

**NATIONAL INDUSTRIALIZATION COMPANY**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**NATIONAL INDUSTRIALIZATION COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**

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## *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 31 March 2026 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended 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**

Bader I. Benmohareb  
License Number 471

**10 May 2026**

**[www.pwc.com](http://www.pwc.com)**

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

	Note	As at 31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	2,812,311	2,866,424
Projects under progress	7	78,835	67,660
Right-of-use assets		87,955	94,125
Intangible assets		181,411	165,714
Investments in equity accounted associates and joint ventures	8	9,712,568	10,051,394
Investments in financial assets designated as FVOCI	15	1,012,012	987,112
Investments in debt securities		177,160	176,202
Other non-current assets		960,029	892,464
<b>Total non-current assets</b>		<b>15,022,281</b>	<b>15,301,095</b>
<b>Current assets</b>			
Inventories		740,915	801,209
Accounts receivable		748,282	996,274
Prepayments and other current assets		557,669	600,099
Cash and bank balances	9	1,868,909	2,018,200
<b>Total current assets</b>		<b>3,915,775</b>	<b>4,415,782</b>
Assets classified as held for sale	5	1,101,806	1,102,343
<b>Total assets</b>		<b>20,039,862</b>	<b>20,819,220</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		6,689,142	6,689,142
Statutory reserve		668,914	668,914
Treasury shares		(53,188)	(49,315)
Other reserves		(508,498)	(512,134)
Retained earnings		688,821	1,030,132
<b>Equity attributable to the equity holders of Parent</b>		<b>7,485,191</b>	<b>7,826,739</b>
Non-controlling interests		2,176,840	2,329,460
<b>Total equity</b>		<b>9,662,031</b>	<b>10,156,199</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	10	3,008,656	2,996,368
Employee benefits obligations		673,967	658,997
Lease liabilities		126,513	128,387
Other non-current liabilities		873,955	878,238
<b>Total non-current liabilities</b>		<b>4,683,091</b>	<b>4,661,990</b>
<b>Current liabilities</b>			
Long-term borrowings - current portion	10	2,380,518	2,373,556
Lease liabilities - current portion		25,859	25,768
Accounts payable		744,415	1,034,602
Accruals, provisions and other current liabilities		1,253,541	1,293,341
Zakat and income tax payable	11	916,177	885,096
<b>Total current liabilities</b>		<b>5,320,510</b>	<b>5,612,363</b>
Liabilities relating to assets classified as held for sale	5	374,230	388,668
<b>Total liabilities</b>		<b>10,377,831</b>	<b>10,663,021</b>
<b>Total equity and liabilities</b>		<b>20,039,862</b>	<b>20,819,220</b>

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 31 March	
		2026	2025
<b>Continuing Operations</b>			
Revenue	14	495,035	648,243
Cost of revenue		(515,100)	(613,984)
<b>Gross (loss) / profit</b>		<b>(20,065)</b>	<b>34,259</b>
Selling and distribution expenses		(37,511)	(37,236)
General and administrative expenses		(72,967)	(91,185)
Impairment of financial assets		(768)	(1,592)
Share of loss from associates and joint ventures	8	(299,081)	(68,761)
<b>Operating loss</b>		<b>(430,392)</b>	<b>(164,515)</b>
Other income, net		16,502	34,503
Finance costs		(89,788)	(115,780)
Finance income		36,940	51,817
Gain on debt restructuring, net	10	-	2,028,980
<b>(Loss) / profit before zakat and income tax from continuing operations</b>		<b>(466,738)</b>	<b>1,835,005</b>
Zakat and income tax		(35,305)	(36,024)
<b>(Loss) / profit from continuing operations</b>		<b>(502,043)</b>	<b>1,798,981</b>
<b>Discontinued operations</b>			
Profit for the period from discontinued operations	5	13,901	12,638
<b>(Loss) / profit for the period</b>		<b>(488,142)</b>	<b>1,811,619</b>
<b>Attributable to:</b>			
Equity holders of Parent		(341,311)	895,808
Non-controlling interests		(146,831)	915,811
		<b>(488,142)</b>	<b>1,811,619</b>
<b>Basic and diluted earnings / (loss) per share (SR)</b>			
(Loss) / profit attributable to equity holders of Parent	12	(0.51)	1.34
(Loss) / profit from continuing operations attributable to equity holders of Parent		(0.53)	1.32

