NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2026
AND INDEPENDENT AUDITOR'S REVIEW REPORT

INDEX	**PAGE**
Independent auditor’s review report	2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of profit or loss	4
Interim condensed consolidated statement of comprehensive income	5
Interim condensed consolidated statement of changes in equity	6
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial statements	8 – 19

Report on review of the 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 2026 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 statement of changes in equity and cash flows for the six month period ended 30 June 2026 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 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, 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

PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTS
C.R.: 1010371622

Bader I. Benmohareb
License Number 471

06 August 2026

www.pwc.com

PricewaterhouseCoopers Public Accountants (Professional Limited Liability Company)
Laysen Valley Tower 12 & 13, King Khaled Road
T: +966 (11) 211 0400, F: +966 (11) 211 0401

CR no. 1010371622, UN No.7000928734, Capital of 500,000 SAR National address: 2537 Mohammad Ibn Fuhayd St secondary no. 7912, West Umm Al Hamam Dist, postal code 12329 Riyadh, Kingdom of Saudi Arabia

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

	Note	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	**2,418,754**	2,866,424
Projects under progress	7	**79,005**	67,660
Right-of-use assets		**85,080**	94,125
Intangible assets		**174,202**	165,714
Investments in equity accounted associates and joint ventures	8	**9,493,370**	10,051,394
Investments in financial assets designated as FVOCI	15	**487,262**	987,112
Investments in debt securities		**176,459**	176,202
Other non-current assets		**961,520**	892,464
Total non-current assets		**13,875,652**	15,301,095
Current assets			
Inventories		**658,894**	801,209
Accounts receivable		**729,673**	996,274
Prepayments and other current assets		**514,696**	600,099
Short term investments		**95,000**	-
Cash and bank balances	9	**1,885,695**	2,018,200
Total current assets		**3,883,958**	4,415,782
Assets classified as held for sale	5	**1,169,507**	1,102,343
Total assets		**18,929,117**	20,819,220
EQUITY AND LIABILITIES			
Equity			
Share capital		**6,689,142**	6,689,142
Statutory reserve		**668,914**	668,914
Treasury shares		**(53,188)**	(49,315)
Other reserves		**(881,210)**	(512,134)
Retained earnings		**486,805**	1,030,132
Equity attributable to the equity holders of Parent		**6,910,463**	7,826,739
Non-controlling interests		**1,871,218**	2,329,460
Total equity		**8,781,681**	10,156,199
Liabilities			
Non-current liabilities			
Long-term borrowings	10	**2,889,768**	2,996,368
Employee benefits obligations		**686,434**	658,997
Lease liabilities		**130,037**	128,387
Other non-current liabilities		**871,845**	878,238
Total non-current liabilities		**4,578,084**	4,661,990
Current liabilities			
Long-term borrowings - current portion	10	**2,369,977**	2,373,556
Lease liabilities - current portion		**15,770**	25,768
Accounts payable		**663,854**	1,034,602
Accruals, provisions and other current liabilities		**1,184,117**	1,293,341
Zakat and income tax payable	11	**932,781**	885,096
Total current liabilities		**5,166,499**	5,612,363
Liabilities relating to assets classified as held for sale	5	**402,853**	388,668
Total liabilities		**10,147,436**	10,663,021
Total equity and liabilities		**18,929,117**	20,819,220

