

AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTHS PERIODS ENDED DECEMBER 31, 2025
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT

AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTHS PERIODS ENDED DECEMBER 31, 2025

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

**TO THE SHAREHOLDERS OF AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)**

INTRODUCTION

We have reviewed the accompanying interim financial statements of **AL YAMAMAH STEEL INDUSTRIES COMPANY - listed joint stock company-** (the "Company") and its subsidiary referred "The Group" which comprises:

- The interim condensed consolidated statement of financial position as at 31 December 2025;
- The interim condensed consolidated statements of profit or loss and comprehensive income for the three-month periods then ended;
- The interim condensed consolidated statement of changes in equity for the three -month period then ended;
- The interim condensed consolidated statement of cash flows for the three -month period then ended, and;
- The notes to 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 financial statements based on our review.

SCOPE OF REVIEW

We condensed our review in accordance with the International Standard for 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 the interim condensed consolidated financial statements consists of making inquiries primarily of the persons responsible for financial and accounting matters and applying analytical and other review procedures. The review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing (ISAs) as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified during the 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 Standards (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

**For PKF Al Bassam
Chartered Accountants**



Ahmed A. Mohandis
Certified Public Accountant
License No. (477)
Jeddah: 23 Shaaban 1447H
Corresponding to: 11 February 2026

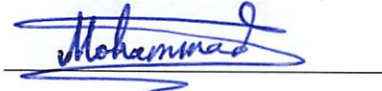


AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS OF 31 DECEMBER 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)

	Note	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net	5	601,576,264	582,014,778
Intangible assets, net		3,336,123	3,539,010
Right-of-use assets, net	6	23,136,475	23,702,734
Non-current assets		628,048,862	609,256,522
Current assets			
Inventories, net	7	719,438,807	691,527,405
Trade receivables, net	8	532,747,179	412,037,652
Prepayments and other receivables		19,000,182	18,284,015
financial assets at fair value through profit or loss statement		--	434,881
Cash and cash equivalents		139,451,032	33,523,454
Current Assets		1,410,637,200	1,155,807,407
Total Assets		2,038,686,062	1,765,063,929
Shareholders' equity and liabilities			
Shareholders' Equity			
Share capital	1	508,000,000	508,000,000
Retained earnings		151,434,163	113,824,559
Total equity attributable to shareholders of the Company		659,434,163	621,824,559
Non-controlling interests		96,850,454	98,049,405
Total Shareholders' equity		756,284,617	719,873,964
Liabilities			
Non-current liabilities			
Long term loans- Non-current portion	9	128,555,986	128,148,209
Lease liabilities- Non-current portion	6	23,072,472	22,913,096
Employee benefits		54,734,366	53,253,777
Liability of dismantling and removing property, plant and equipment		16,113,825	15,959,088
Non-current liabilities		222,476,649	220,274,170
Current liabilities			
Short-term borrowings	9	903,077,797	683,970,518
Lease liabilities- current portion	6	1,870,504	1,843,456
Dividends payable		567,401	567,401
Trade payables		66,987,779	76,416,482
Advances from customers		15,641,814	6,161,331
Accrued expenses and other payables		60,868,229	47,699,453
Zakat Provision	10	10,911,272	8,257,154
Current liabilities		1,059,924,796	824,915,795
Total Liabilities		1,282,401,445	1,045,189,965
Total Shareholders' equity and liabilities		2,038,686,062	1,765,063,929

Chief Financial Officer



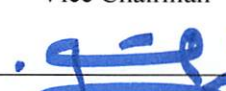
Mohammad Abu Farha

Chief Executive Officer



Sahal Althobiti

Vice Chairman



Raed Almudaiheem

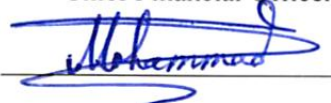
The accompanying notes form an integral part of these interim condensed consolidated financial statements

AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTHS PERIODS ENDING DECEMBER 31, 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)**

		For the three-month period ended 31 December	
	Note	2025 (Unaudited)	2024 (Unaudited)
Revenue	4	498,204,792	484,443,933
Cost of sales	4	(421,573,934)	(445,290,607)
Gross profit		76,630,858	39,153,326
Selling and distributing expenses		(8,319,134)	(6,649,630)
Administrative expenses		(14,296,138)	(13,811,846)
Profit from operation		54,015,586	18,691,850
Financial charges		(15,832,549)	(14,612,480)
Realized (Loss) gains on financial assets at fair value through profit or loss		(47,816)	194,671
Unrealized Gain on financial assets at fair value through profit or loss		--	33,600
Other revenue		929,550	62,117
Net profit before Zakat		39,064,771	4,369,758
Zakat	10	(2,654,118)	(812,457)
Net Profit		36,410,653	3,557,301
Total comprehensive income		36,410,653	3,557,301
<u>Total Profit (Loss) attributable to:</u>			
- Shareholders of the Company		37,609,604	4,591,817
- Non-controlling interests		(1,198,951)	(1,034,516)
		36,410,653	3,557,301
<u>Total comprehensive income (loss) attributable to:</u>			
- Shareholders of the Company		37,609,604	4,591,817
- Non-controlling interests		(1,198,951)	(1,034,516)
		36,410,653	3,557,301
<u>Earnings per share to net income for the Period:</u>			
- Basic	11	0.74	0.09
- Diluted	11	0.74	0.09

Chief Financial Officer



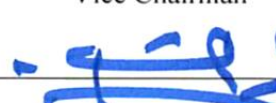
Mohammad Abu Farha

Chief Executive Officer



Sahal Althobiti

Vice Chairman



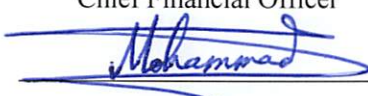
Raed Almudaiheem

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

AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)

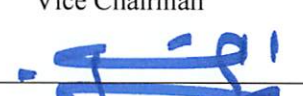
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE-MONTHS PERIOD ENDING DECEMBER 31, 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)

	Share capital	Statutory reserve	(Accumulated losses) Retained earnings	Total	Non-controlling interests	Total equity
<u>For the Three-month period ended 31 December 2025</u>						
Balance as of 1 October 2024 (Unaudited)	508,000,000	--	113,824,559	621,824,559	98,049,405	719,873,964
comprehensive income (loss) for the period						
Profit (Loss) for the period	--	--	37,609,604	37,609,604	(1,198,951)	36,410,653
Other comprehensive income	--	--	--	--	--	--
Total comprehensive income (loss) for the period (Unaudited)	--	--	37,609,604	37,609,604	(1,198,951)	36,410,653
Balance as of 31 December 2025 (Unaudited)	<u>508,000,000</u>	<u>--</u>	<u>151,434,163</u>	<u>659,434,163</u>	<u>96,850,454</u>	<u>756,284,617</u>
<u>For the three-month period ended 31 December 2024</u>						
Balance as of 1 October 2024 (Unaudited)	508,000,000	--	81,081,247	589,081,247	101,884,367	690,965,614
comprehensive income (loss) for the period						
Net profit (Loss) for the period	--	--	4,591,817	4,591,817	(1,034,516)	3,557,301
Other comprehensive income	--	--	--	--	--	--
Total comprehensive income (loss) for the period (Unaudited)	--	--	4,591,817	4,591,817	(1,034,516)	3,557,301
Balance as of 31 December 2024 (Unaudited)	<u>508,000,000</u>	<u>--</u>	<u>85,673,064</u>	<u>593,673,064</u>	<u>100,849,851</u>	<u>694,522,915</u>