  
 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 31 March	
		2026	2025
Loss for the period		(488,142)	1,811,619
Other comprehensive income / (loss)			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Cash flow hedge reserve	15	-	(3,399)
Share of other comprehensive (loss) / income from associates and joint ventures, net	8	(25,118)	40,305
<b>Total items that may be reclassified to profit or loss in subsequent periods</b>		<b>(25,118)</b>	<b>36,906</b>
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Profit / (loss) from investments in financial assets designated as FVOCI	15	24,900	(94,542)
Share of other comprehensive (loss) / income from associates and joint ventures, net		(1,935)	424
<b>Total items that will not be reclassified to profit or loss in subsequent periods</b>		<b>22,965</b>	<b>(94,118)</b>
<b>Total other comprehensive loss for the period</b>		<b>(2,153)</b>	<b>(57,212)</b>
<b>Total comprehensive (loss) / income for the period</b>		<b>(490,295)</b>	<b>1,754,407</b>
<b>Attributable to:</b>			
Equity holders of Parent		(337,675)	830,230
Non-controlling interests		(152,620)	924,177
		<b>(490,295)</b>	<b>1,754,407</b>

  
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Chief Financial Officer


  
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Chief Executive Officer

  
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Authorized Board Member

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**NATIONAL INDUSTRIALIZATION COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**  
 (All amounts in SR'000 unless otherwise stated)

	Equity attributable to the equity holders of Parent					Total	Non-controlling interests	Total equity
	Share capital	Statutory reserve	Treasury Shares	Other reserves	Retained earnings			
<b>As at 1 January 2025 (Audited)</b>	6,689,142	668,914	-	(648,547)	2,813,938	9,523,447	2,245,019	11,768,466
Profit for the period	-	-	-	-	895,808	895,808	915,811	1,811,619
Other comprehensive (loss) / income	-	-	-	(65,578)	-	(65,578)	8,366	(57,212)
Total comprehensive (loss) / income for the period	-	-	-	(65,578)	895,808	830,230	924,177	1,754,407
<b>As at 31 March 2025 (Unaudited)</b>	6,689,142	668,914	-	(714,125)	3,709,746	10,353,677	3,169,196	13,522,873
<b>As at 1 January 2026 (Audited)</b>	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	-	-	-	-	(341,311)	(341,311)	(146,831)	(488,142)
Other comprehensive income / (loss)	-	-	-	3,636	-	3,636	(5,789)	(2,153)
Total comprehensive income / (loss) for the period	-	-	-	3,636	(341,311)	(337,675)	(152,620)	(490,295)
Purchase of treasury shares	-	-	(3,873)	-	-	(3,873)	-	(3,873)
<b>As at 31 March 2026 (Unaudited)</b>	6,689,142	668,914	(53,188)	(508,498)	688,821	7,485,191	2,176,840	9,662,031

  
 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.

