

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)

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

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

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Report on review of interim condensed consolidated financial statements

To the shareholders of National Industrialization Company
(A 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 September 2025, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period ended 30 September 2025 and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity” as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers

Bader Benmohareb
License Number 471

09 November 2025

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 September 2025 (Unaudited)	As at 31 December 2024 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,191,636	5,435,921
Projects under progress	7	704,220	467,928
Right-of-use assets		143,651	161,325
Intangible assets		165,245	163,193
Investments in equity accounted associates and joint ventures	8	10,531,273	10,750,736
Investments in financial assets designated as FVOCI	15	933,744	961,434
Investments in debt securities		177,230	126,110
Other non-current assets		847,452	787,148
Total non-current assets		18,694,451	18,853,795
Current assets			
Inventories		965,301	847,542
Accounts receivable		1,270,280	1,257,499
Prepayments and other current assets		618,295	841,463
Short term investments		-	486,000
Cash and bank balances	9	2,239,366	4,089,652
Total current assets		5,093,242	7,522,156
Total assets		23,787,693	26,375,951
EQUITY AND LIABILITIES			
Equity			
Share capital		6,689,142	6,689,142
Statutory reserve		668,914	668,914
Treasury shares	12	(25,699)	-
Other reserves		(556,328)	(648,547)
Retained earnings		3,197,583	2,944,669
Equity attributable to the equity holders of Parent		9,973,612	9,654,178
Non-controlling interests		3,064,932	2,364,288
Total equity		13,038,544	12,018,466
Liabilities			
Non-current liabilities			
Long-term borrowings	10	5,110,068	3,979,593
Employee benefits obligations		664,694	605,551
Lease liabilities		135,248	155,100
Other non-current liabilities		1,041,311	1,067,143
Total non-current liabilities		6,951,321	5,807,387
Current liabilities			
Long-term borrowings - current portion	10	361,856	4,675,401
Lease liabilities - current portion		26,591	29,734
Accounts payable		1,189,286	1,511,588
Accruals, provisions and other current liabilities		1,263,948	1,375,603
Zakat and income tax payable	11	956,147	957,772
Total current liabilities		3,797,828	8,550,098
Total liabilities		10,749,149	14,357,485
Total equity and liabilities		23,787,693	26,375,951

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

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

NATIONAL INDUSTRIALIZATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

(All amounts in SR'000 unless otherwise stated)

	Note	For the three month period ended 30 September		For the nine month period ended 30 September	
		2025	2024	2025	2024
Revenue	14	859,665	1,029,251	2,531,227	2,797,722
Cost of revenue		(812,470)	(922,372)	(2,292,620)	(2,576,425)
Gross profit		47,195	106,879	238,607	221,297
Selling and distribution expenses		(54,440)	(48,979)	(165,176)	(146,260)
General and administrative expenses		(106,941)	(111,719)	(310,073)	(310,936)
(Impairment) / reversal of impairment of financial assets, net		(2,825)	(411)	(8,554)	920
Share of (loss) / profit from associates and joint ventures, net	8	(540,053)	190,172	(611,541)	437,446
Operating (loss) / profit		(657,064)	135,942	(856,737)	202,467
Other income, net		57,536	49,723	135,038	113,529
Finance costs		(84,133)	(89,167)	(276,167)	(272,779)
Finance income		43,947	69,308	145,682	202,184
Gain on debt restructuring, net	10	-	-	2,028,980	-
(Loss) / profit before zakat and income tax		(639,714)	165,806	1,176,796	245,401
Zakat and income tax		(61,266)	(50,497)	(154,219)	(153,378)
(Loss) / profit for the period		(700,980)	115,309	1,022,577	92,023
Attributable to:					
Equity holders of Parent		(558,515)	89,045	271,470	69,835
Non-controlling interests		(142,465)	26,264	751,107	22,188
		(700,980)	115,309	1,022,577	92,023
Basic and diluted (loss) / earnings per share (SR)	12				
From (loss) / profit attributable to equity holders of Parent		(0.84)	0.13	0.41	0.10



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)