Chief Financial Officer

Mohammad Abu Farha

Chief Executive Officer

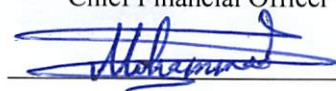
Sahal Althobiti

Vice Chairman

Raed Almudaiheem

AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTHS PERIOD ENDING DECEMBER 31, 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)

	Note	2025 (Unaudited)	2024 (Unaudited)
<u>Cash flows from operating activities</u>			
(Loss) Profit for the period before zakat		39,064,771	4,369,758
Adjustments:			
Depreciation on property, plant and equipment		12,053,053	11,252,029
Amortization of intangible assets		258,138	238,422
Right of use asset depreciation	6	566,258	624,121
losses from disposal of property, plant and equipment		--	--
Slow moving Inventories items provision	7	131,390	203,948
Inventories impairment provision	7	--	(2,288,505)
Realized (gain) from Investments held at fair value through or loss's statement		47,816	(194,671)
Unrealized loss (Gain) from Investments held at fair value through or loss's statement		--	(33,600)
Finance costs		15,832,549	14,612,480
Provision for employee benefits charged for the period		2,138,547	1,888,426
		<u>70,092,522</u>	<u>30,672,408</u>
<u>Changes in operating assets and liabilities</u>			
Trade receivables		(120,709,527)	16,140,735
Inventories		(28,042,792)	(75,753,984)
Prepayments and other receivables		(716,167)	(548,843)
Trade payables		(9,428,703)	17,953,123
Accrued expenses and other payables		11,528,703	(2,041,821)
Advances from customers		9,480,483	(7,307,461)
Cash generated from (used in) operations		<u>(67,795,481)</u>	<u>(20,885,843)</u>
Paid Zakat	10	--	--
Paid employee's benefits		(657,957)	(354,328)
Net cash generated from (used in) operating activities		<u>(68,453,438)</u>	<u>(21,240,171)</u>
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment		(31,614,539)	(2,369,830)
Purchase of intangible assets		(55,251)	(100,002)
Purchase of financial assets at fair value through profit or loss		(112,951)	(1,024,282)
Sold financial assets at fair value through profit or loss		500,016	1,366,331
Net cash (used in) investing activities		<u>(31,282,725)</u>	<u>(2,127,783)</u>

Chief Financial Officer

Mohammad Abu Farha

Chief Executive Officer

Sahal Althobiti

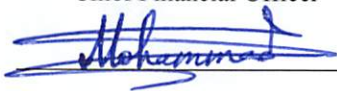
Vice Chairman

Raed Almudaiheem

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

AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)

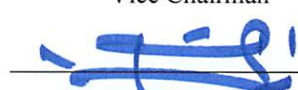
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(CONTINUED)
FOR THE THREE-MONTHS PERIOD ENDING DECEMBER 31, 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)

	Note	2025 (Unaudited)	2024 (Unaudited)
<u>Cash flows from financing activities</u>			
Proceeds from loans and credit facilities	9	940,485,574	811,416,566
Payments from loans and credit facilities	9	(720,970,518)	(797,377,808)
Paid Finance cost		(13,652,249)	(13,774,873)
Payment of lease obligations	6	(199,066)	(263,171)
Dividends paid		--	(110)
Net cash generated from financing activities		205,663,741	604
Net change in cash and cash equivalents balance		105,927,578	(23,367,350)
Cash and cash equivalents at the beginning of the period		33,523,454	71,018,805
Cash and cash equivalents at the end of the period		139,451,032	47,651,455
<u>*Non-cash transactions</u>			
Lease liabilities		385,492	410,421
Finance cost for Liability of dismantling and removing property, plant and equipment		154,736	126,449
Accrued expenses and other payables		1,640,072	300,739
Finance cost		(2,180,300)	(837,609)

Chief Financial Officer

Mohammad Abu Farha

Chief Executive Officer

Sahal Althobiti

Vice Chairman

Raed Almudaiheem

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

AL YAMAMAH STEEL INDUSTRIES COMPANY
(JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTHS PERIODS ENDING DECEMBER 31, 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)

1. GENERAL

Al Yamamah Steel Industries Company ("the Company" or "the Parent Company") is JOINT STOCK COMPANY registered in Riyadh under Commercial Registration No. 1010070794 Unified number (7001343636) dated 1/06/1409H as per the Minister of Commerce Decree No. (726) dated 20/3/1427H and His Highness approval on the incorporation of the Company No (1491) dated 30/05/1427H, corresponding to 26/06/2006. The Company is operating under Industrial License No, 144/X dated 22/03/1409H and the amendments pursuant to it.

The Company's activities are:

- Manufacture of tubes, pipes and hollow shapes from iron,
- Manufacture of metal structures and their parts for bridges and towers,
- Manufacture of poles and their parts, including (poles, lighting cabins, traffic lights, etc.),
- Manufacture and installation of prefabricated steel structures for industrial facilities.

The Company operates through its factories in the following cities in the Kingdom and these factories operate under the following commercial registrations and their dates:

Factory	City/Place	CR Number	Date of CR
Al Yamamah Steel Industries Company	Jeddah	7014606235	28/4/1410H
Al Yamamah for Electric Poles	Jeddah	7012590860	9/3/1425H
Al Yamamah Steel Industries Company	Dammam	7014711993	7/3/1429H
Al Yamamah for Production of Electric Power Towers	Jeddah	7012672007	9/7/1429H
Al Yamamah Industrial Solar Energy Systems Factory	Jeddah	7004171992	9/9/1439H
Al Yamamah Industrial Structures frames	Jeddah	7028239395	6/8/1443H
Al Yamamah Wind Power Systems	Yanbu	7023984797	11/12/1442H

As of December 31, 2025, the company's authorized, subscribed, and fully paid-up capital amounted to SAR 508 million (as of September 30, 2025: SAR 508 million), divided into 50.8 million shares (as of September 30, 2025: 50.8 million shares), each with a value of SAR 10 (as of September 30, 2025: SAR 10).

The consolidated financial statements include the financial statements of the Company, its branches, and the subsidiary mentioned below, which its head office is located in Riyadh and its factory is located in Yanbu, (collectively referred to as the "Group"):

Company Name	County of incorporation	Ownership percentage
Al Yamamah Company for Reinforcing Steel Bars	Kingdom of Saudi Arabia	72.5%

The subsidiary is principally engaged in producing, wholesale and retail trading of reinforcing steel bars.