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 PROFIT OR LOSS (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	
		2026	2025	**2026**	2025
Continuing Operations					
Revenue	14	**379,928**	581,643	**874,963**	1,229,886
Cost of revenue		**(432,171)**	(501,569)	**(947,271)**	(1,115,553)
Gross (loss) / profit		**(52,243)**	80,074	**(72,308)**	114,333
Selling and distribution expenses		**(31,941)**	(41,310)	**(69,452)**	(78,546)
General and administrative expenses		**(85,470)**	(92,275)	**(158,437)**	(183,460)
Impairment of non-financial assets	6 & 7	**(393,244)**	-	**(393,244)**	-
Impairment of financial assets		**(1,341)**	(1,891)	**(2,109)**	(3,483)
Share of loss from associates and joint ventures, net	8	**(260,606)**	(2,727)	**(559,687)**	(71,488)
Operating loss		**(824,845)**	(58,129)	**(1,255,237)**	(222,644)
Other income, net		**35,592**	40,849	**52,094**	75,352
Finance costs		**(86,778)**	(75,954)	**(176,566)**	(191,734)
Finance income		**8,667**	48,359	**45,607**	100,176
Gain on debt restructuring, net	10	**-**	-	**-**	2,028,980
(Loss) / profit before zakat and income tax from continuing operations		**(867,364)**	(44,875)	**(1,334,102)**	1,790,130
Zakat and income tax		**(35,430)**	(54,098)	**(70,735)**	(90,122)
(Loss) / profit from continuing operations		**(902,794)**	(98,973)	**(1,404,837)**	1,700,008
Discontinued operations					
Profit for the period from discontinued operations	5	**39,078**	10,911	**52,979**	23,549
(Loss) / profit for the period		**(863,716)**	(88,062)	**(1,351,858)**	1,723,557
Attributable to:					
Equity holders of Parent		**(547,789)**	(65,823)	**(889,100)**	829,985
Non-controlling interests		**(315,927)**	(22,239)	**(462,758)**	893,572
		(863,716)	(88,062)	**(1,351,858)**	1,723,557
Basic and diluted (loss) / earnings per share (SR)	12				
(Loss) / profit attributable to equity holders of Parent		**(0.82)**	(0.10)	**(1.34)**	1.24
(Loss) / profit from continuing operations attributable to equity holders of Parent		**(0.88)**	(0.11)	**(1.42)**	1.21

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	
		2026	2025	**2026**	2025
(Loss) / profit for the period		**(863,716)**	(88,062)	**(1,351,858)**	1,723,557
Other comprehensive income / (loss)					
Items that may be reclassified to profit or loss in subsequent periods:					
Cash flow hedge reserve		**-**	(3,732)	**-**	(7,131)
Share of other comprehensive income from associates and joint ventures, net	8	**47,562**	74,644	**22,444**	114,949
Total items that may be reclassified to profit or loss in subsequent periods		**47,562**	70,912	**22,444**	107,818
Items that will not be reclassified to profit or loss in subsequent periods:					
(Loss) / income from investments in financial assets designated as FVOCI		**(65,077)**	5,594	**(40,177)**	(88,948)
Share of other comprehensive income / (loss) from associates and joint ventures, net		**881**	630	**(1,054)**	1,054
Total items that will not be reclassified to profit or loss in subsequent periods		**(64,196)**	6,224	**(41,231)**	(87,894)
Total other comprehensive (loss) / income for the period		**(16,634)**	77,136	**(18,787)**	19,924
Total comprehensive (loss) / income for the period		**(880,350)**	(10,926)	**(1,370,645)**	1,743,481
Attributable to:					
Equity holders of Parent		**(574,728)**	(4,437)	**(912,403)**	825,793
Non-controlling interests		**(305,622)**	(6,489)	**(458,242)**	917,688
		(880,350)	(10,926)	**(1,370,645)**	1,743,481

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 CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in SR'000 unless otherwise stated)

	Equity attributable to the equity holders of Parent							
	Share capital	**Statutory reserve**	**Treasury Shares**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2025 (Audited)	6,689,142	668,914	-	(648,547)	2,813,938	9,523,447	2,245,019	11,768,466
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)	3,643,923	10,349,240	3,083,607	13,432,847
As at 1 January 2026 (Audited)	**6,689,142**	**668,914**	**(49,315)**	**(512,134)**	**1,030,132**	**7,826,739**	**2,329,460**	**10,156,199**
Loss for the period	**-**	**-**	**-**	**-**	**(889,100)**	**(889,100)**	**(462,758)**	**(1,351,858)**
Other comprehensive (loss) / income	**-**	**-**	**-**	**(23,303)**	**-**	**(23,303)**	**4,516**	**(18,787)**
Total comprehensive (loss) for the period	**-**	**-**	**-**	**(23,303)**	**(889,100)**	**(912,403)**	**(458,242)**	**(1,370,645)**
Purchase of treasury shares	**-**	**-**	**(3,873)**	**-**	**-**	**(3,873)**	**-**	**(3,873)**
Transfer on disposal of FVOCI investments (note 15)	**-**	**-**	**-**	**(345,773)**	**345,773**	**-**	**-**	**-**
As at 30 June 2026 (Unaudited)	**6,689,142**	**668,914**	**(53,188)**	**(881,210)**	**486,805**	**6,910,463**	**1,871,218**	**8,781,681**

