

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

INDEX	PAGE
Independent auditor's review report	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5 - 6
Notes to the interim condensed consolidated financial statement	7 - 19

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

To the Shareholders
National Building and Marketing Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Building and Marketing Company, a Saudi Joint Stock Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2025, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 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 condensed consolidated 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 that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Deloitte and Touche & Co
Chartered Accountants



Tariq Bin Mohammed Al-Fattani
License No. 446



15 Rabi Al Awwal 1447H
7th September 2025

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

(All amounts in Saudi Riyals unless otherwise stated)

		30 June 2025 (Unaudited)	31 December 2024 (Audited)
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	4	424,661,733	417,943,822
Investment in an associate	5	17,004,191	24,663,219
Right-of-use assets	6	1,245,299	1,349,147
Investment properties	7	112,027,675	132,592,592
Total non-current assets		554,938,898	576,548,780
Current assets			
Investments at fair value through profit or loss	9	3,785,489	7,782,676
Inventories, net		95,492,938	76,052,123
Development properties	8	151,986,933	167,108,877
Trade receivables and other assets		172,038,009	138,476,024
Contract assets		16,721,578	4,071,042
Due from related parties	10	229,500,696	219,511,250
Cash and cash equivalents		7,503,250	41,115,725
Total current assets		677,028,893	654,117,717
TOTAL ASSETS		1,231,967,791	1,230,666,497
EQUITY AND LIABILITIES			
Equity			
Share capital	11	120,000,000	120,000,000
Statutory reserve		26,183,635	26,183,635
Retained earnings		199,794,465	192,516,305
Re-measurement on employee defined benefit's obligation		3,967,715	3,967,715
Equity attributable to the shareholders of the parent company		349,945,815	342,667,655
Non-controlling interests		11,512,574	11,517,043
Total equity		361,458,389	354,184,698
LIABILITIES			
Non-current liabilities			
Loans - non-current portion	12	168,750,000	161,500,000
Lease obligations – non-current portion	6	71,506,197	93,143,198
Employees' defined benefit obligations		5,746,542	4,657,998
Total non-current liabilities		246,002,739	259,301,196
Current liabilities			
Loans – current portion	12	348,510,448	358,500,000
Lease obligations – current portion	6	65,067,145	47,181,976
Contract liabilities		17,554,385	18,778,660
Trade payables and other liabilities		125,449,948	131,815,914
Due to related parties	10	65,605,108	59,274,868
Provision for zakat	13	2,319,629	1,629,185
Total current liabilities		624,506,663	617,180,603
Total liabilities		870,509,402	876,481,799
TOTAL EQUITY AND LIABILITIES		1,231,967,791	1,230,666,497

Chief Financial Officer
Salahuddin J. Mohammad

Chief Executive Officer
Meshal bin Abdul Rahman Al-Okla

Chairman Board of Director
Rayan Hamad Al-khuwaiter

The accompanying notes form an integral part of these interim condensed consolidated financial statements

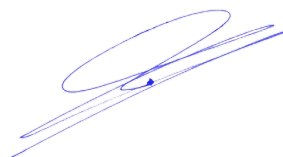
NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

		For six months period ended	
		30 June 2025	30 June 2024
	Notes	(unaudited)	(unaudited)
Revenue		412,776,023	345,858,789
Cost of revenue		(366,729,472)	(293,723,103)
Gross profit		46,046,551	52,135,686
General and administrative expenses		(10,369,945)	(10,713,337)
Reversal of provision for expected credit losses		(210,206)	(529,682)
Operating profit		35,466,400	40,892,667
Gains on re-valuation of investments at FVPL		(454,466)	375,021
Share in result of investment in an associate		2,147,372	2,046,642
Finance cost		(28,557,959)	(26,828,687)
Profit for the period before zakat		8,601,347	16,485,643
Zakat charge	13	(1,327,656)	(1,202,314)
Profit for the period		7,273,691	15,283,329
Profit for the period attributable to:			
Shareholders of the company		7,278,160	15,377,477
Non-controlling interests		(4,469)	(94,148)
Profit for the period		7,273,691	15,283,329
Basic and diluted earnings per share	14	0.61	1.27
Other comprehensive income:			
Total comprehensive income for the period		7,273,691	15,283,329
Total comprehensive income attributable to:			
Shareholders of the parent company		7,278,160	15,377,477
Non-controlling interests		(4,469)	(94,148)
Total comprehensive income for the period		7,273,691	15,283,329