The registered address of the Company is as follows:

Al Yamamah Steel Industries Company
Riyadh 11583
P.O. Box 55303
Kingdom of Saudi Arabia

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTHS PERIODS ENDING DECEMBER 31, 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)**

2. BASIS OF PREPERATION

2/1 Statement of Compliance

The condensed consolidated financial statements for the Three-months period ended December 31, 2025, have been prepared in accordance with International Accounting Standard 34 ("Interim Financial Reporting") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Certified Public Accountants. These condensed consolidated financial statements do not include all the information and disclosures required for the preparation of annual financial statements in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia. Therefore, these should be read in conjunction with the Group's annual financial statements for the fiscal year ended September 30, 2025.

The interim consolidated financial statement not included the applicable information and notes needed to prepare year-end consolidated financial statement accordance with international financial reporting as endorsed in the Kingdom of Saudi Arabia, so must review with the year-end consolidated financial statement on September 30, 2025.

The accounting policies for this interim financial statement matching with accounting policies for the year end consolidated financial statement on September 30, 2025

2/2 Basis of measurement

The accompanying financial statements are prepared on the historical cost basis, except the international standard for financial reporting allowed to use another evaluation measurement method.

The preparation of interim condensed consolidated financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the amounts disclosed in the interim condensed financial statements. These important estimates and assumptions were disclosed in the annual financial statements for the year ended September 30, 2025.

Items included in the Group's interim condensed consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency.

2/3 Use of judgments and estimates

The preparation of the interim condensed consolidated financial statements requires management to use judgments and estimates that affect the application of accounting policies to the reported amounts of assets, liabilities, income and expenses, and actual results may differ from these estimates.

Estimates and assumptions are based on past experience and factors that include expectations of future events that are reasonable in the circumstances and are used to extend the carrying period of assets and liabilities that are not independent of other sources. Estimates and assumptions are evaluated on an ongoing basis. Accounting estimates recognized in the period in which the estimates are revised are reviewed in the review period and future periods if the changed estimates affect the current and future periods.

The significant judgments made by management in applying the Group's accounting policies are consistent with those disclosed in the financial statements for the previous year.

Going Concern

The management of the group prepare evaluation for the group ability to continues on the basis of going concern, and have a full conviction the group have enough resources to continues on the short run future, in addition to the management doesn't have significant doubts for the group ability to continues for this way.

So, the accompanying financial statements were prepared on the basis of going concern.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTHS PERIODS ENDING DECEMBER 31, 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)

3. SIGNIFICANT ACCOUNTING POLICIES

3/1 the basis of consolidated financial statement

The financial statements for the Group include the financial statements of the company and its subsidiaries as disclosed in Note 1. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee. The Group is considered to have control over the investee when it has the ability to direct the relevant activities of the investee.

- Control over the investee (existing rights that provide the current ability to direct the relevant activities of the investee).
- Exposure to risks and rights to variable returns from its involvement with the investee.
- The ability to use its control over the investee to affect its returns.

The Group reassesses whether it has control over the investee if facts and circumstances indicate changes in any of the elements of control mentioned above. The consolidation process of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. The assets, liabilities, revenues, and expenses of an acquired or disposed subsidiary are included in the financial statements from the date the Group gains control over the subsidiary until the date it loses control.

Profits and losses, as well as all components of other comprehensive income, are attributable to the equity holders of the parent company of the Group and to the non-controlling interests, even if this results in a deficit balance attributable to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Group. All intergroup balances and financial transactions arising from transactions between the Group and its subsidiary, as well as those between subsidiaries, are eliminated in the preparation of the financial statements. Any unrealized profits or losses arising from intergroup transactions are also eliminated during the consolidation of the financial statements.

Any changes in the percentage of share for subsidiaries companies without loss control, record as a normal transaction for equity statement, but when loss the control on the subsidiaries do below:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling interest.
- Recognize any amount received by fair value.
- Recognize fair value for all investment.
- Recognize deficit or surplus at profit or loss

The parent company's share in the components mentioned above within other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, when required, if the Group directly derecognizes the related assets and liabilities.

Elimination process:

We must eliminate any intragroup transactions or balances, in addition to any unrealized gains or losses arising from intragroup transactions, when preparing the financial statements. Unrealized gains resulting from transactions with equity-accounted investees should be eliminated to the extent of the Group's interest in the investee. Unrealized losses should be eliminated in the same manner as unrealized gains, except where there is evidence of impairment.

Share of Non-Controlling interest:

Non-controlling interests are recognized separately from the Group's equity in the net assets of the subsidiary. These interests consist of the amounts recognized at the acquisition date, along with their share of changes in equity of the subsidiary after the acquisition date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTHS PERIODS ENDING DECEMBER 31, 2025
(EXPRESSED IN SAUDI ARABIAN RIYALS)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3/2 New standards, amendments to standards, and interpretations

There are no new standards that have been issued. However, there are some amendments to the standards effective as of January 1, 2025, which were clarified in the consolidated financial statements for the year ending on September 30, 2025, which do not have a material impact on the interim condensed consolidated financial statements of the Group.

4. SEGMENTAL INFORMATION

The presentation of key segments is determined on the basis that the risks and rewards of the Group are substantially affected by the differences in the products of those segments. These segments are organized and managed separately according to the nature of the services and products, each forming a separate unit. The operational segments set out below are determined by distinguishing business activities from which the Group generates revenues and incurs costs.

The economic characteristics are reviewed and the operating segments are aggregated on the basis of the organization made by the Chief Operating Decision Maker at least every quarter and reviewed by Group's senior management.

The Group is operating its activities in the Kingdom of Saudi Arabia through the following main business sectors:

Construction Segment	Electricity Segment	Renewable energy Segment	Others
Al Yamamah Steel Industries factory (Pipes and Tubes)	Electrical power towers factory	Solar power plant	Head Office
Al Yamamah Rebar factory	Electric poles factory	Al Yamamah Wind Power Plant	

The following are the business results of these segments for the Three-months period ended:

31 December 2025 (Unaudited)	Segment reporting				Total
	Construction Segment	Electricity Segment	Renewable energy Segment	Others	
Revenues	212,003,571	197,064,927	89,136,294	--	498,204,792
Sale cost	(205,576,408)	(136,037,478)	(79,960,048)	--	(421,573,934)
Segment's net profit	(6,874,071)	38,440,307	4,892,236	(47,819)	36,410,653
Segment Assets	845,785,816	850,507,542	319,488,316	22,904,388	2,038,686,062
Segment liabilities	213,709,086	748,821,874	301,896,403	17,974,082	1,282,401,445

31 December 2024 (Unaudited)	Segment reporting				Total
	Construction Segment	Electricity Segment	Renewable energy Segment	Others	
Revenue	287,587,610	146,763,534	50,092,789	-	484,443,933
Sale cost	(283,011,343)	(114,919,873)	(47,359,391)	-	(445,290,607)
Segment's net profit	(14,332,980)	15,904,403	1,757,381	228,497	3,557,301
Segment Assets	945,421,348	762,698,578	90,150,053	15,362,349	1,813,632,328
Segment liabilities	755,645,474	276,111,644	75,475,039	11,877,256	1,119,109,413

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5. PROPERTY, PLANT AND EQUIPMENT, NET

5/1 the following is a statement of the net book value of property, plant and equipment:

	31 December 2025	30 September 2025
	(Unaudited)	(Audited)
Total cost	1,169,225,279	1,164,859,551
working in progress (5/4)	57,828,578	30,579,767
Accumulated depreciation	(624,675,648)	(612,622,595)
Impairment losses	(801,945)	(801,945)
Net carrying amount	601,576,264	582,014,778

5/2 The buildings of the Group include buildings with net book value amounting to SR 196.9 million as at 31 December 2025 (30 September 2025: SR 200.1 million) that are constructed on lands leased from the Saudi Authority for Industrial Cities and Technical Areas (MODON), the lease is renewable for a similar period with similar or with other terms as agreed upon between the concerned parties, except for the poles and towers factories, as they are constructed on a land owned by the Parent Company with net book value amounting to SR 54.7 million as at 31 December 2025 (30 September 2025: SR 55.9 million).