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)

	Note	For the six month period ended 30 June	
		2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before zakat and income tax			
- from continuing operations		**(1,334,102)**	1,790,130
- from discontinued operations	5	**57,439**	26,380
Adjustments for:			
Depreciation and amortization		**125,141**	200,445
Right-of-use assets depreciation		**12,805**	14,900
Amortization of deferred settlement income		**(8,542)**	(9,407)
Impairment of non-financial assets		**393,244**	-
Share of loss from equity accounted associates and joint ventures, net		**559,687**	71,488
Provision for slow moving inventories		**4,778**	10,485
Impairment of financial assets, net		**6,370**	5,729
Employee benefits expenses		**25,367**	32,152
Finance costs		**176,688**	192,034
Finance income		**(47,851)**	(101,735)
Gain on debt restructuring, net	10	**-**	(2,028,980)
Changes in operating assets and liabilities:			
Other non-current assets		**11,944**	13,065
Inventories		**123,818**	(128,638)
Accounts receivable		**242,782**	(186,836)
Prepayments and other current assets		**116,016**	256,828
Other non-current liabilities		**(21,999)**	(21,336)
Accounts payable		**(341,977)**	48,598
Accruals, provisions and other current liabilities		**(121,756)**	(70,974)
Cash (used in) / generated from operations		**(20,148)**	114,328
Employee benefits paid		**(21,300)**	(7,536)
Zakat and income tax paid		**(23,050)**	(140,032)
Net cash used in operating activities		**(64,498)**	(33,240)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(23,478)**	(17,988)
Additions to projects under progress		**(78,508)**	(206,388)
Additions to intangible assets		**(5,420)**	(14,605)
Investments in debt securities		**-**	(50,000)
Short term investments		**(95,000)**	486,000
Finance income received		**45,865**	100,068
Dividends received from associates and joint ventures		**18,837**	39,357
Net cash acquired on acquisition		**-**	302,244
Proceeds from disposal of investments in equity instruments designated as FVOCI	15	**459,673**	-
Additions to long-term interests in joint ventures		**(81,000)**	(466,800)
Net cash generated from investing activities		**240,969**	171,888
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		**(165,000)**	(1,134,147)
Finance costs paid		**(102,245)**	(192,118)
Payment of principal portion of lease liabilities		**(15,400)**	(24,587)
Repayment of loan to related party		**-**	(56,551)
Dividend paid by subsidiaries to non-controlling interests		**-**	(79,100)
Purchase of treasury shares		**(3,873)**	-
Net cash used in financing activities		**(286,518)**	(1,486,503)
Net change in cash and cash equivalents		**(110,047)**	(1,347,855)
Cash and cash equivalents at beginning of the period		**2,144,524**	3,787,408
Cash and cash equivalents at end of the period		**2,034,477**	2,439,553
Cash and cash equivalents	9	**1,885,695**	2,332,718
Cash and cash equivalents (included in assets held for sale)	5	**148,782**	106,835
Cash and cash equivalents at the end of the period		**2,034,477**	2,439,553

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.

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 2025. Also refer note 5.

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 2025.

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.

(iii) Going concern basis of accounting

As at 30 June 2026, the Group’s current liabilities exceeded its current assets by SR 1,282 million. The Group is currently negotiating and has received a term sheet from a commercial bank to refinance borrowings amounting to SR 2,000 million included in current portion of long term borrowings (refer to note 10). The proposed refinancing is expected to extend the repayment period by 7 years beyond the original maturity date in November 2026. Management believes that the current liquidity position is temporary and anticipates that the Group will have sufficient operational cash flows and necessary financing arrangements will be obtained to meet obligations as they fall due for a period of at least 12 months from the balance sheet date. Accordingly, these interim condensed consolidated financial statements have been prepared on a going concern basis.

