

NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
(UNAUDITED) INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS PERIOD
ENDED MARCH 31, 2026

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

For the period ended March 31, 2026

Index

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REVIEW REPORT	
STATEMENT OF INTERIM CONDENSED CONSOLIDATED FINANCIAL POSITION (UNAUDITED)	1
STATEMENT OF INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)	2
STATEMENT OF CHANGES IN INTERIM CONDENSED CONSOLIDATED EQUITY (UNAUDITED)	3
STATEMENT OF INTERIM CONDENSED CONSOLIDATED CASH FLOWS (UNAUDITED)	4
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	5 – 12

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH – SAUDI ARABIA**

REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of NASEEJ INTERNATIONAL TRADING COMPANY (the "Company") as at March 31, 2026 and the condensed interim consolidated statement of profit and loss and comprehensive income for the three-months periods ended March 31, 2026 and the condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three-month period then ended and condensed consolidated interim notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim 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.

Emphasis of matter

We draw attention to Note 4.1 to the financial statements, which describes the non-compliance with a covenant related to outstanding loans and borrowings with a bank as at March 31, 2026. Management is in discussions with the financial institution to obtain a waiver and expects such waiver to be granted for future periods in accordance with the agreement. Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

As disclosed in note 2.3 to the consolidated financial statements, the accumulated losses of the Company as of March 31, 2026, is ﷲ 104.76 million (December 31, 2025: ﷲ 93.96 million), which exceeded 50% of its share capital. This condition, along with other indicators, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH – SAUDI ARABIA**

**REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Continued)**

Conclusion

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

Jeddah: April 30, 2026
Dhul Qadah 13, 1447H

**FOR EL SAYED EL AYOUTY & CO.**

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

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Statement of interim condensed consolidated financial position as at March 31, 2026

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Notes	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment -- net		120,396	122,052
Intangible assets -- net		69	78
Investment in associate	8	15,113	15,027
Right of use assets	3.1	9,722	10,435
Total non-current assets		145,300	147,592
Current assets			
Inventories, net		27,276	29,048
Trade receivables, net		32,835	43,883
Prepayments and other receivables, net		9,235	8,292
Cash and cash equivalent		1,625	859
Total current assets		70,971	82,082
TOTAL ASSETS		216,271	229,674
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital		108,973	108,973
Accumulated losses		(104,756)	(93,963)
Total shareholders' equity		4,217	15,010
Non-current liabilities			
Loans and borrowings	4	75,138	81,533
Right of use obligations	3.2	5,730	6,230
Employees' defined benefit obligations		18,504	18,787
Total non-current liabilities		99,372	106,550
Current liabilities			
Loans and borrowings	4	47,332	41,202
Right of use obligations	3.2	2,765	2,762
Trade payables		22,368	23,199
Due to related parties	7.3	4,076	4,076
Other payables		17,541	17,534
Provision for zakat		18,600	19,341
Total current liabilities		112,682	108,114
Total liabilities		212,054	214,664
TOTAL EQUITY AND LIABILITIES		216,271	229,674

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:


Dr. Wael Saad Al Rashid
Chair of the Board of Directors


Mr. Monther Mohammed Al Sorayai
Chief Executive Officer


Mr. Ibrahim Mohamed Khalifa
Chief Financial Officer

NASEEJ INTERNATIONAL TRADING COMPANY



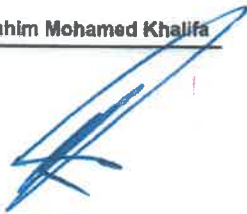
(A Saudi Joint Stock Company)

Statement of interim condensed consolidated profit and loss and other comprehensive income as at March 31, 2026