		For the three month period ended 30 September		For the nine month period ended 30 September	
	Note	2025	2024	2025	2024
(Loss) / profit for the period					
		(700,980)	115,309	1,022,577	92,023
Other comprehensive income / (loss)					
Items that may be reclassified to profit or loss in subsequent periods:					
Cash flow hedge reserve	15	(3,981)	(20,072)	(11,112)	(12,854)
Share of other comprehensive income / (loss) from associates and joint ventures, net	8	21,173	(19,766)	136,122	(15,341)
Total items that may be reclassified to profit or loss in subsequent periods		17,192	(39,838)	125,010	(28,195)
Items that will not be reclassified to profit or loss in subsequent periods:					
Gain / (loss) from investments in financial assets designated as FVOCI	15	64,471	52,235	(24,477)	(38,887)
Share of other comprehensive income from associates and joint ventures, net		713	80,475	1,767	62,009
Total items that will not be reclassified to profit or loss in subsequent periods		65,184	132,710	(22,710)	23,122
Total other comprehensive income / (loss) for the period		82,376	92,872	102,300	(5,073)
Total comprehensive (loss) / income for the period		(618,604)	208,181	1,124,877	86,950
Attributable to:					
Equity holders of Parent		(480,660)	169,266	345,133	55,059
Non-controlling interests		(137,944)	38,915	779,744	31,891
		(618,604)	208,181	1,124,877	86,950


Chief Financial Officer



Chief Executive Officer


Authorized Board Member

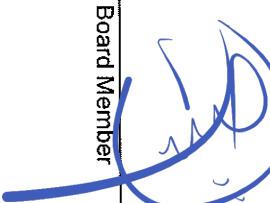
The accompanying notes from (1) to (19) form an integral part of these interim condensed consolidated financial statements.

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

	Equity attributable to the equity holders of Parent						Non-	
	Share capital	Statutory reserve	Treasury shares	Other reserves	Retained earnings	Total	controlling interests	Total equity
As at 1 January 2024 (Audited)	6,689,142	1,574,243	-	(523,344)	1,909,478	9,649,519	2,538,599	12,188,118
Profit for the period	-	-	-	-	69,835	69,835	22,188	92,023
Other comprehensive (loss) / income	-	-	-	(14,776)	-	(14,776)	9,703	(5,073)
Total comprehensive (loss) / income for the period	-	-	-	(14,776)	69,835	55,059	31,891	86,950
Transfer from statutory reserve	-	(905,329)	-	-	905,329	-	-	-
As at 30 September 2024 (Unaudited)	6,689,142	668,914	-	(538,120)	2,884,642	9,704,578	2,570,490	12,275,068
As at 1 January 2025 (Audited)	6,689,142	668,914	-	(648,547)	2,944,669	9,654,178	2,364,288	12,018,466
Profit for the period	-	-	-	-	271,470	271,470	751,107	1,022,577
Other comprehensive income	-	-	-	73,663	-	73,663	28,637	102,300
Total comprehensive income for the period	-	-	-	73,663	271,470	345,133	779,744	1,124,877
Purchase of treasury shares (note 12)	-	-	(25,699)	-	-	(25,699)	-	(25,699)
Transfer on disposal of investment at FVOCI	-	-	-	18,556	(18,556)	-	-	-
Dividend paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	(79,100)	(79,100)
As at 30 September 2025 (Unaudited)	6,689,142	668,914	(25,699)	(556,328)	3,197,583	9,973,612	3,064,932	13,038,544


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

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

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

		For the nine month period ended 30 September	
		2025	2024
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat and income tax		1,176,796	245,401
Adjustments for:			
Depreciation and amortization		298,164	191,286
Right-of-use assets depreciation		22,396	16,983
Amortization of deferred settlement income		(13,844)	(14,201)
Share of loss / (profit) from equity accounted associates and joint ventures, net		611,541	(437,446)
Provision for slow moving inventories		22,673	4,073
Impairment / (reversal) of financial assets, net		8,554	(920)
Employee benefits expenses		44,004	20,698
Income on debt securities		-	(5,494)
Finance costs		276,167	272,779
Finance income		(145,682)	(202,184)
Gain on debt restructuring, net	10	(2,028,980)	-
Changes in operating assets and liabilities:			
Other non-current assets		19,188	24,399
Inventories		(140,432)	(25,103)
Accounts receivable		(60,046)	(386,878)
Prepayments and other current assets		180,807	(265,829)
Other non-current liabilities		(33,782)	(39,984)
Accounts payable		(322,302)	740,068
Accruals, provisions and other current liabilities		(11,255)	16,946
Cash (used in) / generated from operations		(96,033)	154,594
Employee benefits paid		(18,329)	(32,764)
Zakat and income tax paid		(160,787)	(108,060)
Net cash (used in) / generated from operating activities		(275,149)	13,770
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(36,019)	(46,209)
Additions to projects under progress		(228,695)	(78,301)
Additions to intangible assets		(19,504)	(9,717)
Investments in debt securities		(50,000)	-
Short term investments		486,000	19,000
Finance income received		127,020	165,715
Dividends received from associates and joint ventures		46,403	631,133
Movement in restricted cash		302,244	-
Additions to long term interests in joint ventures		(298,110)	(331,614)
Net cash generated from investing activities		329,339	350,007
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		(1,148,260)	(190,393)
Finance costs paid		(257,877)	(216,441)
Payment of principal portion of lease liabilities		(34,745)	(21,862)
Repayment of loan to related party		(56,551)	-
Dividend paid by subsidiaries to non-controlling interests		(79,100)	-
Purchase of treasury shares	12	(25,699)	-
Net cash used in financing activities		(1,602,232)	(428,696)
Net change in cash and cash equivalents		(1,548,042)	(64,919)
Cash and cash equivalents at beginning of the period – unrestricted		3,787,408	3,630,930
Cash and cash equivalents at end of the period – unrestricted	9	2,239,366	3,566,011
Refer note 17 for non-cash transactions.			