During the six months period ended 30 June 2026, there have been geopolitical developments in the region causing business and economic disruptions, such as supply chain constraints, production curtailments, and effects on prices and demand. Based on the management’s assessments, the Group’s margins are slightly impacted due to an increase in raw material prices and higher logistics costs, partially offset by an increase in selling prices for certain products. As of the issuance date of these consolidated financial statements, the geopolitical circumstances remain uncertain and financial impact of these factors cannot be reliably estimated. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

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 2025. Amendments to existing standards, which are effective from 1 January 2026 as explained in the Group's annual consolidated financial statements are applied for the first time in 2026 and are explained as follows:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

IFRS 18 - Presentation and disclosure in financial statements

IFRS 18 Presentation and Disclosure in Financial Statements was issued on 9 April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18 will replace IAS 1 Presentation of Financial Statements. The Group has not early adopted IFRS 18 in preparing these condensed consolidated interim financial statements and expects to apply the standard from its effective date, i.e., 01 January 2027. The Group has established a formal IFRS 18 implementation program which includes assessments of financial statement presentation, management reporting, data and systems requirements and reporting implications.

IFRS 18 will not change the recognition or measurement of assets, liabilities, income or expenses. However, it introduces new requirements for the presentation of the Group's financial performance and certain related disclosures in the financial statements, including the structure of the statement of income, management-defined performance measures, aggregation and disaggregation of information, and certain consequential amendments to IAS 7 Statement of Cash Flows. The adoption of IFRS 18 is not expected to affect reported net profit, total comprehensive income, or net assets / equity and will only cause changes in the presentation and disclosure. IFRS 18 requirements and the Group preliminary assessment of the expected impact of adopting IFRS 18, is presented below:

a) Presentation of Consolidated Statement of Profit or Loss

IFRS 18 requires income and expenses to be classified into defined categories in the statement of income, being operating, investing, financing, zakat and income taxes and discontinued operations. Based on the information currently available, management does not expect the Group to have a specified main business activity of investing in particular assets or providing financing to customers.

- The Group will present two newly introduced subtotals in the consolidated statement of profit or loss labelled as "Operating profit or loss" and "Profit or loss before financing, zakat and income taxes". Although the Group currently presents an operating profit subtotal, the composition of operating profit under IFRS 18 may differ from the current presentation.

- The Group expects a significant change in the presentation of Operating profit / loss due to the reclassification of the share of results of associates and joint ventures from the operating category to the newly established investing category. Consequently, these amounts will be included within profit or loss before financing, zakat and income taxes, rather than within operating profit / loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

IFRS 18 - Presentation and disclosure in financial statements (continued)

b) Principles of aggregation and disaggregation

- Net finance costs arising from deferred employee benefit obligations currently being allocated between cost of revenue, selling and distribution expenses and general and administrative expenses will be classified within the financing category and therefore will no longer be included in operating profit / loss. Remeasurement gains or losses on defined benefit obligations are presented in other comprehensive income and are not expected to affect the classification of income and expenses in the consolidated statement of profit or loss as they will not be reclassified to the consolidated statement of profit or loss.

- The enhanced aggregation and disaggregation requirements introduced by IFRS 18 are expected to result in changes to the presentation and grouping of financial statement line items. The Group is assessing whether the line items currently presented or disclosed using broad descriptions such as ‘others’ should be further disaggregated or described using more informative labels. The Group is also assessing the additional IFRS 18 disclosure requirements relating to specified expenses by nature, as the Group presents operating expenses by function.

c) Management defined performance measures

- IFRS 18 introduces disclosure requirements for management-defined performance measures (MPMs), which are subtotals of income and expenses used in public communications outside the financial statements to communicate management’s view of an aspect of the financial performance of the Group as a whole.

- The Group currently presents EBITDA as a performance measure in its public communications calculated as operating income plus share of results from associates and joint ventures, other income and depreciation and amortization. Under IFRS 18, this measure will include amounts presented as investment and financing categories. Based on its initial assessment, the Group expects that this adjusted EBITDA measure will meet the definition of a MPM under IFRS 18 and will therefore be subject to the related disclosure requirements. In addition, the Group is assessing other performance measures currently disclosed outside the financial statements to determine whether they also meet the definition of an MPM under IFRS 18. If any such measures meet the definition, the Group will disclose the information required by IFRS 18 in a single note to the financial statements, including a reconciliation to the most directly comparable IFRS subtotal or total.

d) Presentation of Consolidated Statement of Cash flows

- IFRS 18 introduces consequential amendments to IAS 7, Statement of Cash Flows, requiring entities to use the newly defined operating profit / loss subtotal as the starting point for reconciling operating cash flows. Currently, the Group uses profit / loss before zakat and income tax as the starting point for this reconciliation. As a result, certain reconciling items included within operating cash flows are expected to change upon adoption of IFRS 18. The Group already presents finance costs paid and dividends paid within financing activities, while Dividends received from associates and cash receipts from short term investments and murabaha deposits are presented within investing activities.