Chief Financial Officer
Salahuddin J. Mohammad



Chief Executive Officer
Meshal bin Abdul Rahman Al-Okla



Chairman Board of Director
Rayan Hamad Al-khuwaiter



NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)

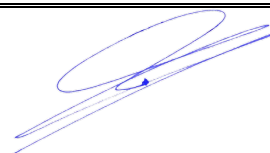
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Re-measurement gain / (loss) on employees' benefit obligation	Equity attributable to the shareholders	Non-controlling interests	Total equity
Balance as at 1 January 2025 (audited)	120,000,000	26,183,635	192,516,305	3,967,715	342,667,655	11,517,043	354,184,698
Profit / (loss) for the period	-	-	7,278,160	-	7,278,160	(4,469)	7,273,691
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	7,278,160	-	7,278,160	(4,469)	7,273,691
Balance as at 30 June 2025 (unaudited)	120,000,000	26,183,635	199,794,465	3,967,715	349,945,815	11,512,574	361,458,389

Balance as at 1 January 2024 (audited)	120,000,000	21,393,020	152,195,711	2,243,965	295,832,696	11,772,270	307,604,966
Profit / (loss) for the period	-	-	15,377,477	-	15,377,477	(94,148)	15,283,329
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	15,377,477	-	15,377,477	(94,148)	15,283,329
Balance as at 30 June 2024 (unaudited)	120,000,000	21,393,020	167,573,188	2,243,965	311,210,173	11,678,122	322,888,295



Chief Financial Officer



Chief Executive Officer



Chairman Board of Director



The accompanying notes form an integral part of these interim condensed consolidated financial statements

NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	30 June 2025 (unaudited)	30 June 2024 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		8,601,347	16,485,643
Adjustments for:			
Depreciation of property, plant and equipment	4	18,644,791	17,098,894
Depreciation of right of use assets	6	103,848	214,075
Depreciation of investment properties	7	20,564,917	20,678,529
Interest expense on lease liability		5,160,668	6,790,446
Finance costs		23,397,291	20,038,241
Share of results of investment in an associate	5	(2,147,372)	(2,046,642)
Loss / (gain) on revaluation of investment in financial assets	9	454,466	(375,021)
Employees' benefits obligation		1,126,502	763,885
Reversal of provision for expected credit losses		210,206	529,682
Changes in operating assets and liabilities:			
Inventories, net		(19,440,815)	(15,023,043)
Trade receivables and other debit balances		(33,772,191)	13,011,727
Contract assets		(12,650,536)	-
Due from related parties		(9,989,446)	(68,220,585)
Contract liabilities		(1,224,275)	6,091,216
Trade payables and other credit balances		(8,434,592)	9,284,327
Due to related parties		6,330,240	(9,097,990)
Development properties		15,121,944	-
Cash generated from operations		12,056,993	16,223,384
Employees' benefits obligation paid		(37,958)	(97,648)
Zakat paid		(637,212)	(135,971)
Finance costs paid		(21,328,665)	(22,167,172)
Net cash used in operating activities		(9,946,842)	(6,177,407)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(25,362,702)	(24,175,074)
Additions to investment properties		-	(1,467,873)
Additions to an investments at fair value through profit or loss		(7,064,478)	(1,656,227)
Disposal of investments at fair value through profit or loss		10,607,199	-
Dividend from investments in associates		9,806,400	-
Net cash used in investing activities		(12,013,581)	(27,299,174)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities		(8,912,500)	(16,252,897)
Loan obtained during the period		302,540,131	422,961,492
Loan paid during the period		(305,279,683)	(368,213,206)
Net cash (used in) / generated from financing activities		(11,652,052)	38,495,389

The accompanying notes form an integral part of these interim condensed consolidated financial statements