Refer note 17 for non-cash transactions.

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

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

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

1. STATUS AND NATURE OF ACTIVITIES

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

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

2. BASIS OF PREPARATION

(i) Statement of Compliance

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

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

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

(ii) Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES

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

Amendments to IAS 21 - Lack of Exchangeability

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

4. USE OF CRITICAL ESTIMATES AND JUDGMENTS

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

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

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

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

6. PROPERTY, PLANT AND EQUIPMENT

During the nine month period ended 30 September 2025, the Group made additions to property, plant, and equipment with a cost of SR 36.1 million (nine month period ended 30 September 2024: SR 46.2 million).

7. PROJECTS UNDER PROGRESS

Projects under progress mainly represent costs related to an ilmenite smelting complex in Jazan (the "Slagger") producing high quality chloride slag, slag fines, basic and high purity pig iron and certain costs for expansion of production lines, safety and environmental improvement costs. During the nine month period ended 30 September 2025, additions to projects under progress amounted to SR 236.7 million (nine month period ended 30 September 2024: SR 87.7 million). Also refer notes 13.3 and 17.

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

8. INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES AND JOINT VENTURES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Investments in associates	1,811,851	2,516,360
Investments in joint ventures	8,719,422	8,234,376
	10,531,273	10,750,736

Share of net loss from associates and joint ventures during nine month period ended 30 September 2025, includes share of losses from an associate Tronox Holdings plc., amounting to SR 798 million primarily attributable to the restructuring and other charges in respect of idling of one of its facilities and an impairment charge recorded in respect of this investment. The share of other comprehensive income from associates and joint ventures mainly includes exchange gain due to foreign currency translation differences.

The value of the Group's investment in Tronox based on the closing share price as at 30 September 2025 was SR 566.5 million (31 December 2024: SR 1,419.1 million). In compliance with the requirements of applicable accounting standards, due to fluctuation in share price, the Group has performed an impairment assessment of its investment in Tronox by comparing the carrying value with value in use using discounted cash flow model, which resulted in an impairment loss amounting to SR 464 million (2024: Nil). Key assumptions used in the analysis include a discount rate of 9.25%, terminal growth rate of 2% and EBITDA margins, which have been estimated based on third parties' forecasts for the industry and consideration of historical results. Management believes that a 1% change in the discount rate and growth rate or a reasonable range of increase or decrease in any of the other assumptions used for cash flow projections, individually, would change the outcome of the impairment analysis for the Group's investment in Tronox.

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

9. CASH AND BANK BALANCES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Short-term deposits and Murabaha	1,942,221	3,365,190
Bank balances – unrestricted	297,145	422,218
Cash and cash equivalents – unrestricted	2,239,366	3,787,408
Bank balances – restricted	-	302,244
	2,239,366	4,089,652

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

10. LONG-TERM BORROWINGS

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

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Saudi Industrial Development Fund	10.1	1,194,094	1,491,777
Commercial banks	10.2	5,070,659	6,932,605
Total loans		6,264,753	8,424,382
Add: Accrued finance cost	10.2	31,872	297,452
Less: Unamortized finance cost	10.2	(824,701)	(66,840)
		5,471,924	8,654,994
Less: Long-term borrowings – current portion	10.1 & 10.2	(361,856)	(4,675,401)
Total non-current loans		5,110,068	3,979,593

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

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

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

During the period ended 30 September 2025, the Group has signed an amendment letter with the commercial lender for the loan amounting to SR 2 billion previously classified under current liabilities to extend the final maturity date to November 2026. Moreover, the Group's management has also initiated discussions with commercial lender to refinance this loan for an extended payment profile and mutually agreed loan terms which are under progress.