The assessment described above is preliminary and based on information available as of the reporting date. The Group continues to evaluate the impact of IFRS 18 on its consolidated financial statements, related disclosures and reporting processes. Accordingly, the impact assessment, including the classification and presentation of items within the financial statements, may change as implementation activities progress further.

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 2025.

However, as stated in note 2, the Group has reviewed key accounting estimates and judgments related to impairment, trade receivables, inventory valuation, and gross margin trends due to geopolitical uncertainties. As of 30 June 2026, these factors did not materially impact these interim condensed consolidated financial statements.

5. DISCONTINUED OPERATIONS

As explained in the annual consolidated financial statements of the Group for the year ended 31 December 2025, following the acceptance of the binding offer by the Group, Al Rowad Industrial Transformation Company ('RITC') and its subsidiaries are classified as 'held for sale' and presented as 'discontinued operations' as they meet the criteria as defined in IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. The assets and liabilities of these subsidiaries are presented separately as 'held for sale' in these interim condensed consolidated financial statements. These are measured at lower of their carrying amount and fair value less costs to sell and depreciation is ceased on relevant assets from the date of their classification as 'held for sale'.

On 01 March 2026, the Group has signed a Share Purchase Agreement ("SPA") with Saudi Holding Company for Conversion Industries ("Tahweel", the Buyer) for the disposal of RITC Group for SR 700 million. However, as at 30 June 2026, the transaction was not completed as it remained subject to regulatory approval and certain conditions precedent as defined in the SPA and expected to be completed during the current year ending 31 December 2026. Accordingly, the disposed group continues to be presented as discontinued operations in the Group's interim condensed consolidated financial statements for the six-month period ended 30 June 2026.

Subsequent to the period end on 14 July 2026, General Authority for Competition has issued a no-objection letter in relation to the economic concentration associated with the transaction. The parties to the transaction are currently working towards satisfying the remaining conditions, requirements and procedures necessary for the closing and completion of the transaction.

(All amounts in SR'000 unless otherwise stated)

5. DISCONTINUED OPERATIONS (continued)

The financial performance presented below refers to the discontinued operation for the six month period ended:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Revenue	**411,679**	441,676
Cost of revenue	**(305,606)**	(364,597)
Gross profit	**106,073**	77,079
Operating and other expenses	**(50,756)**	(51,958)
Finance income, net	**2,122**	1,259
Profit before zakat from discontinued operations	**57,439**	26,380
Zakat	**(4,460)**	(2,831)
Profit for the period from discontinued operations	**52,979**	23,549
Attributable to:		
Equity holders of parent	**52,979**	23,549
Basic and diluted earnings per share (SR)		
For profit from discontinued operations	**0.08**	0.04

The cash flow information presented below refers to the discontinued operation for the six month period ended:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Net cash inflow from operating activities	**37,632**	62,013
Net cash used in investing activities	**(14,614)**	(4,497)
Net cash used in financing activities	**(560)**	(34,683)
Net increase in cash and cash equivalents	**22,458**	22,833

The carrying amounts of assets and liabilities of disposal group classified as held for sale as at 30 June 2026 and 31 December 2025 were:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets classified as held for sale		
Property, plant and equipment, project under progress, right-of-use assets and intangible assets	**616,958**	600,100
Inventories	**149,346**	135,627
Accounts receivable	**236,696**	219,247
Prepayments and other current assets	**17,725**	21,045
Cash and bank balances	**148,782**	126,324
Total assets	**1,169,507**	1,102,343
Liabilities related to assets classified as held for sale		
Employee benefits obligations	**43,238**	40,671
Other current and non-current liabilities	**195,007**	212,160
Accounts payable	**164,608**	135,837
Total liabilities	**402,853**	388,668
Net assets	**766,654**	713,675

(All amounts in SR'000 unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six month period ended 30 June 2026, the Group made additions to property, plant, and equipment with a cost of SR 24.7 million (six month period ended 30 June 2025: SR 17.9 million). Also refer note 17.