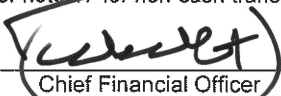
**NATIONAL INDUSTRIALIZATION COMPANY**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

(All amounts in SR'000 unless otherwise stated)

	Note	For the three month period ended	
		31 March	
		2026	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before zakat and income tax			
- from continuing operations		(466,738)	1,835,005
- from discontinued operations	5	14,861	13,668
<b>Adjustments for:</b>			
Depreciation and amortization		62,136	98,331
Right-of-use assets depreciation		6,387	7,067
Amortization of deferred settlement income		(4,330)	(4,162)
Share of loss from equity accounted associates and joint ventures, net		299,081	68,761
(Reversal) / provision for slow moving inventories		(8,227)	4,671
Impairment of financial assets, net		4,582	2,515
Employee benefits expenses		12,468	20,568
Finance costs		89,835	115,981
Finance income		(37,942)	(52,554)
Gain on debt restructuring, net	10	-	(2,028,980)
<b>Changes in operating assets and liabilities:</b>			
Other non-current assets		5,929	3,288
Inventories		68,781	(62,739)
Accounts receivable		259,154	(58,663)
Prepayments and other current assets		51,950	159,296
Other non-current liabilities		(12,080)	(12,463)
Accounts payable		(296,378)	(69,709)
Accruals, provisions and other current liabilities		(46,129)	(62,930)
<b>Cash generated from / (used in) operations</b>		<b>3,340</b>	<b>(23,049)</b>
Employee benefits paid		(7,926)	(3,448)
Zakat and income tax paid		(4,224)	(90,881)
<b>Net cash used in operating activities</b>		<b>(8,810)</b>	<b>(117,378)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(1,588)	(4,729)
Additions to projects under progress		(31,519)	(138,405)
Additions to intangible assets		(5,419)	(1,092)
Investments in debt securities		-	(50,000)
Short term investments		-	486,000
Finance income received		21,789	44,249
Dividends received from associates and joint ventures		11,790	17,616
Movement in restricted cash		-	302,244
Additions to long term interests in joint ventures		(61,000)	(152,840)
<b>Net cash (used in) / generated from investing activities</b>		<b>(65,947)</b>	<b>503,043</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term borrowings		-	(995,821)
Finance costs paid		(60,082)	(100,402)
Payment of principal portion of lease liabilities		(4,062)	(8,101)
Repayment of loan to related party		-	(56,551)
Purchase of treasury shares		(3,873)	-
<b>Net cash used in financing activities</b>		<b>(68,017)</b>	<b>(1,160,875)</b>
<b>Net change in cash and cash equivalents</b>		<b>(142,774)</b>	<b>(775,210)</b>
Cash and cash equivalents at beginning of the period – unrestricted		2,144,524	3,787,408
<b>Cash and cash equivalents at end of the period – unrestricted</b>	5 & 9	<b>2,001,750</b>	<b>3,012,198</b>
<b>Cash and cash equivalents</b>	5	<b>1,868,909</b>	<b>3,012,198</b>
<b>Cash and cash equivalents (included in assets held for sale)</b>	9	<b>132,841</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>2,001,750</b>	<b>3,012,198</b>

Refer note 17 for non-cash transactions.

  
 Chief Financial Officer

  
 Chief Executive Officer

  
 Authorized Board Member

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**NATIONAL INDUSTRIALIZATION COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**  
(All amounts in SR'000 unless otherwise stated)

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**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.

**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 31 March 2026, the Group’s current liabilities exceeded its current assets by SR 1,404.7 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 period ended 31 March 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 interim condensed 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.

**NATIONAL INDUSTRIALIZATION COMPANY  
(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(All amounts in SR'000 unless otherwise stated)

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**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).

**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 31 March 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 31 March 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 three-month period ended 31 March 2026.

**NATIONAL INDUSTRIALIZATION COMPANY**  
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**  
(All amounts in SR'000 unless otherwise stated)