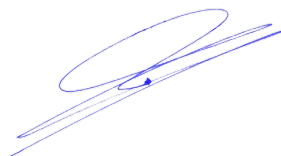
NATIONAL BUILDING AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Net change in cash and cash equivalents	(33,612,475)	5,018,808
Cash and cash equivalents at the beginning of the period	41,115,725	8,515,250
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	7,503,250	13,534,058



Chief Financial Officer
Salahuddin J. Mohammad



Chief Executive Officer
Meshal bin Abdul Rahman Al-Okla



Chairman Board of Director
Rayan Hamad Al-khuwaiter



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

(All amounts in Saudi Riyals unless otherwise stated)

1. CORPORATE INFORMATION

National Building and Marketing Company, a listed Saudi Joint Stock Company, was established as per Ministerial Resolution No. (70/Q) on 29 Rabi Al-Awwal 1435H (corresponding to 30 January 2014). The Company was registered in the Commercial Register in Riyadh under 1010153678 with unified number 7001396071 dated 17 Muharram 1420H (corresponding to 3 May 1999).

The Group's activities are the wholesale and retail trade in construction materials, general construction, real estate trading, real estate development, manufacturing of primary iron products, steel sheets, panels, strip coils, bars, skewers, angles, wires, and sections of all shapes as well as manufacture of pipes, tubes and hollow shapes of iron and steel, extending communication cables, network extensions, installing and extending computer and communication networks, providing wholesale infrastructure services, analyzing systems, designing and programming special software, and providing communications and information network management services

The consolidated financial statements include the accounts of the Head Office and a branch of National Building and Marketing Company, C.R. 1010612194, renewed till 26 Muharram 1447H (corresponding to 21 July 2025).

National Building and Marketing Company is referred to as "the Company" or together with its subsidiaries as "the Group" throughout these financial statements. The subsidiaries are listed below.

Subsidiary	Country of incorporation	Ownership in ordinary shares %	
		30 June 2025	31 December 2024
Ajeej Steel Manufacturing Company (A)	Kingdom of Saudi Arabia	100	100
Flex Shield Company for Information Technology (B)	Kingdom of Saudi Arabia	90	90
Yuzmash Industry Company (C)	Kingdom of Saudi Arabia	55	55
Arabian Steel Trading Company (D)	Kingdom of Saudi Arabia	100	100
Al-Ahsa Real Estate Growth Fund (E)	Kingdom of Saudi Arabia	91.62	91.62

These interim condensed consolidated financial statements include the Group's share in an associate as below:

Joint Ventures	Country of incorporation	Ownership in ordinary shares %	
		30 June 2025	31 December 2024
German Saudi Industrial Company (note 6)	Kingdom of Saudi Arabia	9.08	9.08

- A. Ajeej Steel Manufacturing Company, wholly owned by the Group, is a single shareholder closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia on 1 Ramadan 1429H (corresponding to 1 September 2008) under commercial registration number 1011016123. In 2024, the company's legal form was converted from limited liability to a closed joint stock company. All legal formalities were completed during 2024.

On 29 March 2025, the shareholder resolved to increase the Company's capital from SR 180,000,000 to SR 300,000,000. All the legal formalities in this regard were completed during the period. The authorized, issued and fully paid-up share capital of the Company is SR 300,000,000 divided into 300,000,000 shares of SR 1 each (31 December 2024: SR 180,000,000 divided into 180,000,000 shares of SR 1 each).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