5/3 The buildings of the subsidiary's factory with net book value amounting to SR 53.8 million as at 31 December 2025 (30 September 2025: SR 54.5 million) are constructed on a piece of land leased from the Royal Commission for Yanbu for 35 years, started on 5 Rabi' Al Thani 1427H for an annual lease. Rent is renewable for a similar period with the same terms and other terms as agreed between relevant parties.

5/4 Property, Plant and Equipment Impairment

Management periodically reviews the carrying amounts of property, plant, and equipment to assess whether there are any indicators of potential impairment, in accordance with the requirements of International Accounting Standard (IAS) 36 "Impairment of Assets."

During the quarterly financial periods, management's review is limited to assessing whether there are any significant indicators of impairment. If such indicators exist, an impairment test is performed immediately, and any resulting impairment losses, if any, are recognized in the statement of profit or loss.

In the absence of impairment indicators, management conducts a detailed impairment assessment of property, plant, and equipment once a year at the end of the financial year, to determine the recoverable amount and compare it with the carrying amount of the assets.

For the period ended 31 December 2025, management did not identify any significant indicators that would require an impairment test, and accordingly, no impairment losses were recognized in respect of property, plant, and equipment.

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5. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

5/5 Capital work in progress represents the following projects:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Advanced to vendors	34,275,604	11,466,049
Jeddah Pipe Plant Expansion Works *	16,062,133	14,072,133
Smelting Project – Reinforcing Steel (Rebar) (5/6/3)	3,170,187	3,020,185
Expansion Project of the Poles and Towers Factory	3,463,100	2,021,400
Wind Energy Systems Project (5/6/1)	272,554	--
Admin building renovation project	585,000	--
	57,828,578	30,579,767

Expansion Works of the Jeddah Pipes Factory: The expansion works of the Jeddah Pipes Factory include two phases of implementation, actual cost as at 31 December 2025 SAR 16 million (September 30, 2025: SAR 14 million), with an estimated total cost of SAR 28 million.

*Projects under construction represent amounts paid by the subsidiary for the establishment of a smelting plant and internally manufactured machinery. The total executed works and certified progress billings amounted to SAR 3.2 million as at 31 December 2025 (30 September 2025: SAR 3,02). The estimated cost for establishing the smelting plant is SAR 900 million, and the construction is expected to be completed within two years from the commencement date, subject to obtaining the required financing.

5/6 Capitalized finance charges:

The financing charges capitalized during the year amounted to SAR Zero (September 30, 2025: SAR 4.91 million).

5/7 Fully depreciated and idle property, plant and equipment:

As at 31 December 2025, the Group has property, plant and equipment with a historical cost of SAR 205.5 million (30 September 2025: SAR 208 million) that are fully depreciated and still in use. The Group does not have any property, plant and equipment that are temporarily idle, nor any property, plant and equipment held for sale.

5/8 Pledges of property, plant and equipment:

The Group obtained a long-term loan from the Saudi Industrial Development Fund (SIDF) totaling SAR 170,000,000 to finance the construction of a wind power plant at a total cost of SAR 188.7 million, secured by a mortgage on all the project's fixed assets. As of September 30, 2025, there were mortgages on the property and equipment of the wind power plant with a net book value of SAR 187.9 million against the SIDF loan, the construction-in-progress for the Wind Energy Systems Project was completed during September 2025. The commencement of the project's operation was announced on the Saudi Exchange (Tadawul).

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6. LEASES CONTRACTS

6/1 The movement in the right-of-use-assets, net as follow:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
<u>Cost</u>		
Balance at beginning of period / Year	37,202,797	40,495,121
Addition during the period / year	--	331,137
Disposals during the Period / Year	--	(3,623,461)
Balance at ending of period / Year	37,202,797	37,202,797
<u>Accumulated Depreciation</u>		
Balance at beginning of period / Year	13,500,063	14,585,390
Depreciation during the period / year	566,259	2,503,208
Disposals during the Period / Year	--	(3,588,535)
Balance at ending of period / Year	14,066,322	13,500,063
Net balance ending of period / Year	23,136,475	23,702,734

6/2 The movement in the lease liabilities is as follows:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Balance at beginning of the period / year	24,756,552	28,204,976
Additions during the period / year	--	331,137
Financing charges during the period / year	385,490	1,607,629
Transferred to accrued expenses*	--	(1,478,283)
Disposals during the Period / Year	--	(55,360)
Paid during the period / year	(199,066)	(3,853,547)
Balance at end of period / year	24,942,976	24,756,552

*Management has reclassified under accrued expenses, during the year (as of 30 September 2025: SAR 1,478,283).

6/3 The following are the lease obligations as classified in the consolidated statement of financial position:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Current liability	1,870,504	1,843,456
Non-current liability	23,072,472	22,913,096
	24,942,976	24,756,552

* The average discount rate used to calculate the present value of lease obligations was 4.5% to 6%.

** The Group's main lease contracts are land leases from the Industrial Cities Authority (MODON) and the Royal Commission in Yanbu, on which the Group's factories are located, at a fixed rental value paid annually.

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7. INVENTORIES, NET

7/1 Inventories comprise the following:

		31 December 2025	30 September 2025
	Note	(Unaudited)	(Audited)
Raw materials		433,638,950	335,488,081
Finished goods		108,723,573	119,718,481
Work in progress		17,576,121	25,309,721
Spare parts		47,453,091	50,023,292
Scrap & Scale		30,216,460	29,047,834
Packaging and packing materials		701,460	789,852
Consumables		1,176,596	1,098,787
Goods in transit		90,328,512	140,295,923
		729,814,763	701,771,971
Less: Allowance for slow moving inventory items	7/3	(10,375,956)	(10,244,566)
Less: Provision for low inventory	7/4	--	--
		719,438,807	691,527,405

7/2 Scrap and steel waste generated from manufacturing operations are measured at the lower of cost and net realizable value. As the scrap does not incur direct production costs, its net realizable value is determined based on recent price quotations obtained from independent third parties.

As at 31 December 2025, the total weight of scrap and iron waste generated from the manufacturing operations of the subsidiary amounted to approximately 21.4 Thousand tons (30 September 2025: 21.5 Thousand tons). The net realizable value per ton was approximately SAR 1,400 (30 September 2025: SAR 1,400).