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

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

11. ZAKAT AND INCOME TAX PAYABLE

The Company and its 100% owned subsidiaries have filed consolidated zakat returns with Zakat, Tax and Customs Authority ("ZATCA") up to the years ended 31 December 2024 and finalized its status with ZATCA for the periods up to 2022. Non-wholly owned subsidiaries in KSA file their Zakat and income tax returns individually. Some of these subsidiaries have received initial assessments for several years from the ZATCA, raising additional liability amounting to SR 51 million (31 December 2024: SR 75 million). The subsidiaries have submitted appeals against these assessments which are still under review. Management believes sufficient provisions are recorded by the Group wherever necessary and no additional material liability is likely to arise from open assessments, once finalized.

12. SHARE CAPITAL AND BASIC AND DILUTED EARNINGS PER SHARE

The shareholders of Tasnee, during the 22nd Extraordinary General Assembly meeting held on 11 May 2025 corresponding to 13 Dhu al-Qidah 1446H), approved the purchase up to 66,891,416 shares of the Company to be held as treasury shares. During the three month and nine month periods ended 30 September 2025, the Company executed a buyback of 2,542,100 of its own shares from the open market. The total consideration paid for the buyback of shares amounted to SR 25.7 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.

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 excluding the impact of weighted average treasury shares. For the three months ended and nine months ended 30 September 2025, the weighted average of the shares was 667,707 thousand shares and 668,507 thousand shares respectively 30 September 2024: 668,914 thousand shares).

13. RELATED PARTIES TRANSACTIONS AND BALANCES

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

13.1 Trading transactions

The following are the significant related party transactions:

	Sale of goods and services		Purchase of goods and services	
	For the nine month period ended		For the nine month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Associates	149,145	232,088	-	-
Joint ventures	222,450	418,429	439,233	1,079,638
Others	21,983	16,117	-	-

13.2 Amounts due from / to related parties

The following balances were outstanding as at 30 September 2025:

	Due from related parties			Due to related parties		
	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
<u>Current</u>						
Trade	30,157	114,976	145,133	-	887,959	887,959
Other non-trade	805	149,244	150,049	-	-	-
Loans	-	-	-	-	57,673	57,673
	30,962	264,220	295,182	-	945,632	945,632
<u>Non-current</u>						
Loans	-	594,877	594,877	-	140,637	140,637
Total	30,962	859,097	890,059	-	1,086,269	1,086,269

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13. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

13.2 Amounts due from / to related parties (continued)

The following balances were outstanding as at 31 December 2024:

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

13.3 Other related party transactions and balances

- An amount of SR 298.1 million (nine month period ended 30 September 2024: SR 331.6 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 September 2025 amounting to SR 95.1 million (31 December 2024: SR 116 million).
- Loans from non-controlling interests as at 30 September 2025 amount to SR 361.8 million (31 December 2024: SR 354 million). Interest expense for the nine month period ended 30 September 2025 amounts to SR 7.9 million (nine month period ended 30 September 2024: SR 8.1 million).
- Liabilities relating to research and development contribution from joint ventures as at 30 September 2025 amounts to SR 542.5 million (31 December 2024: SR 535.3 million). Contribution received during the nine month period ended 30 September 2025 amounts to SR 88.7 million (nine month period ended 30 September 2024: SR 100.1 million).
- Net deferred obligation pertaining to the sale of MGT as at 30 September 2025 amounts to SR 334.1 million (31 December 2024: SR 324.6 million).
- Finance income on loans to related parties for the nine month period ended 30 September 2025 amounts to SR 36.1 million (nine month period ended 30 September 2024: SR 35.6 million).
- For the nine month period ended 30 September 2025, sales to Tronox of feedstock material produced by the Slagger amounted to SR 149.1 million (nine month period ended 30 September 2024: SR 232.1 million).
- For the nine month period ended 30 September 2025, repayments of the Tronox loan totaled SR 98.5 million (30 September 2024: SR 174.1 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 nine month period ended 30 September 2025 amounts to SR 17.4 million (nine month period ended 30 September 2024: SR 14.4 million).