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Three-month period	
	March 31, 2026	March 31, 2025
	<i>Unaudited</i>	
Continuous operations		
Sales – net	4,847	26,247
Cost of sales	(8,050)	(24,771)
Gross (loss)/ profit	(3,203)	1,476
Selling and distribution expenses	(4,027)	(5,219)
General and administration expenses	(2,056)	(2,579)
Provision for expected credit losses – reversal/ (provided)	86	(164)
Other income	187	357
Operating loss	(9,013)	(6,129)
Gain on investment in associates and joint venture	86	-
Financial charges	(1,866)	(2,514)
Loss before zakat	(10,793)	(8,643)
Zakat expenses	-	-
Loss for the period	(10,793)	(8,643)
Other comprehensive loss		
<i>Items that will not be reclassified in subsequent date to profit or loss</i>		
Loss on revaluation of employees defined benefit obligations.	-	-
<i>Net income of items that will not be reclassified in subsequent date to profit or loss</i>	-	-
Total comprehensive loss	(10,793)	(8,643)
Loss per share	(0.99)	(0.79)

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

<u>Dr. Wael Saad Al Rashid</u>	<u>Mr. Monther Mohammed Al Sorayal</u>	<u>Mr. Ibrahim Mohamed Khalifa</u>
		
Chair of the Board of Directors	Chief Executive Officer	Chief Financial Officer

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Statement of changes in interim condensed consolidated equity as at March 31, 2026

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Share capital	Accumulated losses	Total shareholders' equity
As at January 01, 2025 - (audited)	108,973	(61,045)	47,928
Net loss for the period	-	(8,643)	(8,643)
As at March 31, 2025 - (unaudited)	<u>108,973</u>	<u>(69,688)</u>	<u>39,285</u>
As at January 01, 2026 - (audited)	108,973	(93,963)	15,010
Net loss for the period	-	(10,793)	(10,793)
As at March 31, 2026 - (unaudited)	<u>108,973</u>	<u>(104,756)</u>	<u>4,217</u>

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid

Chair of the Board of Directors

Mr. Monther Mohammed Al Soraya

Chief Executive Officer

Mr. Ibrahim Mohamed Khalifa

Chief Financial Officer

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Statement of interim condensed consolidated cash flows as at March 31, 2026

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
Operating activities		
Loss before zakat	(10,793)	(8,643)
Adjustments for:		
Depreciation	1,613	2,230
Amortization of intangibles	9	11
Provision for employees' defined benefit obligations	710	528
Depreciation of right of use assets	713	962
Share of profit from an associate	(86)	-
Gain on disposal of property, plant and equipment	(107)	(150)
Operating loss before working capital changes	<u>(7,941)</u>	<u>(5,062)</u>
Working capital changes:		
Inventories – net	1,772	11,702
Trade receivables, prepayments and other receivables - net	10,105	13,535
Trade payables and other payables	(824)	(5,229)
Right to use obligation	(497)	(898)
Due to related parties	-	(1,187)
Cash flows from operating activities	<u>2,615</u>	<u>13,063</u>
Zakat paid	(741)	(2,917)
Employees' defined benefits paid	(993)	(1,373)
Net cash generated from operating activities	<u>881</u>	<u>8,773</u>
Investing activities		
Purchase of property, plant and equipment	(5)	(34)
Proceeds from disposal of property, plant and equipment	155	174
Net cash generated from investing activities	<u>150</u>	<u>140</u>
Financing activities		
Loans and borrowings - net movement	(265)	(9,039)
Net cash flows used in financing activities	<u>(265)</u>	<u>(9,039)</u>
Net increase/ (decrease) in cash and cash equivalents	766	(126)
Cash and cash equivalents as at January 01,	859	2,806
Cash and cash equivalents as at March 31,	<u>1,625</u>	<u>2,680</u>

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid



Chair of the Board of Directors

Mr. Monther Mohammed Al Sorayal



Chief Executive Officer

Mr. Ibrahim Mohamed Khalifa



Chief Financial officer

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

1. Corporate information

Naseej International Trading Company (the "Parent Company") is a Saudi Joint Stock Company was established in the Kingdom of Saudi Arabia in accordance with the Ministry of Commerce and Industry's resolution No.523/Q dated 21 Dhul-Hijja 1428H, corresponding to December 31, 2007.

During 2010, the Parent Company offered 9 million shares for public subscription representing 30% of its share capital. Thus, the Parent Company converted to a public joint stock company.