7/3 Goods in transit

Inventory includes goods in transit, which represent goods purchased but not yet received as of the financial statements date. Goods in transit are recognized in inventory when the substantial risks and benefits of ownership have been transferred to the company in accordance with the contractual terms (such as agreed delivery terms), and are measured at cost, which includes the purchase price and any other direct costs necessary to bring the goods to their current location and condition. Goods in transit for which the substantial risks and benefits have not been transferred to the company as of the financial statements date are not included in inventory.

7/4 Movement on provision for slow moving inventory during the year as follows:

	31 December 2025	30 September 2025
	(Unaudited)	(Audited)
Balance at beginning of the period / year	10,244,566	14,418,747
Provided during the period / year	131,390	541,553
No longer required provision	--	(4,715,734)
Balance at end of period / year	10,375,956	10,244,566

7/5 Movement on inventory impairment during the year is as follows:

	31 December 2025	30 September 2025
	(Unaudited)	(Audited)
Balance at beginning of the period / year	--	2,288,505
No longer required provision	--	(2,288,505)
Balance at end of period / year	--	--

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8. TRADE RECEIVABLES, NET

8/1 Trade receivables comprise the following:

	Note	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Trade receivables - related parties	13	104,057,057	84,760,374
Trade customers - other parties		438,616,602	337,203,758
		542,673,659	421,964,132
Less: Expected credit loss provision	8/2	(9,926,480)	(9,926,480)
		532,747,179	412,037,652

8/2 As at 31 December 2025, 56.8% of the total sales for the year related to only eight customers, whose outstanding balance amounted to SAR 413.7 million (30 September 2025: 77% and SAR 303 million).

8/3 The movement in allowance for expected credit losses during the period/ year is as follows:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Balance at beginning of the period / year	9,926,480	9,926,480
Balance at end of period / year	9,926,480	9,926,480

8/4 aging of the trade receivables is as follows:

Aging Buckets	31 December 2025 (Unaudited)			
	Balance	Secured balances	Exposure at Default	Expected credit losses
Not due	265,545,875	157,822,631	107,723,243	2,228,722
From 1 to 90 days	262,558,358	198,421,820	64,136,538	4,276,947
From 91 to 180 days	5,024,754	1,985,802	3,038,952	524,040
Over 181 Days	9,544,672	122	9,544,552	2,896,771
	542,673,659	358,230,375	184,443,284	9,926,480

Aging Buckets	30 September 2025 (Audited)			
	Balance	Secured balances	Exposure at Default	Expected credit losses
Not due	256,508,604	183,115,397	73,458,885	3,201,156
From 1 to 90 days	152,750,599	95,299,139	57,451,460	3,609,506
From 91 to 180 days	3,979,852	122	3,979,730	628,606
Over 181 Days	8,725,077	4,138	8,720,939	2,487,212
	421,964,132	278,353,118	143,611,014	9,926,480

As at 31 December 2025, based on management's estimates, the impact of the change in the expected credit loss provision balance was determined to be immaterial and, accordingly, was not recognized in the financial statements.

Additional information relating to the Group's exposure to credit and market risks is disclosed in Note (33/3).

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9. BANK FACILITIES

9/1 Bank facilities from local trading banks

The Group has Shariah-compliant banking facilities totaling SAR 2.3 billion (30 September 2025: SAR 1.4 billion) with certain local banks and the Saudi Industrial Development Fund. Of this, SAR 1.6 billion has been utilized (30 September 2025: SAR 1.4 billion) in the form of letters of guarantee, letters of credit, and short-term banking facilities to meet the Group's working capital requirements. All banking facilities carry fees in accordance with prevailing market rates and are secured by promissory notes issued by the parent and subsidiary companies to the local banks. The average applicable rates of return range from 4% to 8%.

9/2 Saudi Industrial Development Fund loan

In August 2023, the Group obtained approval from the Saudi Industrial Development Fund (SIDF) for a loan of SAR 170 million to Al Yamamah Wind Energy Systems Company. This loan will contribute to financing eligible real estate, machinery, equipment, and working capital. The funds will be disbursed in installments until Shawwal 29, 1446 H (April 27, 2025). A pro rata deduction of SAR 13.6 million will be made from these installments to cover prepaid financing expenses, in addition to semi-annual financing expenses payable throughout the agreement's term. A maximum limit for these semi-annual expenses has been agreed upon. The Group fulfilled the loan requirements during the fiscal year ending September 30, receiving SAR 136 million, representing 80% of the loan amount. Eighty percent of the fees (SAR 10.9 million) have been deducted from this amount. The loan will be repaid in semi-annual installments starting on Shawwal 15, 1448 H (March 23, 2027). The loan, which is valid from 2027 and ends on 15 Rabi' al-Thani 1454 H corresponding to 23 July 2032, is secured by promissory notes issued by Al-Yamamah Steel Industries Company in favor of the Saudi Industrial Development Fund, covering the entire amount and payments, and in exchange for mortgaging the buildings and facilities that are or will be built on the factory land, along with the entire factory, its machinery, equipment, accessories, and everything that is obtained later for the project. The agreement includes some conditions, including maintaining certain financial ratios.

9/3 Banks Facilities and Loans are shown in condensed interim financial position statement as follow:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Short term Loans (9/4)	903,077,797	683,970,518
Long Term Loans (9/5)	128,555,986	128,148,209
	1,031,633,783	812,118,727

9/4 Short-term loans

Short-term bank loans represent outstanding amounts under overdraft facilities and short-term loan facilities with some commercial banks to finance the working capital requirements of the Group's companies, due within 12 months.

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Short bank loans	903,077,797	683,970,518
	903,077,797	683,970,518

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9. BANK FACILITIES (CONTINUED)

9/5 Non-current portion of long-term loans are due as follows

<u>Year</u>	31 December 2025 (Unaudited)	30 September 2025 (Audited)
2027	12,099,387	12,061,007
2028	15,124,234	15,076,260
2029	18,149,080	18,091,512
2030	21,173,927	21,106,764
2031	27,223,621	27,137,268
2032	34,785,737	34,675,398
	128,555,986	128,148,209

9/6 Bank loans according to the financing entities:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Arab National Bank	442,800,000	345,300,000
Saudi Industrial Development Fund "SIDF"	128,555,986	128,148,209
Banque Saudi Fransi	166,010,065	15,700,000
Alinma Bank	222,000,000	297,000,000
Saudi Awwal Bank "SAB"	72,267,732	25,970,518
	1,031,633,783	812,118,727

9/7 Movement on Loans as follow:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Balance, at beginning of period / year	812,118,727	850,055,849
Addition during the period / Year	940,485,574	3,394,275,389
Less: payments during the period / year	(720,970,518)	(3,432,212,511)
Balance at the end of the period / year	1,031,633,783	812,118,727

*Finance costs related to loans and banking facilities recognized in the statement of profit or loss during the year amounted to SAR 14.8 million (September 30, 2025: SAR 45,2 million). Finance costs capitalized during the year amounted to SAR Zero million (30 September 2025: SAR 4.9 million).

*Movements in loans during the period include revolving loans of SAR 407.4 billion (30 September 2025: SAR 1.8 billion).