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14. SEGMENT INFORMATION

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

	Metallurgy	Petrochemicals	Downstream & Others	Total
For the nine month period ended 30 September 2025 (Unaudited)				
Sale of goods	262,868	1,133,604	913,026	2,309,498
Rendering of services	-	-	133,285	133,285
Others	-	87,199	1,245	88,444
Total segment revenue	262,868	1,220,803	1,047,556	2,531,227
Segment expenses	437,023	1,259,959	1,079,441	2,776,423
Share of (loss) / profit from associates and joint ventures, net	(797,876)	186,936	(601)	(611,541)
Depreciation and amortization	35,804	187,807	96,949	320,560
Segment EBITDA	(919,315)	342,566	175,610	(401,139)
For the nine month period ended 30 September 2024 (Unaudited)				
Sale of goods	288,984	1,357,728	894,283	2,540,995
Rendering of services	-	-	130,028	130,028
Others	-	112,075	14,624	126,699
Total segment revenue	288,984	1,469,803	1,038,935	2,797,722
Segment expenses	477,818	1,498,685	1,056,198	3,032,701
Share of (loss) / profit from associates and joint ventures, net	(76,294)	521,764	(8,024)	437,446
Depreciation and amortization	35,551	83,327	89,391	208,269
Segment EBITDA	(229,564)	567,607	186,222	524,265

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

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

	Metallurgy	Petrochemicals	Downstream & Others	Total
As at 30 September 2025 (Unaudited)				
Segment assets	4,601,022	14,093,320	5,093,351	23,787,693
Segment liabilities	2,176,624	2,939,020	5,633,505	10,749,149
Investments in equity accounted associates and joint ventures	1,688,281	8,719,422	123,570	10,531,273
As at 31 December 2024 (Audited)				
Segment assets	5,021,612	15,225,069	6,129,270	26,375,951
Segment liabilities	1,977,217	5,730,501	6,649,767	14,357,485
Investments in equity accounted associates and joint ventures	2,390,546	8,234,376	125,814	10,750,736

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15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

Nature of financial instrument	Carrying value	Level 1	Level 2	Level 3
As at 30 September 2025				
Investments in quoted equity shares	631,546	631,546	-	-
Investments in unquoted equity shares	302,198	-	-	302,198
	933,744	631,546	-	302,198
Interest rate swap	11,995	-	11,995	-
	945,739	631,546	11,995	302,198
As at 31 December 2024				
Investments in quoted equity shares	634,896	634,896	-	-
Investments in unquoted equity shares	326,538	-	-	326,538
	961,434	634,896	-	326,538
Interest rate swap	23,107	-	23,107	-
	984,541	634,896	23,107	326,538

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

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

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

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

15.1 Transfers between levels

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

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16. COMMITMENTS AND CONTINGENCIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
16.1 Capital and purchase commitments:		
Capital commitments for projects under progress and purchase of property, plant and equipment	166,347	150,966
16.2 Letters of Guarantees:		
Letters of guarantees issued by banks on behalf of the Group	48,205	48,142
16.3 Letters of Credit:		
Letters of credit issued by banks in favor of the Group	61,683	35,130
16.4	Additionally, the Group has issued corporate guarantee amounted to SR 727.9 million (31 December 2024: SR 758.4 million) to lender against loan obtained by a joint venture.	

17. NON-CASH TRANSACTIONS

Following non-cash transactions were recorded during the nine month period ended 30 September 2025:

- (i) The transfer of SR 0.4 million (nine month period ended 30 September 2024: SR 31.7 million) from projects under progress to property, plant and equipment and intangible assets.
- (ii) Finance costs amounting to SR 8.1 million (nine month period ended 30 September 2024: SR 9.4 million) were capitalized as part of projects under progress.
- (iii) Additions to right-of-use assets and lease liabilities of SR 4.7 million (nine month period ended 30 September 2024: SR 2.7 million).
- (iv) Loss of SR 24.5 million (nine month period ended 30 September 2024: SR 38.9 million) was recognized in respect of investments in financial assets designated as FVOCI.
- (v) Receivable under forward sale agreement amounting to SR 57.3 million (nine month period ended 30 September 2024: nil) was transferred from prepayments and other current assets to other non-current assets based on revised settlement period.
- (vi) Tronox loan amounting to SR 41.9 million (nine month period ended 30 September 2024: SR 174.1 million) was settled against the receivable in respect to chloride slag sales to Tronox.

18. EVENTS AFTER THE REPORTING DATE

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

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved from the Board of Directors on 09 November 2025.