The company is engaged in the import, export, wholesale and retail trade in carpets and rugs, flooring, furniture and furnishings, antiques, office furniture, kitchens, blankets, bed sheets, curtain fabrics and accessories and manufacturing of carpets and tuft according to the Ministry of Industry and Electricity's resolution No 1566/S dated 20 Dhul-Hijja 1420H and manufacturing of industrial yarn from polypropylene, nylon, processed polypropylene treatment and processed nylon (polymide) according to the Ministry of Commerce resolution No 1699/S issued on 27 Dhul-Hijja 1424H and commercial services. Additionally, the Company may invest in other companies. These activities are carried out through the main Commercial Registration No 4030133919 (Unified No. 7018056049) issued on 5 Rabi-Al-Awal 1422 H corresponding to May 28, 2001. In the general assembly meeting held on May 22, 2012, the shareholders resolved to add activities which are to invest in real estate for investment purposes.

During 2012, the board of directors proposed to increase the Parent Company's share capital from ﷲ 300 million to ﷲ 375 million from the retained earnings by issuing right share i.e. one share for every four share owned by the shareholders. The shareholders approved the increase in share capital in their general assembly meeting held on April 01, 2013 and issued the shares on same date. The Parent company's share capital is ﷲ 375 million divided into 37.5 million shares of ﷲ 10 each.

During December 2017, shareholders' in their Extraordinary General Assembly Meeting held on December 28, 2017, decided to amortize the accumulated losses amounted to ﷲ 150 Million, as at September 30, 2017 by capital reduction, and the use of the entire statutory reserve and general reserve. This decision resulted in capital reduction from ﷲ 375 million to ﷲ 225 million and the company's commercial registration amended after capital deduction dated on 7 Jumada-Al-Awal 1439H corresponding to January 24, 2018.

During August 2019, shareholders' in their Extraordinary General Assembly Meeting held on August 28, 2019, decided to amortize the accumulated losses amounted to ﷲ 159.5 million as at June 30, 2019 by capital reduction. This decision resulted in capital reduction from ﷲ 225 million to ﷲ 65.5 million, representing reduction in number of shares from 22.5 million to 6.5 million. Accordingly the company's commercial registration amended after capital reduction dated on 24 Safar 1441H corresponding to October 23, 2019.

Based on the decision of the extraordinary general assembly meeting, held on January 22, 2020, the shareholders decided to increase the capital from ﷲ 65.5 million to ﷲ 178.6 million. Such value of capital increase amounting to ﷲ 112.66 million will be used, as a strategic direction for the group to raise the solvency of the group through the restructuring and the implementation of an action plan focusing on its main activities. On February 16, 2020, the share capital increase procedures were completed, the results of the offering period were announced, regulatory procedures were completed, and the commercial registration was amended with the value of the new capital on February 24, 2020.

The shareholders decided, based on the decision of the extraordinary general assembly, held on 3 Ramadan 1441 H, corresponding to April 26, 2020, agreed to change the name of the company from Al-Sorayai Trading and Industrial Group Company to Naseej International Trading Company. The commercial registration was amended with the new name on May 14, 2020.

The shareholders' in their extra ordinary general assembly meeting, held on December 20, 2020, approved the reduction in share capital from ﷲ 178.6 million to ﷲ 61.6 million by canceling 11.6 million shares representing ﷲ 116.5 million. The reduction of ﷲ 116.5 million was amortized against accumulated losses of the Group. The percentage change in share capital, after the share capital reduction ratio was 65.4%, therefore the reduction rate per share is 1.529 shares.

The shareholders' in their extra ordinary general assembly meeting, held on November 04, 2021, approved the increase in share capital from ﷲ 61.6 million to ﷲ 211.6 million by issuing 15 million shares representing ﷲ 150 million. The percentage change in share capital 243.3% , therefore the increase in rate per share is 2.43 per shares.

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

1. Corporate information (continued)

The Board of Directors decided on March 30, 2022 to recommend to the Extraordinary General Assembly to reduce the company's capital amounting to ﷲ 102,659,000/- for the purpose of amortization of accumulated losses.

The shareholders' in their extra ordinary general assembly meeting, held on July 18, 2022, approved the reduction in share capital from ﷲ 211.6 million to ﷲ 108.9 million by canceling 10.3 million shares representing ﷲ 102.6 million. The reduction of ﷲ 102.6 million was amortized against accumulated losses of the Group. The percentage change in share capital, after the share capital reduction ratio was 48.51%, therefore the reduction rate per share is 1.485 shares.