During the period ended 30 June 2026**,** in compliance with the applicable accounting standards, the Group has performed an impairment assessment of SAMCO CGU ('the CGU') impacted by economic disruptions caused by geopolitical development in the regions and market dynamics. The carrying value of the CGU was compared to the recoverable amount determined using value-in-use calculations based on discounted cash flow model. As a result of such assessment an impairment of SR 361 million was recorded (six month period ended 30 June 2025: SR nil). Key assumptions used in the analysis include a discount rate of 11%, terminal growth rate of 2.5%. Other assumptions include achieving capacity utilization levels estimated based on third parties' forecasts for the industry and in consideration of historical results, the expected timing and costs to achieve the operational milestones based on the approved business plan. Management believes that any reasonable change in the discount rate, growth rate or in any of the other assumptions used for cash flow projections, individually, could change the possible outcome of the impairment analysis.

7. PROJECTS UNDER PROGRESS

Projects under progress mainly represented 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, which was impaired during 2025. During the six month period ended 30 June 2026, additions to projects under progress amounted to SR 66.8 million (six month period ended 30 June 2025: SR 211.4 million). During the six month period ended 30 June 2026 an impairment amounting to SR 32 million has been recorded related to slagger. Also refer note 17.

Further, details in respect of the Slagger are disclosed in note 9 of the annual consolidated financial statements for the year ended 31 December 2025.

8. INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES AND JOINT VENTURES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Investments in associates	**1,388,741**	1,663,360
Investments in joint ventures	**8,104,629**	8,388,034
	9,493,370	10,051,394

Share of net loss from associates and joint ventures for the six month period ended 30 June 2026, is primarily attributable to the operational losses, restructuring costs related to the idling of certain plants and non-cash tax charge due to change in accounting estimates in respect of the deferred tax assets related to Tronox operations, along with the shutdown of Petrochemical joint ventures due to ongoing industry and logistical challenges in addition to scheduled maintenance and project expansion activities.

The value of the Group's investment in Tronox based on the closing share price as at 30 June 2026 was SR 887.8 million (31 December 2025: SR 587.7 million).

9. CASH AND BANK BALANCES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Short-term deposits and Murabaha	**1,697,053**	1,785,778
Bank balances	**188,642**	232,422
Cash and cash equivalents (excluding cash and cash equivalents in assets held for sale)	**1,885,695**	2,018,200

(All amounts in SR'000 unless otherwise stated)

10. LONG-TERM BORROWINGS

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

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Saudi Industrial Development Fund	**10.1**	**1,120,411**	1,190,411
Commercial banks	**10.2**	**4,873,182**	4,968,182
Total loans		**5,993,593**	6,158,593
Add: Accrued finance cost	**10.2**	**53,770**	23,542
Less: Unamortized finance cost	**10.2**	**(787,618)**	(812,211)
		5,259,745	5,369,924
Less: Long-term borrowings – current portion		**(2,369,977)**	(2,373,556)
Total non-current loans		**2,889,768**	2,996,368

10.1 During 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 2025, the new refinancing agreements with commercial banks have been signed by certain subsidiaries with effect from 19 February 2025. 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 1,761 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 was 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 was 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 was recognized as gain on debt restructuring in the interim condensed consolidated statement of profit or loss for the six month period ended 30 June 2025.

During the year ended 31 December 2025, the Group has signed an amendment letter with a commercial lender in respect of a loan amounting to SR 2 billion and extended the final maturity date to November 2026. The Group's has also received a term sheet from the lender to refinance such loan with an extended repayment profile of 7 years and revised pricing mechanism. The Group is currently finalizing the term sheet with the lender.

11. ZAKAT AND INCOME TAX PAYABLE

The Company and its 100% owned subsidiaries have filed consolidated zakat returns with ZATCA up to the years ended 31 December 2025 and finalized its status with ZATCA for the periods up to 2022. The Company received initial assessment for the year 2023 resulting in additional liability of SR 3 million (31 December 2025: SR 3 million) and has submitted appeal against this assessment which is still under review. 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 40 million (31 December 2025: SR 50 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 additional material liability is likely to arise from open assessments, once finalized.

(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 664,193 thousand shares as at 30 June 2026 (30 June 2025: 668,914 thousand shares). During the six month period ended 30 June 2026, the Company executed a buyback of 450,000 shares (31 December 2025: 4,686,430 shares) of its own shares from the open market. The total consideration paid for the buyback of shares amounted to SR 3.9 million (31 December 2025: SR 49.3 million). The purchase was completed in compliance with the relevant provisions of the regulations. The repurchased shares are held as treasury shares and are presented as a deduction from equity in accordance with the applicable accounting standards.

