

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

11. Bank deposits

Represents deposits with a local bank in compliance with Islamic Sharia carrying an annual commission rate range from 5.1% to 10% and mature within one year to two years. The return income from these deposits is included in the return on bank deposits in the interim condensed consolidated statement of profit or loss and other comprehensive income. The return income from bank deposits as of June 30, 2025 amounted to SR. 283,297.

	30-06-2025 (un-audited)	31-12-2024 (audited)
Balance At the beginning of the period / year	7,856,188	3,747,151
Additions during the period / year	---	3,700,000
Accrued interest income from bank deposits during the period / year	283,297	409,037
Interest income from bank deposits received during the period / year	(394,611)	---
At the end of the period / year	7,744,874	7,856,188
Non-current portion	---	3,965,734
Current portion	7,744,874	3,890,454

12. Cash and cash equivalents

	30-06-2025 (un-audited)	31-12-2024 (audited)
Cash at banks	898,936	9,630,971
Cash balances available at investment portfolio	---	3,697,805
	898,936	13,328,776

13. Share capital

- Share capital of the Company as of June 30, 2025, amounted to SR 194,400,000 (December 31, 2024: SR 194,400,000) consisting of 19,440,000 shares (December 31, 2022: 19,440,000) shares fully paid and issued shares at a value of 10 Saudi Riyals per share.
- During the year ended 31 December 2022, Capital Market Authority ("CMA") approved the Company's request to reduce its share capital from SR 64.8 million to SR 21.6 million by reducing the number of shares from 6,480,000 to 2,160,000 to absorb accumulated losses of the Company amounting to SR 43.2 million. On 15 February 2022, the Extraordinary General Assembly approved Company's restructuring of share capital, and the statutory procedures were completed, and the Company's share capital was amended.
- Furthermore, on March 17, 2022, the Company obtained regulatory approval from the CMA to increase share capital through rights-issue amounting to SR 172.8 million. On May 11, 2022, the Company's extraordinary general assembly approved the share capital increase through rights-issue, and the regulatory procedures were completed, and the Company's share capital was amended during the year ended December 31, 2022.
- On July 2, 2024, the Group's Board of Directors resolved to split the nominal value of the share from ten Saudi Riyals per share to one Saudi Riyal per share. As a result, the total number of the Group's shares will be 194,400,000 shares instead of 19,440,000 shares. This decision was approved by the Extraordinary General Assembly on September 4, 2024.

14. Rights-issue subscription payable compensation

The results of trading the rights-issue and subscribing to new shares were the subscription of (15,597,076) shares of the new offered shares out of a total number of (17,280,000) shares at a value of SR 155,170,760, and the coverage ratio of the total new shares offered was 90.26%, and the remaining shares that were not subscribed were offered amounting to (1,682,924) shares in the auction, and the average selling price of the sold shares was SR 55.48 per share, and the total proceeds from the sale of unsubscribed shares was SR 93,369,809, bringing the net compensation amount belonging to the shareholders of rights-issue to SR 76,540,569. It was agreed with the Saudi Investment Bank to distribute the proceeds from the sale of rights-issue, and SR. 75,640,729 were settled during the period from 23 June 2022 to June 30, 2022, the amount of SR. 863,456 remained unpaid until June 30, 2025 (Note: 10.3-d).

The total transaction cost of rights-issue amounted to SR 4.8 million, and they were reduced from the Company's retained earnings in line with the requirements of applicable accounting standards.

15. Accrued expenses and other current liabilities

	30-06-2025 (un-audited)	31-12-2024 (audited)
Accrued expenses	468,120	1,135,251
Advance payments from customers	38,995	99,300
Other current liabilities	5,080	21,018
	512,195	1,255,569

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

16. Provision for zakat

16.1. Zakat movement

	30-06-2025 (un-audited)	31-12-2024 (audited)
Balance at the beginning of the period / year	3,049,501	2,856,146
Previous years adjustments	1,681,338	2,694,631
Provision for the period / year	---	3,049,501
Total	1,681,338	5,744,132
Paid during the period / year	---	(5,550,777)
At the end of the period / year	4,730,839	3,049,501

16.2 Zakat status

1- Saudi Industrial Exports Company (The Holding Company)

The Group submitted its Zakat return for the year 2024 and obtained certificate No. 1116414003, enabling it to complete all its transactions. This certificate is valid until 13/11/1447H (corresponding to 30 April 2026). During the period, the Group received a Zakat assessment from the Authority for the year 2023, which included Zakat differences amounting to SAR 1,681,338. On 11 Muharram 1447H (corresponding to 6 July 2025), the Group submitted a request to the Zakat, Tax, and Customs Authority to pay in instalments the total Zakat liabilities of SAR 4,730,839 (including SAR 589,117 relating to its subsidiaries). On 13 Muharram 1447H (corresponding to 8 July 2025), the Authority approved the instalment request, effective from 13 Safar 1447H (corresponding to 7 August 2025).