1. CORPORATE INFORMATION (CONTINUED)

- B. Flex Shield Company for Information Technology, 90% owned by Group, is a closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia on 28 Jumada al-Alkhirah 1442H (corresponding to 10 February 2021) under commercial registration number 1010686702. The paid share capital of the company comprises of 12,500 shares amounting to 125,000 Saudi Riyals. The main activities of the company include extending communication cables, network extensions, installing and extending computer and communication networks.
- C. Yuzmash Industry Company, 55% owned by the Group, is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia on 18 Jumada al-Ula 1443H (corresponding to 22 December 2021) under commercial registration number 1010766757. The share capital of the company is 100,000 Saudi riyals divided into 10,000 shares. The company has not started operations since its inception to date.
- D. Arabian Steel Trading Company , wholly owned by the Group, is a closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia on 22 Jumada al-Ula 1445H (corresponding to 6 December 2023) under commercial registration number 1010958893. The paid share capital of the company comprises of 12,500 shares amounting to 125,000 Saudi riyals. The company has not started activity since its inception to date.
- E. Al-Ahsa Real Estate Growth Fund is an investment fund, whose purpose is to achieve capital growth in the medium term for unit owners. The fund aims to acquire plots of land for the purpose of initial and/or construction development and sell them with the aim of capital appreciation. The investment made during the year 2022 of 61.54% increased to 91.62% during 2023 on 21 Shawwal 1444 AH (corresponding to 11 May 2023). However, subsequent to the period end of 30 June 2025 the Group has acquired remaining shareholding of Al-Ahsa Real Estate Growth Fund, however, the approval for the transactions yet to be finalized.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

The accompanying interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organisation for Certified Professional Accountants (SOCPA).

These interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated audited financial statements for the year ended 31 December 2024. In addition, results for the six months period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

These interim condensed consolidated financial statements have been prepared under the historical cost basis using the accrual basis of accounting and going concern concept except for the employee defined benefit liability which has been measured based on actuarial present value calculations and investments at FVTPL which have been measured at fair value.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

These interim condensed consolidated financial statements of the Company have been presented in Saudi Riyal (SR), which is the functional and presentation currency.

Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024 except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and amended standards adopted by the Company

The following amendments applies for the first time in 2025, but do not have an impact on the interim condensed consolidated financial information of the Group:

- Amendments to IAS 21 the effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability effective from 1 January 2025.

Management does not expect that the adoption of the above-listed standards will have a material impact on the interim condensed consolidated financial statements of the Group.

Critical accounting judgements and key sources of estimation and uncertainty

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited consolidated financial statements. Management believes that other than the certain actuarial assumptions for valuation of present value of defined benefit obligations, all other sources of estimation uncertainty remain similar to those disclosed in the annual financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

3. OPERATING SEGMENTS

The main operating activities of the Group are significantly divided into Manufacturing, Contracting, Commercial, Information Technology and real estate which are independent of each other in the operations of the Group. The Group's revenues are currently realized from manufacturing of steel products, contracting projects, wholesale and retail trade in construction materials, information technology, real estate and others. All operations are carried out within the Kingdom.

The Group's CEO and the Board of Directors monitor the results of the Group's operations in order to make decisions about resource allocation and performance assessment. These parties are collectively those responsible for making operational decisions for the Group (the decision makers).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

3. OPERATING SEGMENTS (CONTINUED)

Six months period ended 30 June 2025 (Unaudited)	Manufacturing of steel products	Contracting projects	Commercial	Information technology	Real Estate	Other	Total
Revenue	325,338,984	20,677,334	7,253,056	6,016,521	36,768,550	16,721,578	412,776,023
Cost of revenue	(302,778,323)	(15,350,367)	(2,669,969)	(3,738,537)	(25,053,440)	(17,138,836)	(366,729,472)
Finance cost	(5,884,219)	(12,637,485)	(4,005,272)	(902,960)	(5,128,023)	-	(28,557,959)
Net Profit / (loss) for the period	13,153,862	(10,145,251)	737,139	347,712	3,648,487	(468,258)	7,273,691
Property, plant and equipment, net	424,356,011	290,130	-	15,592	-	-	424,661,733

Revenues are summarized by geographic regions below:

Kingdom Saudi Arabia	325,338,984	20,677,334	7,253,056	6,016,521	36,768,550	16,721,578	412,776,023
----------------------	-------------	------------	-----------	-----------	------------	------------	-------------