9/8 Compliance with Financial and Operational covenants

In accordance with the terms of the agreements, the Group is required to comply with its financial and operational commitments as of December 31, 2025. Management assesses that there has been no breach of these commitments.

9/9 Mortgages and Guarantees

The parent company obtained loans and credit facilities against collateral in the form of promissory notes and mortgages on certain real estate, property, and equipment belonging to the wind power plant. The net book value of these assets and equipment was SAR 187.1 million as of December 31, 2025 (SAR 187.9 million as of September 30, 2025). This collateral was provided as security for a loan granted by the Saudi Industrial Development Fund.

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10. ZAKAT

10/1 Movement summary on Zakat provision is as follows:

	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Balance beginning of period / year	8,257,154	16,653,621
Add: Charge for the period / year	2,620,209	7,011,510
Prior years Reverse of zakat provision	33,909	334,310
Reverse of zakat provision	--	(7,267,429)
Less: payments during the period / year	--	(8,474,859)
Balance at the end of the period / year	10,911,271	8,257,153

10/2 Zakat position

Al Yamamah Steel Industries Company

The company submitted its zakat returns for the years from its establishment on June 26, 2006, until the fiscal year ending September 30, 2025, and paid the zakat due to the Zakat, Tax and Customs Authority. It obtained a valid zakat certificate until January 30, 2027. The following details the company's zakat status from its establishment date until September 30, 2025:

A) For the period from its establishment date, June 26, 2006, until September 30, 2024:

The company submitted its zakat returns for the years from the start of operations until the fiscal year ending September 30, 2024, and paid the zakat due in those returns to the Zakat, Tax and Customs Authority. The company finalized its zakat obligations with the Zakat, Tax and Customs Authority for the years from its establishment date until the fiscal year ending September 30, 2024. The company did not receive any zakat assessments for the years 2012 through 2024.

B) 2025

The company submitted its zakat return for the year ending September 30, 2025, and paid the zakat due during January 2026 to the Zakat, Tax and Customs Authority. It received a zakat certificate valid until January 30, 2027.

Al Yamamah Steel Rebar Company

We inform you that the company submitted its zakat returns for the years from the start of operations until the fiscal year ending September 30, 2025, and paid all zakat obligations in this regard. It received a zakat certificate valid until January 30, 2027. The company has settled its zakat obligations with the Zakat, Tax and Customs Authority for the years from the company's establishment until the year ending September 30, 2019.

10/3 Tax Status

Al Yamamah Steel Industries Company

Al Yamamah Steel Industries Company is subject to Zakat in accordance with the provisions and rules of the Zakat, Tax and Customs Authority ("the Authority") in the Kingdom of Saudi Arabia. Value Added Tax (VAT) returns, as well as withholding tax (if applicable), are prepared monthly, and the amounts due are paid to the Zakat, Tax and Customs Authority.

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10. ZAKAT (Continued)

10/3 Tax Status (Continued)

10/3/1 Value Added Tax

- Value Added Tax (VAT) was implemented in the Kingdom of Saudi Arabia on January 1, 2018 (14 Rabi' al-Thani 1439 H). It is a tax on the supply of goods and services that is ultimately borne by the end consumer but is collected at each stage of the production and distribution chain as a general principle. Therefore, the treatment of VAT in the Group's accounts should reflect its role as a tax collector, and VAT should not be included in income or expenditures, whether capital or revenue. However, there will be circumstances where the Group bears VAT, and in such cases where VAT is non-refundable, it should be included in the cost of the product or service.

- On December 16, 2025, Al Yamamah Steel Industries Company received from the Authority a VAT audit assessment study for the company for the year 2024. The study valued the VAT at SAR 1.323 million, which pertains to invoices for catering services (meals for factory workers) and advance payments from customers as of December 31, 2025. The tax audit is currently under review. The company has a provision of approximately SAR 1.3 million, and the VAT amounts related to the advance payments invoiced by the company during the fiscal year ending December 31, 2025, will be refunded.

- The company submitted its tax returns for the fiscal year 2025 and paid the amounts due. It also submitted its monthly returns for the period ending December 31, 2025, and paid the amounts due.

10/3/2 Withholding Taxes

- The company withholds taxes on transactions with non-resident parties in the Kingdom of Saudi Arabia and on dividends paid to non-resident shareholders in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.

- Al Yamamah Steel Industries Company submitted its withholding tax returns for the fiscal year 2025 and paid the amounts due, and submitted its monthly returns for the period ending December 31, 2025, and paid the amounts due.

Al Yamamah Steel Rebar Company

The company submitted its tax returns due up to the end of the fiscal year ending September 30, 2025, and submitted its monthly returns for the period ending December 31, 2025, and paid the amounts due.

The last tax audit was conducted by the Zakat, Tax and Customs Authority for the period from January 2023 to December 2023, and concluded that there were no discrepancies requiring adjustments to the tax returns.

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11. EARNINGS PER SHARE

11/1 Basic Earnings per share

The calculation of basic earnings per share has been based on the net earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding at the date of the condensed consolidated interim financial statements, which amounts to 50.8 million shares.

	For the three-month period ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
Net profit for the period	37,609,604	4,591,817
weighted average number of ordinary shares outstanding	50,800,000	50,800,000
Earnings per share attributable to the shareholders of the company	0.74	0.09

11/2 Diluted Earnings per share

The calculation of diluted earnings per share has been based on the profit distributable to shareholders on ordinary shares and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, if any. During the period, there are no dilutive shares, and therefore, the diluted earnings per share is the same as the basic earnings per share.

12. CONTINGENCIES AND CAPITAL COMMITMENTS

12/1 Bank guarantees

As at 31 December 2025, the value of potential liabilities against the uncovered portion of bank guarantees issued by local banks on behalf of the group to cover customer contracts amounted to SAR 227 million (September 30, 2025: SAR 254.8 million).

12/2 letters of credit

As at 31 December 2025, the value of potential liabilities against outstanding letters of credit amounted to SAR 293 million (September 30, 2025: SAR 378.9 million) which were issued in the ordinary course of the Group's business to cover contracts with the Group's suppliers.

12/3 Capital commitments

As at 31 December 2025, the capital commitments related to projects under construction, including contracts and purchase orders up to the reporting date, amounted to SAR 19.1 million (30 September 2025: SAR 40.9 million).