**5. DISCONTINUED OPERATIONS (continued)**

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

	<b>31 March 2026</b> <b>(Unaudited)</b>	31 March 2025 <b>(Unaudited)</b>
Revenue	<b>175,483</b>	214,407
Cost of revenue	<b>(135,861)</b>	(179,359)
<b>Gross profit</b>	<b>39,622</b>	35,048
Operating and other expenses	<b>(25,716)</b>	(21,916)
Finance income, net	<b>955</b>	536
<b>Profit before zakat from discontinued operations</b>	<b>14,861</b>	13,668
Zakat	<b>(960)</b>	(1,030)
<b>Profit for the period from discontinued operations</b>	<b>13,901</b>	12,638
<b>Attributable to:</b>		
Equity holders of parent	<b>13,901</b>	12,638
<b>Basic and diluted earnings per share (SR)</b>		
For profit from discontinued operations	<b>0.02</b>	0.02

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

	<b>31 March 2026</b> <b>(Unaudited)</b>	31 March 2025 <b>(Unaudited)</b>
Net cash inflow from operating activities	<b>31,494</b>	42,025
Net cash used in investing activities	<b>(2,629)</b>	(2,292)
Net cash used in financing activities	<b>(81)</b>	(19,678)
<b>Net increase in cash and cash equivalents</b>	<b>28,784</b>	20,055

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

	<b>31 March</b> <b>2026</b> <b>(Unaudited)</b>	31 December 2025 <b>(Audited)</b>
<b>Assets classified as held for sale</b>		
Property, plant and equipment, project under progress, right-of-use assets and intangible assets	<b>603,731</b>	600,100
Inventories	<b>135,367</b>	135,627
Accounts receivable	<b>203,503</b>	219,247
Prepayments and other current assets	<b>26,364</b>	21,045
Cash and bank balances	<b>132,841</b>	126,324
<b>Total assets</b>	<b>1,101,806</b>	1,102,343
<b>Liabilities related to assets classified as held for sale</b>		
Employee benefits obligations	<b>42,153</b>	40,671
Other current and non-current liabilities	<b>202,431</b>	212,160
Accounts payable	<b>129,646</b>	135,837
<b>Total liabilities</b>	<b>374,230</b>	388,668
<b>Net assets</b>	<b>727,576</b>	713,675

**NATIONAL INDUSTRIALIZATION COMPANY**  
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**  
(All amounts in SR'000 unless otherwise stated)

**6. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

During the three month period ended 31 March 2026, the Group made additions to property, plant, and equipment with a cost of SR 1.5 million (three month period ended 31 March 2025: SR 4.7 million). Also refer note 17.

**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 three month period ended 31 March 2026, additions to projects under progress amounted to SR 28 million (three month period ended 31 March 2025: SR 141.1 million). 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**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
Investments in associates	<b>1,509,261</b>	1,663,360
Investments in joint ventures	<b>8,203,307</b>	8,388,034
	<b>9,712,568</b>	10,051,394

Share of net loss from associates and joint ventures for three month period ended 31 March 2026, is primarily attributable to the operational losses and restructuring costs related to the idling of certain plants for one of the associates amounting to SR 112.9 million, along with the delay in completion of the expansion project and the scheduled periodic maintenance activities for one of the joint ventures.

The value of the Group's investment in Tronox based on the closing share price as at 31 March 2026 was SR 1,376.8 million (31 December 2025: SR 587.7 million).

**9. CASH AND BANK BALANCES**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
Short-term deposits and Murabaha	<b>1,595,917</b>	1,785,778
Bank balances	<b>272,992</b>	232,422
<b>Cash and cash equivalents (excluding cash and cash equivalents in assets held for sale)</b>	<b>1,868,909</b>	2,018,200

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**10. LONG-TERM BORROWINGS**

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

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Saudi Industrial Development Fund	10.1	1,190,411	1,190,411
Commercial banks	10.2	4,968,182	4,968,182
<b>Total loans</b>		<b>6,158,593</b>	<b>6,158,593</b>
Add: Accrued finance cost	10.2	30,503	23,542
Less: Unamortized finance cost	10.2	(799,922)	(812,211)
		<b>5,389,174</b>	<b>5,369,924</b>
Less: Long-term borrowings – current portion		(2,380,518)	(2,373,556)
<b>Total non-current loans</b>		<b>3,008,656</b>	<b>2,996,368</b>

**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 have been signed 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 three month period ended 31 March 2025.

