RIYADH STEEL COMPANY

A SAUDI JOINT STOCK COMPANY

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR’S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements

To the Management of Riyadh Steel Company
A Saudi Joint Stock Company

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Riyadh Steel Company (the “Company”) (and its subsidiary together “the Group) as of 30 June 2026 and the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes (the “interim condensed consolidated financial statements”). 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”) 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 International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, that is 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 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 IAS 34 “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia.

For Alzoman and Alfahad & Alhajjaj Professional Services

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Riyadh, Saudi Arabia

Date: 5 Rabi’ al-Awwal 1448AH
Corresponding to: 17 August 2026

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RIYADH STEEL COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	8,777,926	9,535,487
Right of use assets	6	10,499,065	11,118,249
Intangible assets		157,500	180,000
TOTAL NON-CURRENT ASSETS		19,434,491	20,833,736
CURRENT ASSETS			
Inventories	7	40,267,254	29,887,721
Trade receivables	8	10,496,652	15,264,520
Prepayments and other current assets	9	6,874,956	2,137,453
Cash and cash equivalents	10	31,500,996	12,092,423
Fixed term deposit	11	-	23,500,000
TOTAL CURRENT ASSETS		89,139,858	82,882,117
TOTAL ASSETS		108,574,349	103,715,853
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	70,000,000	70,000,000
Reserve for remeasurement of employee’s defined benefit obligation		(133,000)	(133,000)
Retained earnings		15,578,655	13,047,436
TOTAL EQUITY		85,445,655	82,914,436
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	6	9,940,275	10,310,230
Employees defined benefits obligation		3,480,604	3,349,258
TOTAL NON-CURRENT LIABILITIES		13,420,879	13,659,488
CURRENT LIABILITIES			
Lease liabilities	6	878,999	1,153,285
Trade payables		2,267,677	629,578
Accrued expenses and other liabilities		5,635,776	3,089,578
Zakat provision	12	925,363	2,269,488
TOTAL CURRENT LIABILITIES		9,707,815	7,141,929
TOTAL LIABILITIES		23,128,694	20,801,417
TOTAL EQUITY AND LIABILITIES		108,574,349	103,715,853

Tarik Bin Abdul Rehman Alghannam	Abdullah Radhwan Abdo Ali	Mohammad Usman Khan
Chairman of the board	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes from 1 to 20 form an integral part of these Interim Condensed Consolidated Financial Statements.

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

		For the six-month period ended	
		30 June 2026	30 June 2025
	Notes	**(Unaudited)**	(Unaudited)
Revenue from contracts with customers	14	**70,055,150**	**82,420,895**
Cost of revenue		**(59,020,358)**	(74,754,155)
Gross profit		**11,034,792**	**7,666,740**
Selling and distribution expenses		**(1,438,256)**	(1,393,080)
General and administrative expenses		**(3,420,095)**	(3,237,219)
Operating profit		**6,176,441**	3,036,441
Finance costs	6	**(322,361)**	(354,969)
Finance income		**675,147**	377,930
Other income		**446,242**	180,573
Profit before Zakat		**6,975,469**	3,239,975
Zakat Expense	12	**(944,250)**	(785,863)
Profit for the period		**6,031,219**	2,454,112
Total comprehensive income for the period		**6,031,219**	2,454,112
Earnings Per Share			
Basic and diluted earnings per share	15	**0.09**	0.04

Tarik Bin Abdul Rehman Alghannam	Abdullah Radhwan Abdo Ali	Mohammad Usman Khan
Chairman of the board	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes from 1 to 20 form an integral part of these Interim Condensed Consolidated Financial Statements.