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13. RELATED PARTY TRANSACTIONS AND BALANCES

13/1 Related party transactions primarily consist of the purchase and sale of goods and the provision of services, which are conducted based on mutually agreed terms and approved by management, as authorized by the General Assembly of Shareholders held on 4 Ramadan 1446H, corresponding to March 4, 2025, with the following entities and parties. Below are the transactions with related parties during the Three-month period ending on December 31, and the resulting balances:

Transactions with related parties:	Nature of relationship	Nature of transaction	Transaction amount for the three-month period ended December 31		Balance as at	
			2025 (Unaudited)	2024 (Unaudited)	31 December 2025 (Unaudited)	30 September 2025 (Audited)
Under accounts receivable (Note 9):						
Abdulqader Almuhaidib & Sons Company *	Shareholder	Sales	51,005,135	114,108,741	55,036,956	46,185,196
Rashid Abdulrahman Al Rashid & Sons Company **	Shareholder	Sales	8,449,102	3,551,097	8,711,199	816,443
Al Mohanna Trading Company	Shareholder	Sales	26,022,045	46,188,124	13,415,137	10,853,092
Al Mohanna Trading Group ***	Shareholder	Sales	36,948,142	16,246,039	24,969,520	24,665,933
Madar for Building Materials Company (Previously Al Fozan Building Materials Company)	Subsidiary’s shareholder	Sales	2,286,042	6,123,074	1,924,245	2,239,710
					104,057,057	84,760,374
Under trade payables						
Abdulqader Almuhaidib & Sons Company *	Shareholder	Purchases	508,703	233,867	--	92,324
Al Madar for Building Materials Company (Previously Al Fozan Building Materials Company)	Shareholder in subsidiary	Purchases	111,831	--	--	--
					--	92,324

* Transaction with Abdul Kader Al Muhaideb and Sons Company include Masdar for Building Materials Company and Thabat Contracting Company.

** Transaction with Rashed Abdul Rahman and Sons Company include Saudi Services for Electro Mechanical Works Company.

*** Al-Mohanna Trading Group belongs the shareholder and BOD member Mohanna bin Abdullah Al Mohanna.

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13. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

13/2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise), The salaries, wages and related costs benefits during the year amounted as follows:

		For the three-month period ended 31 December	
	Nature of transaction	2025 (Unaudited)	2024 (Unaudited)
Board of Directors members	Bonus	768,501	733,500
Key management personnel	Salaries, allowances and incentives	1,926,745	1,599,211

14. DIVIDENDS

During the period ending December 31, 2025

During this period, Al Yamamah Steel Industries Company (the parent company) announced that its Board of Directors, at its meeting on Sunday, December 28, 2025 (corresponding to 8 Rajab 1447 AH), recommended to the Ordinary General Assembly of the company's shareholders, the date of which will be announced later, not to distribute cash dividends to shareholders for the fiscal year ending September 30, 2025. This recommendation aims to support the company's financial position and contribute to financing its expansion projects and increasing the capital of its subsidiary, Al Yamamah Steel Rebar Company.

During the period ending December 31, 2024

At its meeting on December 25, 2024, the Board of Directors recommended distributing cash dividends to shareholders for the fiscal year ending September 30, 2024, amounting to SAR 25,400,000, at a rate of SAR 0.5 per share. This recommendation will be presented to the General Assembly, which will be held during March 2025.

15. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value and cash flow, interest rate risks and price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

15/1 Financial risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The most important types of risk are credit risk, currency risk and fair value and cash flow interest rate risks.

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15/1 Financial risk management framework (continued)

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial instruments carried on the balance sheet include cash and cash equivalents, trade and other receivables, loans, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

15/2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: Interest rate risk, currency risk and other price risk.

15/2/1 Interest rate risk

The loans obtained by the Group are carried at variable interest rates based at prevailing market interest rates.

	Book value as at 31 December 2025 (Unaudited)	Book value as at 30 September 2025 (Audited)
<u>Variable rate instruments</u>		
Loans	1,031,633,783	812,118,727
	1,031,633,783	812,118,727

The table below reflects the possible change of 100 basis points in interest rates at the reporting date on profit or loss assuming all other variables are remaining constant.

	<u>At 31 December 2025 (Unaudited)</u>	<u>At 30 September 2025 (Audited)</u>
<u>Interest Rates</u>		
Increase in basis 100 points - (Loss)	(10,316,338)	(8,121,187)
Decrease in basis 100 points - Profit	10,316,338	8,121,187

15/2/2 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to fluctuations in foreign exchange rates. The Group is not significantly exposed to fluctuations in foreign exchange rates during its normal course of business, as the Group's core transactions during the period were denominated in Saudi Riyals and US Dollars. Thus, there are no significant risks associated with transactions and balances denominated in US Dollars.

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15/3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers, which are based on comprehensive customer ratings and past repayment rates.

The management also continuously monitors the credit exposure related to its customers and makes provision against the expected credit losses. Standing balances of customers are continuously monitored. Cash and cash equivalents are placed with national banks with sound credit ratings. Trade and other receivables are mainly due from local customers stated at their estimated realizable values.

The Group's gross maximum exposure to credit risk is as follows:

	At 31 December 2025 (Unaudited)	At 30 September 2025 (Audited)
<u>Financial assets</u>		
Trade receivables	532,747,179	412,037,652
Bank balances	139,451,032	33,523,454
	672,198,211	445,561,106
<u>Financial assets</u>		
Secured *	497,681,407	311,942,250
Unsecured **	174,516,804	133,618,856
	672,198,211	445,561,106

*As at 31 December 2025, secured financial assets include bank balances of SAR 139.5 million (September 30, 2025: SAR 33.5 million) and trade receivables amounting to SAR 358.2 million, secured by bank guarantees (30 September 2025: SAR 278.4million).

** As at 31 December2025, un-secured financial assets include trade receivables amounting to SR 104.1 million due from related parties which have not yet passed their due dates (30 September 2025: SR 84.8 million).

15/4 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual maturities for financial liabilities at the end of the period, which are presented in gross and undiscounted amounts:

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15/4 Liquidity risk (continued)

	Undiscounted contractual cash flows					
	Carrying value	1 year or less	1 year to 3 years	3 years or More	Interest accruals for future periods	Total contractual maturity
31 December 2025 (Unaudited)						
Non-derivative financial liabilities						
Loans	1,031,633,783	903,077,797	24,205,699	104,350,287	14,759,325	1,046,393,108
Trade payables	66,987,779	66,987,779	--	--	--	66,987,779
Dividends payables	567,401	567,401	--	--	--	567,401
Accrued expenses and other payables	60,868,229	60,868,229	--	--	--	60,868,229
Lease liabilities	24,942,976	1,870,504	4,560,272	18,512,200	13,989,866	38,932,842
	1,185,000,168	1,033,371,710	28,765,971	122,862,489	28,749,191	1,213,749,359
	Undiscounted contractual cash flows					
	Carrying value	1 year or less	1 year to 3 years	3 years or More	Interest accruals for future periods	Total contractual maturity
30 September 2025 (Audited)						
Non-derivative financial liabilities						
Loans	812,118,727	683,970,518	66,335,543	61,812,666	22,716,069	834,834,796
Trade payables	76,416,482	76,416,482	--	--	--	76,416,482
Dividends payables	567,401	567,401	--	--	--	567,401
Accrued expenses and other payables	47,699,454	47,699,454	--	--	--	47,699,454
Lease liabilities	24,756,552	1,843,456	7,014,742	15,898,354	15,539,778	40,296,330
	961,558,616	810,497,311	73,350,285	77,711,020	38,255,847	999,814,463

The cash flows included in the above maturity analysis are not expected to become due earlier or by materially different amounts.