Six months period ended 30 June 2024 (Unaudited)	Manufacturing of steel products	Contracting projects	Commercial	Information technology	Real Estate	Other	Total
Revenue	249,519,333	43,253,689	16,087,894	5,950,130	31,047,743	-	345,858,789
Cost of revenue	(241,246,710)	(16,966,174)	(7,740,381)	(4,767,275)	(23,002,563)	-	(293,723,103)
Finance cost	(8,471,907)	(8,784,206)	(3,267,220)	-	(6,305,354)	-	(26,828,687)
Net Profit for the period	(3,368,195)	15,341,953	4,276,393	585,371	188,393	(1,740,586)	15,283,329
Property, plant and equipment, net	366,866,521	279,637	-	4,038	-	-	367,150,196

Revenues are summarized by geographic regions below:

Kingdom of Saudi Arabia	249,519,333	43,253,689	16,087,894	5,950,130	31,047,743	-	345,858,789
-------------------------	-------------	------------	------------	-----------	------------	---	-------------

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Net book value at the beginning of the period/year	417,943,822	360,074,016
Additions	25,362,702	110,777,636
Disposals	-	(18,669,995)
Depreciation for the period/year	(18,644,791)	(34,237,835)
Net book value at the end of the period/year	424,661,733	417,943,822

Included in the property plant and equipment is a factory building on leased land with Saudi Authority for Industrial Cities and Technology Zones (MODON) for a period of twenty years starting from 2010, subject to renewal for subsequent additional periods in accordance with the concluded contract. Property, plant and equipment is pledged against loan facilities (note 12).

5. INVESTMENT IN AN ASSOCIATE

Investment in an associate comprises the following:

				31 December
		Shareholding percentage	30 June 2025	2024
	30 June 2024	31 December 2023	(Unaudited)	(Audited)
German Saudi Industrial Company	9.08%	9.08%	17,004,191	24,663,219
			17,004,191	24,663,219

German Saudi Industrial Company is a closed Saudi joint stock company established and operating in the Kingdom of Saudi Arabia. The purpose of the company's activity lies in the manufacture of basic organic chemicals, acetylene, except for fertilizers and nitrogenous compounds, under Commercial Registration No. 2050062639 dated 25 Rajab 1428 AH, corresponding to 8 August 2007, issued in the city of Dammam. Under license of the Ministry of Energy, Industry and Mineral Resources No. 293 dated 6 Safar 1440 AH.

The movement of investments in associates is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	24,663,219	19,877,042
Share of OCI	-	(39,244)
Dividend from associates	(9,806,400)	-
Share of results for the period / year	2,147,372	4,825,421
	17,004,191	24,663,219

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Right of-use assets		
Net book value at the beginning of the period/year	1,349,147	1,263,756
Additions	-	415,949
Depreciation for the period/year	(103,848)	(330,558)
Net book value at the end of the period/year	1,245,299	1,349,147
Lease liabilities		
Balance at beginning of the period / year	140,325,174	178,736,565
Additions	-	415,949
Accreditation of Interest	5,160,668	12,877,107
Payment of leases during the period / year	(8,912,500)	(51,704,447)
	136,573,342	140,325,174
Less: Current portion	(65,067,145)	(47,181,976)
	71,506,197	93,143,198

7. INVESTMENT PROPERTIES

	Residential villas (under development)	Right of use asset	Total
Cost as at 1 January 2024 (Audited)	157,341,767	207,467,073	364,808,840
Additions during the year	1,467,873	-	1,467,873
Transfers	(158,809,640)	-	(158,809,640)
Cost as at 31 December 2024 (Audited)	-	207,467,073	207,467,073
Additions during the period	-	-	-
Cost as at 30 June 2025 (Unaudited)	-	207,467,073	207,467,073
Accumulated depreciation as at 1 January 2024 (Audited)	-	(33,290,172)	(33,290,172)
Depreciation for the year	-	(41,584,309)	(41,584,309)
Accumulated depreciation as at 31 December 2024 (Audited)	-	(74,874,481)	(74,874,481)
Depreciation for the period	-	(20,564,917)	(20,564,917)
Accumulated depreciation as at 30 June 2025 (Unaudited)	-	(95,439,398)	(95,439,398)
Net book value as at 30 June 2025 (Unaudited)	-	112,027,675	112,027,675
Net book value as at 31 December 2024 (Audited)	-	132,592,592	132,592,592