The main branch is located in Industrial Area 1, Jeddah, Kingdom of Saudi Arabia.

There are two main registered branches for the factories as mentioned below:

Name of the branch	Commercial registration	National Unified Number
Jeddah Industrial Thread Factory	4030115974	7014741388
Al - Sorayai Carpet Factory	4030131014	7006372531

In addition to main branch and two factories, these condensed consolidated interim financial statements includes results, assets and liabilities of 10 other branches

New Companies Law

"The Ministry of Commerce began implementing the new Companies Law on 26 Jumada Al-Akhira 1444H (corresponding to January 19, 2023) ("Implementation Date"), The new Companies Law will replace the old Companies Law issued by Royal Decree No, M/3 dated 28 Muharram 1437H and will nullify any provisions conflicting with it, Accordingly, all existing companies as of the Implementation Date must make the necessary amendments to their Articles of Association to comply with the new Companies Law within two years of the Implementation Date,

The company's management made the necessary amendments to the company's articles of association in accordance with the requirements of the new law,"

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

2. Significant accounting policies

2.1. Statements of compliance

The condensed consolidated interim financial statements for the three months ended March 31, 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted in the Kingdom of Saudi Arabia as well as other standards and announcements endorsed by Saudi Organization for Chartered and Professional Accountant (SOCPA).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2025.

2.2. Basis of preparation

These interim condensed consolidated financial statements have been prepared on the historic cost basis except for the following material items in the condensed consolidated statement of financial position.

- The employees' defined benefit obligation is recognized at the present value of future obligations using the Projected Unit Credit Method.

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, and require management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of the interim condensed consolidated financial statements. These significant estimates and assumptions have been disclosed in the annual consolidated financial statements for the year ended December 31, 2025.

The Group's condensed consolidated interim financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The condensed consolidated interim financial statements are presented in Saudi riyals, which is the functional and presentation currency. The numbers were rounded to the nearest thousand riyals, unless otherwise stated.

2.3. Going concern

The Company incurred accumulated losses as of March 31, 2026, ﷲ 104.76 million (2025: ﷲ 93.96 million), which exceeded 50% of its share capital. Further, the Company's current liabilities exceeded its current assets by ﷲ 41.71 million as at March 31, 2026 (2025: ﷲ 26.03 million). This condition indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. However, various strategic options have been initiated, including a plan to increase the share capital by ﷲ 163.46 through rights issue which was announced on October 23, 2025. The Company has positive operating flow at the date financial position amounting to ﷲ 0.88 million.

Furthermore, management is planning to restructure its asset portfolio, including the potential disposal of certain non-operational assets that do not affect the Company's core operational activities. These measures aim to secure necessary cash flows and strengthen equity

Based on the above, management is satisfied that the company will continue as a going concern for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

2. Significant accounting policies (continued)

2.4. Basis of consolidation

These condensed consolidated interim financial statements includes the financial statement of the Parent company and the following subsidiaries (herein after referred to as "Group").

Name	Main activity	Ownership holding	
		2025	2024
The Home Style Company LLC	Retail trade in carpets, rugs, floors, furniture, blankets, curtain fabrics and accessories	100%	100%
Al Sorayai Company for Operations and Maintenance Ltd.	Maintenance services for factories, governmental and private institutions	100%	100%
Al Sorayai for Projects Company LLC (The activity is suspended)	Government and private project services for furniture, rugs and carpets	100%	100%

Control is achieved when the Company has:

- The ability to control the investee
- The emergence of the company's right to variable returns as a result of its association with the investee
- The ability to use its control to influence investment returns

The company re-evaluates whether it controls any of the investees or not, if the facts and circumstances indicate changes to one or more of the control elements referred to above.