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15/5 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Group adjusted net debt to net equity ratio was as follows:

	At 31 December 2025 (Unaudited)	At 30 September 2025 (Audited)
Total liabilities	1,282,401,445	1,045,189,965
Less: Cash and cash equivalents	(139,451,032)	(33,523,454)
Net obligations	1,142,950,413	1,011,666,511
Total equity	756,284,614	719,873,964
Adjusted shareholders' equity	756,284,614	719,873,964
Net obligations to equity	1.5	1.4

The below table shows the carrying amounts and fair values of the financial assets and liabilities including their levels in the fair value hierarchy.

	31 December 2025 (Unaudited)					
	Carrying value		Fair value			
	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets						
Trade receivables	532,747,179	532,747,179	--	--	--	--
Financial assets at fair value through profit or loss statement	--	--	--	--	--	--
Cash and cash equivalents	139,451,032	139,451,032	--	--	--	--
	672,198,211	672,198,211	--	--	--	--
Financial liabilities						
Loans and facilities	1,031,633,783	1,031,633,783	--	--	--	--
Trade payables	66,987,779	66,987,779	--	--	--	--
Dividends payable	567,401	567,401	--	--	--	--
Accrued expenses and other payables	60,868,229	60,868,229	--	--	--	--
Zakat provision	10,911,272	10,911,272	--	--	--	--
	1,170,968,464	1,170,968,464	--	--	--	--

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15/5 Capital management (continued)

	30 September 2024 (Audited)					
	Carrying value		Fair value			
	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets						
Trade receivables	412,037,652	412,037,652	--	--	--	--
Cash and cash equivalents	33,523,454	33,523,454	--	--	--	--
Financial assets at fair value through profit or loss statement	--	--	434,881	--	--	434,881
	<u>445,561,106</u>	<u>445,561,106</u>	<u>434,881</u>	<u>--</u>	<u>--</u>	<u>434,881</u>
Financial liabilities						
Loans and facilities	812,118,727	812,118,727	--	--	--	--
Trade payables	76,416,482	76,416,482	--	--	--	--
Dividends payables	567,401	567,401	--	--	--	--
Accrued expenses and other payables	47,699,454	47,699,454	--	--	--	--
Zakat provision	8,257,153	8,257,153	--	--	--	--
	<u>945,059,217</u>	<u>945,059,217</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

16. SIGNIFICANT EVENTS

A fundamental review and restructuring of key global interest rate benchmarks is currently underway. In line with the Saudi Central Bank's objective of maintaining monetary and financial stability, the bank decided this year to reduce the repurchase agreement (repo) rate by 50 basis points, from 5.25% to 4.75%. The Group's management is closely monitoring these changes to determine their potential financial impact on its business results in the coming periods.

Based on the letter received by Al Yamamah Steel Industries Company from Al Yamamah Steel Rebar Company (the subsidiary, a closed joint-stock company) which states that its Board of Directors has recommended raising the company's capital by an amount of 300 million Saudi Riyals by offering priority rights shares (knowing that its current capital amounts to 300 million Riyals), in order to proceed with the iron billet factory project, by issuing an additional 25 million shares at a value of 12 Riyals per share, and offering them to the company's shareholders for subscription, after obtaining the approvals of the relevant authorities. The subsidiary requested Al Yamamah Steel Industries Company to confirm its participation in the capital increase subscription. The Board of Directors of Al Yamamah Steel Industries Company, in accordance with Article (22) of the company's Articles of Association and after due consideration, resolved on November 13, 2025, to allow Al Yamamah Steel Industries Company to participate in the subscription by acquiring 6.3 million rights shares in the subsidiary at a price of SAR 12 per share, for a total amount of SAR 75,600,000, to be funded from the company's own resources. This will increase Al Yamamah Steel Industries Company's stake in Al Yamamah Steel Rebar Company (the subsidiary) to 51% after the capital increase, which requires the subsidiary to obtain the necessary approvals from the relevant authorities.

Al Yamamah Steel Industries Company announced that on Tuesday, November 4, 2025, it received notification from its shareholder, Abdul Qader Al Muhaidib & Sons Company (a closed joint-stock company), a major shareholder owning 8.038% of Al Yamamah Steel Industries Company's shares. The notification stated the company's intention to restructure its investment portfolio by transferring 2,400,000 shares, representing approximately 4.724% of Al Yamamah Steel Industries Company's shares, from its portfolio to Al Muhaidib Holding Company (a limited liability company),

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16. SIGNIFICANT EVENTS (Continued)

a subsidiary of Abdul Qader Al Muhaidib & Sons Company. This transfer will result in a change in the ownership percentage of one of the major shareholders in Al Yamamah Steel Industries Company, which will consequently lead to a change in the list of major shareholders on the Tadawul website. The shareholder obtained approval from the Capital Market Authority (CMA) to transfer the securities without executing a transaction, pursuant to subparagraph (m) of paragraph (2) of Article 36 of the Securities Depository Center's rules.

- On November 11, 2025, Al Yamamah Steel Industries Company announced the signing of a contract to supply steel towers with the Arab Company for Electrical Installations Ltd. for the construction of a 380-kV high-voltage line in the Western Region, valued at SAR 176,480,000.
- On October 15, 2025, Al Yamamah Steel Industries Company announced the signing of a contract to supply steel towers with Larsen & Toubro Saudi Arabia, valued at SAR 106,439,500.
- On October 15, 2025, Al Yamamah Steel Industries Company announced the signing of a contract to supply steel towers with Larsen & Toubro Saudi Arabia, valued at SAR 100,648,750.

The Board of Directors, at its meeting held on December 28, 2025 (corresponding to Rajab 8, 1447 AH), recommended to the Ordinary General Assembly of the Company's shareholders, the date of which will be announced later, not to distribute cash dividends to shareholders for the fiscal year ending September 30, 2025. This recommendation aims to support the Company's financial position, contribute to financing its expansion projects, and increase the capital of its subsidiary, Al Yamamah Steel Rebar Company.

Management believes that no significant events, other than those already disclosed, have occurred since the end of the year until the date of the Board of Directors' approval of these consolidated financial statements, that could affect the Group's financial position or the disclosures in the financial statements beyond what has already been disclosed.

17. SUBSEQUENT EVENTS

On January 11, 2026, Al Yamamah Steel Industries Company (the parent company) announced that it had received notification from its shareholder, Al Muhanna Trading Company (a limited liability company, one of the company's major shareholders, owning 3,440,384 shares, representing 6.77241%), that the Capital Market Authority had approved the division of all shares owned by Al Muhanna Trading Company in Al Yamamah Steel Industries Company equally between Mr. Abdulrahman bin Abdullah Al Muhanna and Mr. Mohammed bin Abdullah bin Muhanna. This division results in a change in the ownership percentage of one of the major shareholders in Al Yamamah Steel Industries Company (the parent company).

Management believes that no material events have occurred since the end of the year until the date of approval of these consolidated financial statements by the Board of Directors that could affect the Group's financial position or the disclosures in the financial statements other than those already disclosed.

18. COMPARATIVE FIGURES

The comparative figures for the prior year presented in these condensed consolidated interim financial statements have not undergone any material reclassification. Therefore, the presentation of balances and disclosures remains consistent with the current period, ensuring the comparability of the financial information.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the Board of Directors on 20 Shaaban 1447H (corresponding to 8 February 2026).