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Reserves for remeasurement of employees' defined benefit obligations	Retained earnings	Total equity
As at 1 January 2025 (Audited)	70,000,000	(1,245,715)	7,329,140	76,083,425
Total comprehensive income for the period	-	-	2,454,112	2,454,112
As at 30 June 2025 (Unaudited)	**70,000,000**	**(1,245,715)**	**9,783,252**	**78,537,537**
As at 1 January 2026 (Audited)	**70,000,000**	**(133,000)**	**13,047,436**	**82,914,436**
Dividend	**-**	**-**	**(3,500,000)**	**(3,500,000)**
Total comprehensive income for the period	**-**	**-**	**6,031,219**	**6,031,219**
As at 30 June 2026 (Unaudited)	**70,000,000**	**(133,000)**	**15,578,655**	**85,445,655**

Tarik Bin Abdul Rehman Alghannam
Chairman of the board

Abdullah Radhwan Abdo Ali
Chief Executive Officer

Mohammad Usman Khan
Chief Financial Officer

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Notes	**30 June 2026**	30 June 2025
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		**6,975,469**	3,239,975
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	5	**803,361**	1,317,403
Depreciation of right of use assets	6	**619,184**	639,163
Amortization of intangible assets		**22,500**	22,500
Employees' defined benefits obligations		**397,600**	599,908
Finance costs	6	**322,361**	354,969
Finance income		**(675,147)**	(377,930)
		8,465,328	5,795,988
Changes in working capital:			
Inventories		**(10,379,533)**	(8,751,118)
Trade receivables		**4,767,868**	4,555,320
Prepayments and other current assets		**(4,897,864)**	101,284
Trade payables		**1,638,099**	(1,587,565)
Accrued expenses and other liabilities		**2,546,198**	(849,511)
Cashflows generated from (used in) working capital		**2,140,096**	(735,602)
Employees' defined benefits obligation paid		**(266,254)**	(211,000)
Zakat paid	12	**(2,288,375)**	(1,643,628)
Net cash flows used in operating activities		**(414,533)**	(2,590,230)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	**(45,800)**	(30,000)
Additions to intangible asset		**-**	(225,000)
Fixed term deposits		**23,500,000**	-
Finance income received		**835,508**	377,930
Net cash flows generated from investing activities		**24,289,708**	122,930
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(3,500,000)**	-
Payment of lease liabilities	6	**(966,602)**	(670,963)
Net cash flows used in financing activities		**(4,466,602)**	(670,963)
Net change in Cash and Cash Equivalents		**19,408,573**	(3,138,263)
Cash and Cash Equivalents at the beginning of the period		**12,092,423**	21,764,176
Cash and Cash Equivalents at the end of the period		**31,500,996**	18,625,913
SIGNIFICANT NON-CASH TRANSACTIONS:			
Accrued Interest		**113,929**	-

Tarik Bin Abdul Rehman Alghannam	Abdullah Radhwan Abdo Ali	Mohammad Usman Khan
Chairman of the board	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes from 1 to 20 form an integral part of these Interim Condensed Consolidated Financial Statements.

(ALL AMOUNTS IN SAUDI RIYALS "⃁" UNLESS OTHERWISE STATED)

1. CORPORATE INFORMATION

Riyadh Steel Company (the “Company or the Parent Company”) and its Subsidiary (Collectively referred to as “the Group”) was registered as Saudi joint-stock company under unified national number 7001373203 dated 6 Rabi' Al-Thani 1422 H corresponding to 27 June 2001. The Parent Company's head office is located at the following address: Unit 35, 4578 Al Imam Abdullah Bin Saud Bin, Abdul-Aziz Road- Al Shohda District Riyadh 13241, Kingdom of Saudi Arabia.

The Group is principally engaged in the manufacture of sheets, plates, strip coils, rods, skewers, corners, wires and sections of all forms under the industrial license No. 4411101252212 dated 19 Dhul Hijjah 1413H corresponding to 10 June 1993.