When the voting rights of the company, in any of the investees, are less than the majority of the voting rights in them, the company has control over that investee. When the voting rights are sufficient to give it practical ability to direct the activities related to the investee with a separate manner. The company takes into account all relevant facts and conditions when assessing whether the company has voting rights in the investee to grant it control. These facts and circumstances include:

- The amount of voting rights the group owns in relation to the size and extent of ownership of other voting rights holders
- Potential voting rights owned by the company and other voting rights holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that may indicate that the company has, or does not have, the current ability to direct relevant activities when needed to make decisions, including how to vote at previous shareholders' meetings

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

2. Significant accounting policies (Continued)

2.4. Basis of consolidation (Continued)

The consolidated process of the subsidiary starts when the company can control the subsidiary, while that process is discontinued when the company loses the control over the subsidiary. In particular, revenue and expenses of the acquired or disposed of subsidiary are included during the period in the statement of consolidated profit or loss and the comprehensive income from the date of the control until the date of expiry of control of the company over the subsidiary.

Statement of consolidated profit or loss and all elements of the other comprehensive income are distributed to the shareholders of the company. The total other comprehensive income of the subsidiary is also distributed to the shareholders.

If necessary, adjustments would be made to the financial statements of the subsidiary so as its accounting policies to be in conformity with those used by the group.

All transactions and balances, including assets, liabilities, equity, revenue, expenses and cash flows arising from transactions between the companies of the group upon consolidation are disposed of.

Changes in the group's equity in existing subsidiaries

Changes in the group's ownership in subsidiaries that do not lead to a loss of control are accounted for as equity transactions. The reported values of the group's equity and the non-controlling interests are adjusted to reflect changes in their ownership in the subsidiaries. Any difference between the value of the amendment of non-controlling interests and the fair value of the consideration paid or received is directly included in the equity and is attributable to the shareholders of the company.

When the group loses control of the subsidiary, any profit or loss is recognized in the consolidated income statement and calculated based on the difference between

1. the total fair value of the amount received and the fair value of any retained interest and,
2. the previously recorded book value of the assets (including goodwill), the liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income related to that subsidiary are accounted for as if the group had directly disposed of the assets or liabilities of the subsidiary (i.e. reclassification to profit, loss, or transfer to another classification in equity as specified/permitted) in accordance with international standards for financial reporting.

The fair value of the percentages that are retained from the investment in the previous subsidiary at the date of loss of control is considered as a fair value for the remaining investment upon initial recognition in subsequent periods and is in accordance with IFRS 9, and in the event the company becomes an associate or a joint venture, the fair value is considered as cost for initial recognition of investment in an associate or a joint venture.

2.5. New Standards, Amendments to Standards and Interpretations

There are no new standards issued, however, there are number of amendments to standards which have been explained in Group annual Consolidated Financial Statements, but they do not have a material effect on the Group's Condensed Consolidated Interim Financial Statements.

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

3. Right of use assets and lease obligations

Right to use assets and obligations arising from leases represent the followings:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
3.1 Right of use assets		
At as 1 January	33,834	29,766
Additions during the period/ year	-	6,023
Disposal during the period/ year	-	(1,955)
As at March 31, / December 31	33,834	33,834
Amortization (note 3.1.1)	(24,112)	(23,399)
Right of use asset – net	9,722	10,435
3.1.1 Depreciation of right of use assets		
Accumulated depreciation as at January 01,	23,399	19,460
Depreciation during the period/ year	713	3,939
Accumulated depreciation as at March 31, / December 31	24,112	23,399
3.2. Right of use obligations		
At as 1 January	8,992	7,163
Additions during the period/ year	-	5,131
Lease modifications during the period/ year	-	125
Disposals during the period/ year	-	(358)
Finance charges accrued	205	895
Rent paid during the year	(702)	(3,964)
As at March 31, / December 31	8,495	8,992
Current portion	(2,765)	(2,762)
Non-current portion	5,730	6,230
4. Loans and borrowings		
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Saudi National Bank – SNB	9,698	10,096
Al Rajhi Bank	7,595	8,680
Riyadh Bank	93,678	92,460
Ministry of Finance – MOF	11,499	11,499
Loan and borrowings – total	122,470	122,735
Loans and borrowings – current	(47,332)	(41,202)
Loans and borrowings – non current	75,138	81,533
4.1 Saudi National Bank – SNB		

During the period ended March 31, 2026, there has been non-compliance of certain covenants on outstanding loans and borrowings. Management is under discussion with the bank for waiver and expects such waiver for future periods as per agreement. Accordingly, the loans were not repayable on demand as at March 31, 2026.