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 including transactions related to discontinued operations:

	Sale of goods and services		**Purchase of goods and services**	
	For the six month period ended		**For the six month period ended**	
	30 June 2026 (Unaudited)	**30 June 2025 (Unaudited)**	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Associates	**51,011**	122,921	**-**	-
Joint ventures	**51,143**	131,959	**97,801**	314,793
Others	**11,286**	15,221	**-**	-

13.2 Amounts due from / to related parties

The following balances were outstanding as at 30 June 2026 including balances related to held for sale:

	Due from related parties			**Due to related parties**		
	Associates	**Joint Ventures**	**Total**	**Associates**	**Joint Ventures**	**Total**
Current						
Trade	**17,306**	**18,701**	**36,007**	**-**	**553,796**	**553,796**
Other non-trade	**-**	**100,984**	**100,984**	**-**	**-**	**-**
Loans	**-**	**-**	**-**	**-**	**54,980**	**54,980**
	17,306	**119,685**	**136,991**	**-**	**608,776**	**608,776**
Non-current						
Loans	**-**	**754,376**	**754,376**	**-**	**119,805**	**119,805**
Total	**17,306**	**874,061**	**891,367**	**-**	**728,581**	**728,581**

(All amounts in SR'000 unless otherwise stated)

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 2025:

	Due from related parties			Due to related parties		
	Associates	**Joint Ventures**	**Total**	**Associates**	**Joint Ventures**	**Total**
Current						
Trade	14,792	40,918	55,710	-	848,366	848,366
Other non-trade	403	211,035	211,438	-	-	-
Loans	-	-	-	-	54,980	54,980
	15,195	251,953	267,148	-	903,346	903,346
Non-current						
Loans	-	673,376	673,376	-	139,008	139,008
Total	15,195	925,329	940,524	-	1,042,354	1,042,354

13.3 Other related party transactions and balances

- An amount of SR nil (six month period ended 30 June 2025: SR 466.8 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 2026 amounting to SR 66.7 million (31 December 2025: SR 70.1 million).
- Loans from non-controlling interests as at 30 June 2026 amount to SR 370.2 million (31 December 2025: SR 364.6 million). Interest expense for the six month period ended 30 June 2026 amounts to SR 5.5 million (six month period ended 30 June 2025: SR 5.1 million).
- Liabilities relating to research and development contribution from joint ventures as at 30 June 2026 amount to SR 513.2 million (31 December 2025: SR 524.7 million). Contribution received during the six month period ended 30 June 2026 amounts to SR 33.8 million (six month period ended 30 June 2025: SR 60.6 million).
- Net deferred obligation pertaining to the sale of MGT as at 30 June 2026 amounts to SR 361.3 million (31 December 2025: SR 354.2 million).
- Finance income on loans to related parties for the six month period ended 30 June 2026 amounts to SR 1.3 million (six month period ended 30 June 2025: SR 24 million).
- For the six month period ended 30 June 2026, sales to Tronox of feedstock material produced by the Slagger amounted to SR 51 million (six month period ended 30 June 2025: SR 122.9 million).
- For the six month period ended 30 June 2026, repayments of the Tronox loan totaled SR nil (30 June 2025: SR 98.5 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 2026 amounts to SR 16.0 million (six month period ended 30 June 2025: SR 16.1 million).

(All amounts in SR'000 unless otherwise stated)

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 2026 and 2025 for the continuing operations by operating segments, are as follows:

	Metallurgy	Petrochemicals	Downstream & Others	Total
For the six month period ended 30 June 2026 (Unaudited)				
Sale of goods	**118,249**	**495,718**	**179,640**	**793,607**
Rendering of services	**-**	**-**	**75,412**	**75,412**
Others	**-**	**5,839**	**105**	**5,944**
Total segment revenue	**118,249**	**501,557**	**255,157**	**874,963**
Segment expenses	**(230,207)**	**(632,733)**	**(314,329)**	**(1,177,269)**
Impairment of non-financial assets	**(32,244)**	**(361,000)**	**-**	**(393,244)**
Share of (loss) / profit from associates and joint ventures, net	**(277,028)**	**(283,405)**	**746**	**(559,687)**
Depreciation and amortization	**2,303**	**102,395**	**33,248**	**137,946**
Segment EBITDA	**(386,295)**	**(311,942)**	**26,284**	**(671,953)**
For the six month period ended 30 June 2025 (Unaudited)				
Sale of goods	210,910	728,839	162,951	1,102,700
Rendering of services	-	-	87,762	87,762
Others	-	38,727	697	39,424
Total segment revenue	210,910	767,566	251,410	1,229,886
Segment expenses	(298,936)	(798,150)	(283,956)	(1,381,042)
Share of (loss) / profit from associates and joint ventures, net	(229,811)	158,456	(133)	(71,488)
Depreciation and amortization	23,859	127,065	33,449	184,373
Segment EBITDA	(285,195)	261,638	60,638	37,081

The Group's total assets and liabilities as at 30 June 2026 and 31 December 2025 for the continuing operations by operating segments are as follows:

	Metallurgy	Petrochemicals	Downstream & Others	Total
As at 30 June 2026 (Unaudited)				
Segment assets	**2,519,958**	**11,716,488**	**3,523,164**	**17,759,610**
Segment liabilities	**2,024,752**	**2,320,743**	**5,399,088**	**9,744,583**
Investments in equity accounted associates and joint ventures	**1,280,740**	**8,104,629**	**108,001**	**9,493,370**
As at 31 December 2025 (Audited)				
Segment assets	2,775,814	12,822,254	4,118,809	19,716,877
Segment liabilities	2,146,224	2,591,143	5,536,986	10,274,353
Investments in equity accounted associates and joint ventures	1,550,470	8,388,034	112,890	10,051,394

(All amounts in SR'000 unless otherwise stated)

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 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 2026 (Unaudited)				
Investments in quoted equity shares	**136,048**	**136,048**	**-**	**-**
Investments in unquoted equity shares	**351,214**	**-**	**-**	**351,214**
	487,262	**136,048**	**-**	**351,214**
As at 31 December 2025 (Audited)				
Investments in quoted equity shares	667,048	667,048	-	-
Investments in unquoted equity shares	320,064	-	-	320,064
	987,112	667,048	-	320,064

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.

The initial recognition of the restructured loan facilities from commercial banks at fair value in respect of certain subsidiaries of the Group was 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).

During the period, the Group disposed of investments in equity instruments designated as FVOCI amounting to SR 459.7 million (31 December 2025: SR nil) and transferred the unrealized gain amounting to SR 345.8 million (31 December 2025: SR nil) to retained earnings.

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 2026 to any of the valuation techniques applied as of 31 December 2025.

(All amounts in SR'000 unless otherwise stated)

16. COMMITMENTS AND CONTINGENCIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
16.1 Capital and purchase commitments:		
Capital commitments for projects under progress and purchase of property, plant and equipment	**131,360**	172,140
16.2 Letters of Guarantees:		
Letters of guarantees issued by banks on behalf of the Group	**52,481**	63,591
16.3 Letters of Credit:		
Letters of credit issued by banks in favor of the Group	**3,940**	78,662

16.4 Additionally, the Group has issued corporate guarantees to external lenders against loans obtained by a joint venture, in proportion to its shareholding in the joint venture. As at 30 June 2026 such guarantees amounted to SR 1,401.4 million (31 December 2025: SR 727.9 million).

17. NON-CASH TRANSACTIONS

Following non-cash transactions were recorded during the six month period ended 30 June 2026:

(i) The transfer of SR 23.1 million (six month period ended 30 June 2025: SR 0.4 million) from projects under progress to property, plant and equipment and intangible assets mainly related to software.

(ii) Finance costs and other directly attributable expenses amounting to SR nil (six month period ended 30 June 2025: SR 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 2025: SR 3.7 million).

(iv) Loss of SR 40.1 million (six month period ended 30 June 2025: loss of SR 88.9 million) was recognized in respect of investments in financial assets designated as FVOCI.

(v) Receivable under forward sale agreement amounting to SR nil (six month period ended 30 June 2025: SR 57.3 million) was transferred from prepayments and other current assets to other non-current assets based on revised settlement period.

(vi) Tronox loan amounting to SR nil (six month period ended 30 June 2025: SR 41.9 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. Also refer note 5.

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on **06 August 2026.**