The right of use asset represents lease contracts for a residential and commercial complex for a period of 5 years ending on 12 March 2028.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

7. INVESTMENT PROPERTIES (CONTINUED)

The fair value of the right-of-use asset was determined using the income method, specifically the cash flow approach, which involves estimating the present value of expected future net cash flows associated with the asset. As of 31 December 2024, the present value was calculated to be SR 9,968,388. This valuation was derived by considering the total expected income generated by the asset, the expenses incurred in maintaining and operating it including the lease payments, and the rental value earns. By discounting these future cash flows to their present value, the fair value reflects the current worth of the asset based on its future earning potential. The results of this assessment indicate that there is no impairment in the book value of real estate investment. The evaluation was conducted by an independent appraiser, United Wasm Real Estate Appraisal Company (License No. 130208, Commercial Registration No. 2051229492), which is accredited by the Saudi Authority for Accredited Appraisers. Management believes that there is no material change in the fair value since 31 December 2024.

8. DEVELOPMENT PROPERTIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the year	167,108,877	-
Transfers from investment properties	-	158,809,640
Addition during the year	2,016,892	15,201,087
Transfer to cost of revenue relating to properties sold	(17,138,836)	(6,901,850)
	151,986,933	167,108,877

The Group's development properties related to "Zahraa project" which is mortgaged as collateral to a local commercial bank.

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at fair value through profit or loss represent investments in traded equity instruments, the movement is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	7,782,676	3,600,637
Additions	7,064,478	3,010,233
Disposals	(10,607,199)	-
Unrealized profit for the period / year	(454,466)	1,171,806
	3,785,489	7,782,676

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

10. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, the Group carried out the transactions with the following related parties. The terms of the transactions are in the ordinary course of business and approved by management.

Name	Relation
Fahad Thanayyan Al-Thanayyan	Shareholder
German Saudi Industrial Company	Associate
Ethraa Holding Company	Affiliate
Al-Fayziyah Real Estate Development Company	Affiliate
Al-Kharj Union Factory Company	Affiliate
Flex Shield Company for Security and Safety	Affiliate
Resin factory for industry	Affiliate
Trolley Carriage & Iron Works Co.	Affiliate
Melogica Inc	Affiliate
Shields Industry Company	Affiliate
Majed Ayed Al-Otaibi	Affiliate
The Production Organisation - Southern Factory for Building Machinery in the name of A.M. Makarov	Affiliate
Arabian Stones Company for Marble and Granite Industry Ltd	Affiliate

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

10. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The material transactions for the six months period ended 30 June are as follows:

Related Parties	Nature of the transactions	Six-months period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Shields Manufacturing Company	Financing	-	(5,147)
Al-Kharj Union Factory Company	Financing	1,072,157	974,079
	Revenue	2,164,114	-
	Purchases	(270,582)	-
Ethraa Holding Company	Payment on behalf	(6,564,049)	11,051,636
	Financing	29,898,606	27,627,045
	Expenses on behalf	(318,441)	-
Al-Fayziyah Real Estate Development Company	Revenue	4,741,846	46,738,549
	Financing	(24,601,813)	-
	Payment on behalf	178,318	-
German Saudi Industrial Company	Financing	3,000,000	22,905,000
	Payment on behalf	(15,151,410)	(11,781,241)
	Dividends	9,806,400	-
	Revenue	678,454	-
Arabian Stones Company for Marble and Granite Ltd	Purchases	-	3,536
	Payment on behalf	-	50,007
Flexible Shield Security and Safety Company	Purchases	(43,103)	(1,171,089)
Melogica Inc	Financing	-	(37,500)
Resins Factory Company	Financing	-	5,147
	Purchases	-	275,274
Trolley Carriage & Iron Works Co.	Payment on behalf	53,987	-
	Revenue	10,662,938	-
	Financing	75,000	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

10. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Related party balances

Significant period end balances arising from transactions with related parties, are as follows:

Due from related parties

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Al-Fayziyah Real Estate Development Company	115,122,060	134,803,709
Ethraa Holding Company	99,299,735	84,125,595
Trolley Carriage & Iron Works Co.	10,798,925	-
Al-Kharj Union Factory Company	3,778,573	271,720
Manazel Al Alamiyah Company for operation and maintenance	456,403	-
Flex Shield Company for Security and Safety	-	234,277
Yugamesh International Co., Ltd	30,000	30,000
Southern Factory for Building Machinery in the name of A.M. Makarov	15,000	15,000
Majed Ayed Al-Otaibi	-	30,949
	229,500,696	219,511,250

Due to related parties

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Al-Fayzia Real Estate Development Company	55,878,301	47,165,691
German Saudi Industrial Company (Petrochemicals)	9,575,641	7,909,086
Ethraa Holding Company	132,013	3,965,816
Flex Shield Company for Security and Safety	12,153	234,275
Trolley Carriage & Iron Works Co.	7,000	-
	65,605,108	59,274,868

Transactions with key management personnel

Key management personnel include the Board of Directors, Chief Executive Officer and heads of departments. Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan.

	Six-month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Short-term employee benefits	1,155,000	1,970,000
Post-employment benefits	380,847	302,590
	1,535,847	2,272,590

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

11. CAPITAL

The share capital of the Company amounting SR 120,000,000 divided into 12,000,000 shares of SR 10 each. On 29 Ramadan 1446H, corresponding to 29 March 2025, the Company's board of directors approved to increase the capital to SR 300,000,000 through the issuance of free shares by capitalizing SR 180 million from the retained earnings account. However, as on 30 June 2025 the decision has not been implemented.

12. LOANS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period	520,000,000	369,709,325
Additions during the year / period	302,540,131	814,820,702
Paid during the period / year	(305,279,683)	(664,530,027)
	517,260,448	520,000,000
Less: Current portion	(348,510,448)	(358,500,000)
	168,750,000	161,500,000

The Group has signed facilities from various local commercial banks and a financial institution for the objective of financing the working capital of the Group. These loans are secured against the property, plant and equipment of Ajeej Steel Manufacturing Company, real estate Properties, personal guarantee of the main shareholder, and promissory notes. The loans carry an interest rate of SIBOR plus 1% to 3.5% annually. The long-term loan agreements contain certain financial and non-financial covenants and the Group has complied with these covenants.

13. ZAKAT

The movement in the zakat provision is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	1,629,185	1,898,662
Provision for the period / year	1,240,510	1,969,234
Prior year zakat	87,146	-
Transfer on disposal to related party	-	(5,182)
Payments during the period / year	(637,212)	(2,233,529)
	2,319,629	1,629,185

The Group submitted its zakat returns within the statutory period for the years up to 31 December 2024 and obtained the certificates. The review of zakat declarations up to 2023 has been finalized by the ZATCA.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

14. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the periods ended 30 June 2025 and 2024 are calculated by dividing the net income for the period attributable to the equity holders of the Company by 12 million shares. The diluted earnings per share is the same as the basic earnings per share.

15. Fair Value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability,

The table below shows the carrying values and fair values of financial assets and liabilities, including their levels in the fair value hierarchy, and does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount approximates fair value.

	Level 1	Level 2	Level 3	Total
As on June 30, 2025 (unaudited)				
Investments at fair value through profit or loss	3,785,489	-	-	3,785,489
As on December 31, 2024 (Audited)				
Investments at fair value through profit or loss	7,782,676	-	-	7,782,676

16. CONTINGENCIES AND COMMITMENTS

The Group has following commitments and contingencies as at 30 June 2025 and 31 December 2024:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Unexecuted contractual commitments	160,783,597	170,598,519
Letters of guarantee	1,433,135	1,080,135

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

17. SUBSEQUENT EVENTS

Subsequent to the period ended 30 June 2025, the Group has acquired the remaining shareholding of Al-Ahsa Real Estate Growth Fund, however, the approval for the transactions has yet to be finalized.

The above subsequent event has no impact on the interim condensed consolidated financial statements.

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

This interim condensed consolidated financial statements for the six-month period ended 30 June 2025 were approved for issuance by the Board of Directors of the Company on 31 August 2025 (Corresponding to 8 Rabi Al Awwal 1447).