2- Haddaj Investment Company (The Subsidiary Company)

The company has submitted its Zakat declaration for the year 2024 as part of the consolidated Zakat declaration for the Saudi Export Industrial Company (The Holding company). As the group obtained approval on 15 Jumada al-Awwal 1446H (corresponding to November 17, 2024), to submit the consolidated Zakat declaration based on the group's consolidated financial statements.

3- Saudi Industrial Exports Company - Africa - Kingdom of Morocco (subsidiary company)

The Company was incorporated in the Kingdom of Morocco and is not subject to income tax for the period, as it had not commenced its operations up to the date of preparation of the interim condensed consolidated financial statements. On 17/9/1446H (corresponding to 17 March 2025), the Company's Board of Directors approved the closure of the Morocco entity and the completion of the necessary procedures in this regard.

* On 15 Jumada al-Awwal 1446H (corresponding to November 17, 2024), the group obtained approval to submit the consolidated Zakat declaration based on the group's consolidated financial statements, and this applies to the consolidated financial statements for the year ending December 31, 2024.

16.3 VAT status

The Company received letters of adjustment for value-added tax assessments from Zakat, Tax and Customs Authority (ZATCA) for periods during the years 2018 and 2019, the tax differences amounted to SR. 6,619,971. During 2022, the Company requested to pay the amount in instalments from ZATCA and utilize the cancellation of Fines and Exemption of Penalties Initiative, therefore, the Company paid all the instalments of the amount mentioned above. During the period, the company received inspection letters for the years 2020, 2021 and 2022, and the tax differences were settled at a value of SR. 64,273 within the company's outstanding balance with the Zakat, tax and Customs Authority. During the current quarter of 2024, the company received inspection letters for the year 2023, and the tax differences amounting to SR. 2,030 were settled within the balance due to the company with the Zakat, Tax and Customs Authority. The 2024 assessment is currently under review by the authority.

SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

(All amounts in Saudi Riyals)

17. Revenues

	For the three months		For the six months	
	30-06-2025 (Un-audited)	30-06-2024 (Un-audited)	30-06-2025 (Un-audited)	30-06-2024 (Un-audited)
Selling of goods	---	18,817,446	---	22,726,802
Total revenue	---	18,817,446	---	22,726,802

17.1 Timing of revenue recognition

	For the six-month period ending June 30	
	2025 (un-audited)	2024 (un-audited)
At a certain point in time	---	22,726,802

18. Basic and diluted (loss) per share

	For the three months		For the six months	
	30-06-2025 (Un-audited)	30-06-2024 (Un-audited)	30-06-2025 (Un-audited)	30-06-2024 (Un-audited)
(Losses) from continuing operations for the period	(5,102,507)	(9,618,851)	(6,083,503)	(9,087,360)
Weighted average number of common shares	194,400,000	194,400,000	194,400,000	194,400,000
Basic and diluted (losses) per share	(0.03)	(0.05)	(0.03)	(0.05)

Basic loss per share was calculated by dividing the losses for the period attributable to the company's shareholders by the weighted average number of common shares outstanding during the period.

The number of shares was adjusted retrospectively in accordance with the resolution of the Extraordinary General Assembly on September 4, 2024, splitting the nominal value of each share from 10 riyals to 1 riyal, bringing the total number of shares in the Group to 194,400,000 shares instead of 19,440,000 shares.

Basic and diluted loss per share was calculated by dividing the losses for the period attributable to shareholders of the company by the weighted average number of common shares outstanding during the period after adjusting for the effect of all potential common shares. There were no potentially dilutive shares outstanding at any time during the period ended June 30, 2025, and the period ended June 30, 2024.

19. Segment information

A sector is a distinct element that provides products or services (a business sector) and is subject to risks and benefits that differ from any other sector. The Group monitors its business essentially as a single business sector, and accordingly, management believes that business sector reports do not apply to the Group. The Group operates only in the Kingdom of Saudi Arabia.

20. Contingent liabilities

There are no cases brought against the Group for the financial year ending on June 30, 2025, which may require or have a material impact on the interim condensed consolidated financial statements.

21. Subsequent events

There have been no material subsequent events since the period ended June 30, 2025, and up to the date of preparation of these condensed interim consolidated financial statements that would require disclosure or have a material impact on the financial statements.

22. Approval of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements for the year ending June 30, 2025, were approved by the Group's board of directors on Safar 10, 1447H (corresponding to August 04, 2025).