**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.

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**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 31 March 2026 (31 March 2025: 668,914 thousand shares). During the three month period ended 31 March 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 53.2 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:

	<b>Sale of goods and services</b>		<b>Purchase of goods and services</b>	
	<b>For the three month period ended</b>		<b>For the three month period ended</b>	
	<b>31 March 2026</b>	<b>31 March 2025</b>	<b>31 March 2026</b>	<b>31 March 2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Associates	<b>26,066</b>	67,540	-	-
Joint ventures	<b>25,952</b>	46,748	<b>51,595</b>	69,054
Others	<b>3,681</b>	7,267	-	-

**13.2 Amounts due from / to related parties**

The following balances were outstanding as at 31 March 2026:

	<b>Due from related parties</b>			<b>Due to related parties</b>		
	<b>Associates</b>	<b>Joint Ventures</b>	<b>Total</b>	<b>Associates</b>	<b>Joint Ventures</b>	<b>Total</b>
<b>Current</b>						
Trade	<b>19,984</b>	<b>39,692</b>	<b>59,676</b>	-	<b>543,102</b>	<b>543,102</b>
Other non-trade	<b>403</b>	<b>87,861</b>	<b>88,264</b>	-	-	-
Loans	-	-	-	-	<b>54,980</b>	<b>54,980</b>
	<b>20,387</b>	<b>127,553</b>	<b>147,940</b>	-	<b>598,082</b>	<b>598,082</b>
<b>Non-current</b>						
Loans	-	<b>746,870</b>	<b>746,870</b>	-	<b>128,255</b>	<b>128,255</b>
Total	<b>20,387</b>	<b>874,423</b>	<b>894,810</b>	-	<b>726,337</b>	<b>726,337</b>

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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 2025:

	Due from related parties			Due to related parties		
	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
<b>Current</b>						
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
<b>Non-current</b>						
Loans	-	673,376	673,376	-	139,008	139,008
<b>Total</b>	<b>15,195</b>	<b>925,329</b>	<b>940,524</b>	<b>-</b>	<b>1,042,354</b>	<b>1,042,354</b>

**13.3 Other related party transactions and balances**

- An amount of SR nil (three month period ended 31 March 2025: SR 152.8 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 31 March 2026 amounting to SR 75.5 million (31 December 2025: SR 70.1 million).
- Loans from non-controlling interests as at 31 March 2026 amount to SR 367.5 million (31 December 2025: SR 364.6 million). Interest expense for the three month period ended 31 March 2026 amounts to SR 2.8 million (three month period ended 31 March 2025: SR 2.8 million).
- Liabilities relating to research and development contribution from joint ventures as at 31 March 2026 amount to SR 528.8 million (31 December 2025: SR 524.7 million). Contribution received during the three month period ended 31 March 2026 amounts to SR 16.1 million (three month period ended 31 March 2025: SR 30.1 million).
- Net deferred obligation pertaining to the sale of MGT as at 31 March 2026 amounts to SR 357.8 million (31 December 2025: SR 354.2 million).
- Finance income on loans to related parties for the three month period ended 31 March 2026 amounts to SR 13.2 million (three month period ended 31 March 2025: SR 8.8 million).
- For the three month period ended 31 March 2026, sales to Tronox of feedstock material produced by the Slagger amounted to SR 26.1 million (three month period ended 31 March 2025: SR 67.5 million).
- For the three month period ended 31 March 2026, repayments of the Tronox loan totaled SR nil (31 March 2025: SR 98 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 three month period ended 31 March 2026 amounts to SR 7.6 million (three month period ended 31 March 2025: SR 6.9 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 three month period ended 31 March 2026 and 2025 by operating segments, are as follows:

	<b>Metallurgy</b>	<b>Petrochemicals</b>	<b>Downstream &amp; Others</b>	<b>Continuing operations</b>
<b>For the three month period ended 31 March 2026</b>				
Sale of goods	90,307	274,751	85,747	450,805
Rendering of services	-	-	41,743	41,743
Others	-	2,449	38	2,487
<b>Total segment revenue</b>	<b>90,307</b>	<b>277,200</b>	<b>127,528</b>	<b>495,035</b>
Segment expenses	(141,645)	(332,861)	(151,840)	(626,346)
Share of loss from associates and joint ventures, net	(112,894)	(184,727)	(1,460)	(299,081)
Depreciation and amortization	1,151	50,879	16,493	68,523
Segment EBITDA	(163,718)	(190,077)	8,428	(345,367)
<b>For the three month period ended 31 March 2025</b>				
Sale of goods	117,396	378,328	75,438	571,162
Rendering of services	-	-	43,122	43,122
Others	-	33,832	127	33,959
<b>Total segment revenue</b>	<b>117,396</b>	<b>412,160</b>	<b>118,687</b>	<b>648,243</b>
Segment expenses	(188,284)	(423,412)	(132,301)	(743,997)
Share of profit / (loss) from associates and joint ventures, net	(132,678)	64,852	(935)	(68,761)
Depreciation and amortization	11,925	61,693	16,316	89,934
Segment EBITDA	(190,819)	117,160	33,581	(40,078)

The Group's total assets and liabilities as at 31 March 2026 and 31 December 2025 by operating segments are as follows:

	<b>Metallurgy</b>	<b>Petrochemicals</b>	<b>Downstream &amp; Others</b>	<b>Total</b>
<b>As at 31 March 2026 (Unaudited)</b>				
Segment assets	2,715,647	12,271,958	3,950,451	18,938,056
Segment liabilities	2,147,172	2,309,275	5,547,154	10,003,601
Investments in equity accounted associates and joint ventures	1,403,477	8,203,307	105,784	9,712,568
<b>As at 31 December 2025 - Audited</b>				
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

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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 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.

<b>Nature of financial instrument</b>	<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>As at 31 March 2026</b>				
Investments in quoted equity shares	<b>691,948</b>	<b>691,948</b>	-	-
Investments in unquoted equity shares	<b>320,064</b>	-	-	<b>320,064</b>
	<b>1,012,012</b>	<b>691,948</b>	-	<b>320,064</b>
<b>As at 31 December 2025</b>				
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).

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

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**16. COMMITMENTS AND CONTINGENCIES**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
<b>16.1 Capital and purchase commitments:</b>		
Capital commitments for projects under progress and purchase of property, plant and equipment	<b>201,333</b>	172,140
<b>16.2 Letters of Guarantees:</b>		
Letters of guarantees issued by banks on behalf of the Group	<b>51,534</b>	63,591
<b>16.3 Letters of Credit:</b>		
Letters of credit issued by banks in favor of the Group	<b>40,717</b>	78,662
<b>16.4</b> 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 31 March 2026 such guarantees amounted to SR 1,393.9 million (31 December 2025: SR 727.9 million).		

**17. NON-CASH TRANSACTIONS**

Following non-cash transactions were recorded during the three month period ended 31 March 2026:

- (i) The transfer of SR 16.8 million (three month period ended 31 March 2025: SR 4.7 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 (three month period ended 31 March 2025: SR 2.6 million) were capitalized as part of projects under progress.
- (iii) Additions to right-of-use assets and lease liabilities of SR 0.2 million (three month period ended 31 March 2025: SR 1.9 million).
- (iv) Gain of SR 24.9 million (three month period ended 31 March 2025: loss of SR 94.5 million) was recognized in respect of investments in financial assets designated as FVOCI.
- (v) Receivable under forward sale agreement amounting to SR nil (three month period ended 31 March 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 (three month period ended 31 March 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.

**19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were approved from the Board of Directors on **07 May 2026**.