The consolidated financial statements include the financial statements of the parent Company, and its subsidiary set out below:

		Effective ownership interest	
Subsidiary Name	**The main activity of the subsidiary**	**June 2026**	June 2025
Baydaa Alyamama Industrial Company	Manufacture of metal vessels used in the transport and packaging of goods, including (barrels, waste containers, waste, buckets, boxes, cans etc.)	**100%**	100%

The Company’s share capital is set at ⃁ 70,000,000 divided into 70,000,000 shares of equal value, for nominal value of ⃁ 1 each, and all are cash ordinary shares.

2. BASIS OF PREPARATION

Statement of compliance

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Groups’ last consolidated financial statements for the year ended 31 December 2025 (“the financial statements of the previous year”). These do not include all of the required information normally required for a complete set of Consolidated Financial Statements; however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since 31 December 2025.

Further, the results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the year ended 31 December 2026.

Preparation of the Interim Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis and according to historical cost principal except for the employees defined benefit obligations, which is measured at the present value of future obligations using the Projected Unit Credit Method.

Use of Judgements and Estimates

In preparing these Interim Condensed Consolidated Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty other than the change in the useful life of “property, plant and equipment” were the same as those described in the last annual Consolidated Financial Statement.

3. FUNCTIONAL AND PRESENTATION CURRENCY

These Interim Condensed Consolidated Financial Statements are prepared in Saudi Riyals ("⃁"), which is Company's functional and Group's presentation currency.

4. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS

New and revised standards, interpretations and amendments effective during the period:

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Group or their application does not have any material impact on the interim condensed financial statements of the Group other than presentation and disclosures, except as stated otherwise.

Amendments to IAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Amendments IFRS 7 and IFRS 9 regarding the classification and measurement of financial instruments

The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognized on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

Amendments to IFRS 7 and IFRS 9 regarding power purchase arrangements

The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts.
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts.
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Annual Improvements to IFRS Accounting Standards — Volume 11

The pronouncement comprises the following amendments:

1. IFRS 1: Hedge accounting by a first-time adopter
2. IFRS 7: Gain or loss on derecognition
3. IFRS 7: Disclosure of deferred difference between fair value and transaction price
4. IFRS 7: Introduction and credit risk disclosures
5. IFRS 9: Lessee derecognition of lease liabilities
6. IFRS 9: Transaction price
7. IFRS 10: Determination of a 'de facto agent'
8. IAS 7: Cost method

New and revised standards, interpretations and amendments issued but not yet effective:

The following new and revised standards, interpretations and amendments are effective for periods beginning on or after 1 January 2027 and earlier application is permitted; however, the Group has not early adopted them in preparing these interim condensed consolidated financial statements.

4. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS (CONTINUTED)

New and revised standards, interpretations and amendments issued but not yet effective: (continued)

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027.

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
IFRS 19 applies for annual reporting periods beginning on or after 1 January 2027. The Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

(ALL AMOUNTS IN SAUDI RIYALS "⃁" UNLESS OTHERWISE STATED)

5. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Cost		
Balance at beginning of the period / year	**121,308,330**	121,165,424
Additions during the period / year	**45,800**	142,906
Balance at end of the period / year	**121,354,130**	121,308,330
Accumulated depreciation		
Balance at beginning of the period / year	**111,772,843**	109,207,819
Charged during the period / year	**803,361**	2,565,024
Balance at end of the period / year	**112,576,204**	111,772,843
Net book value	**8,777,926**	9,535,487

The Company reviews the methods of depreciation, useful lives, and residual values of property, plant, and equipment periodically. At the beginning of the current period (1 January 2026), the Company assessed the useful lives, residual values, and expected economic benefits of major items of property, plant, and equipment with the assistance of an independent expert. Based on the results of this study, the estimated maximum useful life for the machinery and equipment category was adjusted to 40 years according to the sub-classification of each asset. Based on the change in the accounting estimate of the useful life, the depreciation expense for the current period decreased by (⃁ 388,069). The expected future impact is estimated at (⃁ 776,138) annually for future periods, assuming the consistency of the current assets and the absence of any significant future additions or disposals. The useful lives of these assets were adjusted as follows:

Asset Category	**Years Before Adjustment**	**Years After Adjustment**
Machinery and Equipment	1 to 10	8 to 40

6. RIGHT OF USE ASSETS AND LEASE LIABILITIES

a) Right of use assets

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at beginning of the period / year	**11,118,249**	12,476,596
Adjustment	**-**	(96,834)
Charged for the period / year	**(619,184)**	(1,261,513)
Net book value	**10,499,065**	11,118,249

(ALL AMOUNTS IN SAUDI RIYALS "⃁" UNLESS OTHERWISE STATED)

6. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUTED)

b) Lease liabilities

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the period / year	**11,463,515**	12,549,711
Interest expense for the period / year	**322,361**	691,425
Paid during the period / year	**(966,602)**	(1,608,429)
Adjustment	**-**	(169,192)
Balance at end of period / year	**10,819,274**	11,463,515

Lease liabilities are classified in statement of financial position as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Lease liabilities - non-current portion	**9,940,275**	10,310,230
Lease liabilities - current portion	**878,999**	1,153,285
	10,819,274	11,463,515

7. INVENTORIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Finished goods	**24,904,654**	17,955,025
Raw materials	**9,877,480**	6,169,977
Consumable spare parts and supplies not held for sale	**5,880,439**	6,158,038
Slow moving and obsolete inventory allowance	**(395,319)**	(395,319)
	40,267,254	29,887,721

8. TRADE RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	**12,019,260**	16,787,128
Expected credit loss of trade receivables	**(1,522,608)**	(1,522,608)
	10,496,652	15,264,520

The ageing of trade receivables is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Not yet due	**7,938,894**	14,080,298
1-30 days	**2,557,446**	959,322
31-60 days	**164**	34,491
61-90 days	**-**	190,105
91-120 days	**148**	304
121-365 days	**-**	29,997
More than 365 days	**1,522,608**	1,492,611
	12,019,260	16,787,128

During the subsequent period, trade receivables amounting to ⃁ 2.17 million that were aged between 1 to 30 days as at 30 June 2026 have been collected. Trade receivables aged more than 365 days are fully covered by the expected credit loss allowance at 30 June 2026.

(ALL AMOUNTS IN SAUDI RIYALS "⃁" UNLESS OTHERWISE STATED)

9. PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Advances to suppliers	**1,796,891**	1,311,355
Margin on Letter of credit	**3,819,227**	-
Prepaid expenses	**1,010,435**	830,560
Margin on letters of guarantee	**575,000**	575,000
Accrued interest	**113,929**	274,290
Employee advances and commitments	**93,649**	50,684
Value added tax	**370,261**	-
Less: allowance for advance payments to suppliers	**(904,436)**	(904,436)
	6,874,956	2,137,453

10. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Cash on hand	**109,851**	56,889
Cash at banks	**6,391,145**	5,035,534
Short term deposits	**25,000,000**	7,000,000
	31,500,996	12,092,423

At 30 June 2026, the Group had short-term deposits with original maturities of less than three months. These deposits carry fixed interest rates ranging from 5.10% to 5.50% (31 December 2025: 5.90% to 6.40%).

11. FIXED TERM DEPOSITS

At 30 June 2026, the Group had no term deposits with original maturities of more than three months but less than twelve months (31 December 2025: ⃁ 23,500,000). The comparative balance carried fixed interest rates ranging from 5.55% to 6.40%.

12. ZAKAT PROVISION

12-1 Zakat provision movement:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	**2,269,488**	1,637,765
Charge during the period/year	**944,250**	2,325,351
Paid during the period/year	**(2,288,375)**	(1,693,628)
Balance at the ending of the period/year	**925,363**	2,269,488

12-2 Zakat assessments status:

Riyadh steel company

The Company completed its Zakat status till 31 December 2024. The Company submitted Zakat declarations and financial statements to the Zakat, Tax and Customs Authority for the years from 2016 to 2025, and paid what was due, according to those declarations, and obtained the required certificates.