4.2 Bank wise financing facilities terms, conditions, purpose, covenants and guarantees has been disclosed in the Group annual Consolidated Financial Statements for the year ended December 31, 2025.

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

5. Loss per share

Loss per share is calculated by dividing net loss over the weighted average to the existing number of shares during the period.

6. Business sector information

As per management's view, the Group's activities are divided into two main activities as follows:

	For the three months period ended		
	March 31, 2026		
	Sales	Cost of sales	Total profit
Flooring	4,109	(7,276)	(3,167)
Non – flooring	738	(774)	(36)
	<u>4,847</u>	<u>(8,050)</u>	<u>(3,203)</u>

	For the three months period ended		
	March 31, 2025		
	Sales	Cost of sales	Total profit
Flooring	23,198	(22,272)	926
Non – flooring	3,049	(2,499)	550
	<u>26,247</u>	<u>(24,771)</u>	<u>1,476</u>

7. Related parties transactions and balances

7.1. Nature of relationship

The Company has undertaken transactions with the following related parties during the period/year.

Name of the related parties	Relationship
Saudi Company for Manufacturing Carpet Materials	Affiliate
Arabian Calcium Carbonate Company Limited	Affiliate
Others	Shareholders

7.2. Significant transactions

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Purchases	-	635
Management benefits paid	804	761
BOD remuneration and executive committees	300	300

7.3. Due to related parties

Saudi Company for Manufacturing Carpets Materials	<u>4,076</u>	<u>4,076</u>
	<u>4,076</u>	<u>4,076</u>

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

(All amounts in Saudi Riyals Thousands unless otherwise stated)

8. Investment in associates and joint ventures

Arabian Calcium Carbonate Production Company	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Capital	5,000	5,000
Long term payment	16,472	16,472
Group share of result as at Jan 01,	(6,445)	(5,280)
Current period / year share of gain / (loss)	86	(1,165)
Group share of result	(6,359)	(6,445)
Balance as at Mar 31, / Dec 31,	15,113	15,027

*The Group owns 52% of the Arabian Calcium Carbonate Production Company (a limited liability Company) was established in Saudi Arabia, with commercial registration number 4030259768 dated 23 Muharram 1435H corresponding to December 6, 2012 and issued from Jeddah. According to the decision of the Extraordinary General Assembly Meeting on January 16, 2017, corresponding to 17 Rabi-Al-Thani 1438H the shareholders have agreed to reduce the percentage contribution of the company from 52% to 25% by entering the company's new shareholder capital increase and therefore the company loses control of the subsidiary. The Article of Association was amended on Rabi-Al-Thani 8, 1441H corresponding to December 5, 2019, and the commercial registration was amended on Rabi-Al-Thani 14, 1441H corresponding to December 12, 2019.

The investment, in Arabian Calcium Carbonate Production Company – 25% shareholding, has been accounted for using equity method of accounting based on management financial statements (un-audited) for the period ended March 31, 2026.

9. Subsequent event

"There have been no significant subsequent events since the year-end that would require disclosure or adjustments in these consolidated financial statements except for The Middle East region has witnessed accelerated geopolitical and security developments that have led to an increased level of instability in certain regional markets.

Management has evaluated these developments in accordance with the requirements of International Accounting Standard (IAS) 10 – "Events after the Reporting Period." Based on this assessment, these events have been determined to be non-adjusting subsequent events, as they arose from conditions that did not exist at the reporting date. Accordingly, no adjustments to the balances or disclosures presented in the financial statements for the period ended March 31, 2026 are required.

Based on the information available up to the date of approval of the financial statements, management has not identified any material indicators that may adversely affect the Company's ability to continue as a going concern. Management will continue to monitor relevant developments and will take appropriate actions if necessary"

10. Approval of financial statements

The Board of Directors of the Group approved the interim unaudited condensed consolidated financial statements on April 30, 2026 (corresponding to Dhul Qadah 13, 1447H).