Baida Al Yamamah Industrial Company

The Company submitted Zakat declarations and financial statements to the Zakat, Tax and Customs Authority for all previous years from its inception until 2025 and paid what was due, according to those declarations and obtained the required certificates. No zakat assessments have been received for the years from inception till date.

(ALL AMOUNTS IN SAUDI RIYALS "⃁" UNLESS OTHERWISE STATED)

13. RELATED PARTIES

The following are the transactions that have taken place with the related parties during the period:

13-1 Compensation of key management personnel of the Group:

	For the six-month ended	
	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
Short term employee benefits	**661,611**	520,000
Post employment benefits	**24,250**	20,000
	685,861	540,000

14. REVENUE FROM CONTRACTS WITH CUSTOMERS

	For the six-month ended	
	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
Sale of Final products	**49,939,469**	58,015,090
Sale of Billets	**17,155,681**	8,132,805
Sale of Scrap iron and raw materials	**2,960,000**	16,273,000
	70,055,150	82,420,895

	For the six-month ended	
	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
At a point in time	**70,055,150**	82,420,895

a) Customer type:

	For the six-month ended	
	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
Manufacturing	**61,373,439**	79,062,058
Trading	**8,681,711**	3,358,837
	70,055,150	82,420,895

b) Geographic region:

Group's sales in the local market and export sales are allocated as follows:

Sales for the period ended	Saudi Arabia	Other GCC Countries	Total sales
30 June 2026 (Unaudited)	**65,031,761**	**5,023,389**	**70,055,150**
30 June 2025 (Unaudited)	79,805,112	2,615,783	82,420,895

Seasonal changes

The sales of the Group are affected by seasonal factors based on the variation of consumption and demand between the seasons. The Company's management seeks to reduce the seasonal impact on the Group's sales.

(ALL AMOUNTS IN SAUDI RIYALS "⃁" UNLESS OTHERWISE STATED)

15. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit for the period attributable to the Company's ordinary shares by the weighted average number of ordinary shares outstanding during the period.

	For the six-month ended	
	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
Net profit for the period	**6,031,219**	2,454,112
Weighted average number of shares	**70,000,000**	70,000,000
Basic and diluted earnings per share	**0.09**	0.04

16. OPERATING SEGMENTS

Management has assessed the Group's operating activities in accordance with International Financial Reporting Standard (IFRS 8) "Operating Segments" and concluded that there is no requirement to present separate activities as distinct operating segments. This conclusion is based on the similarity of economic characteristics across all operations, as the Group's sales are derived from a single source - the manufacture and sale of steel products.

For further qualitative and quantitative details regarding the Group's revenue streams and products, please refer to Note 14 of these interim condensed consolidated financial statements.

17. CONTINGENT LIABILITIES AND COMMITMENTS

The Group has obligations represented in a letter of guarantee amounting to ⃁ 575,000 as at 30 June 2026 (31 December 2025: ⃁ 575,000).

18. FINANCIAL INSTRUMENTS, RISK MANAGEMENT, AND FAIR VALUE

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2025. No material changes have occurred on the classification, measurement, or fair value of financial instruments during the financial period ended 30 June 2026. There were no significant changes in the Group's exposure to credit, liquidity, or market risks, or in the methods used to manage those risks, compared to what was disclosed in the last annual consolidated financial statements.

Fair value

Represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. The Group's management believes that the fair values of financial assets and financial liabilities are not materially different from their carrying values.

19. SUBSEQUENT EVENTS

In the opinion of management, there have been no significant subsequent events since the period-end that require adjustment of or disclosure in these Interim Condensed Consolidated Financial Statements

20. BOARD OF DIRECTORS APPROVAL

These Interim Condensed Consolidated Financial Statements were approved by the Group's Board of Directors on 29 Safar 1448AH (12 August 2026).