

**National Gas and Industrialization Company  
(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
AND REVIEW REPORT**

**FOR THE THREE MONTH PERIOD ENDED  
31 MARCH 2025 (UNAUDITED)**

**National Gas and Industrialization Company**  
**(A Saudi Joint Stock Company)**  
Interim Condensed Consolidated Financial Statements  
For the three month period ended 31 March 2025

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## Report on review of interim condensed consolidated financial statements

To the Shareholders of National Gas and Industrialization Company  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Gas and Industrialization Company (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 31 March 2025 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three month period then ended and other explanatory notes. The management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.


### Scope of review

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

### Conclusion

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

### **PricewaterhouseCoopers**

  
Adel Alqhtani  
License Number 614





19 May 2025

**National Gas and Industrialization Company**  
**(A Saudi Joint Stock Company)**  
Interim condensed consolidated statement of financial position  
As of 31 March 2025

	Note	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	939,158,166	927,506,783
Intangible assets		61,469,222	55,777,152
Investment properties		33,442,174	33,442,174
Right-of-use assets	5.1	10,873,526	12,199,718
Investments in associates	6	94,323,019	91,947,353
Financial assets held at fair value through other comprehensive income (FVTOCI)	7	632,354,837	657,591,019
Financial assets held at amortised cost		38,631,221	148,148,865
Prepayments and other assets – Non current portion	10	35,061,321	36,383,131
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,845,313,486</b>	<b>1,962,994,195</b>
<b>CURRENT ASSETS</b>			
Financial assets held at fair value through profit or loss (FVTPL)	8	118,131,172	116,272,717
Financial assets held at amortised cost		100,033,911	100,716,421
Inventories		267,405,696	265,699,254
Accounts receivable	9	44,043,256	50,775,719
Contract assets		47,380,065	44,627,416
Prepayments and other assets	10	100,440,826	81,056,709
Cash and cash equivalents	11	76,119,453	75,133,500
<b>TOTAL CURRENT ASSETS</b>		<b>753,554,379</b>	<b>734,281,736</b>
<b>TOTAL ASSETS</b>		<b>2,598,867,865</b>	<b>2,697,275,931</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	1	750,000,000	750,000,000
Statutory reserve		225,000,000	225,000,000
Retained earnings		518,233,963	455,861,045
Share of other comprehensive loss from associates	6	(1,812,190)	(1,484,393)
Unrealised gains from financial assets held at fair value through other comprehensive income (FVTOCI)		451,629,661	476,865,843
<b>TOTAL EQUITY</b>		<b>1,943,051,434</b>	<b>1,906,242,495</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	5.2	6,680,595	6,561,201
Employees' defined benefits liabilities	13	89,714,468	86,495,930
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>96,395,063</b>	<b>93,057,131</b>
<b>CURRENT LIABILITIES</b>			
Trade payable		273,329,181	288,412,056
Contract liabilities		52,528,827	53,520,670
Lease liabilities	5.2	7,906,744	9,826,128
Accrued expenses and other liabilities	14	127,982,145	204,850,621
Term loan	12	73,564,364	119,656,723
Zakat payable	15	24,110,107	21,710,107
<b>TOTAL CURRENT LIABILITIES</b>		<b>559,421,368</b>	<b>697,976,305</b>
<b>TOTAL LIABILITIES</b>		<b>655,816,431</b>	<b>791,033,436</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,598,867,865</b>	<b>2,697,275,931</b>

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

  
Malik S. Hassan  
Chief Financial Officer

  
Eng. Abdulrahman Bin Abdulaziz Bin Sulaiman  
Chief Executive Officer and Board Member

**National Gas and Industrialization Company  
(A Saudi Joint Stock Company)**

Interim condensed consolidated statement of comprehensive income  
For the three month period ended 31 March 2025

	Note	For the three month period ended 31 March	
		2025 (Unaudited) SR	2024 (Unaudited) SR
Revenues	16	837,572,750	706,832,256
Cost of revenues		(722,248,480)	(607,346,706)
<b>Gross profit</b>		<b>115,324,270</b>	<b>99,485,550</b>
Selling and distribution expenses		(24,612,781)	(19,449,098)
General and administrative expenses		(36,364,516)	(27,687,941)
Reversal of expected credit losses		319,943	1,391,413
<b>Operating income</b>		<b>54,666,916</b>	<b>53,739,924</b>
Investments income	17	13,955,849	23,517,568
Loss on disposal of financial assets held at amortised cost		(6,551,114)	-
Finance income		1,920,450	3,558,363
Finance costs		(1,737,472)	(1,013,544)
Share of results from associates	6	3,163,463	(416,711)
Other (loss) / income, net	18	(1,062,391)	1,029,837
<b>Income before zakat</b>		<b>64,355,701</b>	<b>80,415,437</b>
Zakat for the period	15	(2,400,000)	(1,809,651)
<b>Net income for the period</b>		<b>61,955,701</b>	<b>78,605,786</b>
<b>Other comprehensive (loss) / income</b>			
<i>Other comprehensive gain and loss that will not be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gain on employees' defined benefits liabilities		417,217	7,921,393
Share of other comprehensive (loss) / gain from associates		(327,797)	52,365
Change in fair value of financial assets held at fair value through other comprehensive income		(25,236,182)	5,459,449
<b>Other comprehensive (loss) / income for the period</b>		<b>(25,146,762)</b>	<b>13,433,207</b>
<b>Total comprehensive income for the period</b>		<b>36,808,939</b>	<b>92,038,993</b>
Weighted average number of outstanding shares		75,000,000	75,000,000
Basic and diluted earnings per share	19	0.83	1.05

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.



Mr. Malik S. Hassan  
Chief Financial Officer



Eng. Abdulrahman Bin Abdulaziz Bin Sulaiman  
Chief Executive Officer and Board Member

**National Gas and Industrialization Company**  
**(A Saudi Joint Stock Company)**

Interim condensed consolidated statement of changes in equity  
For the three month period ended 31 March 2025

	Share capital SR	Statutory reserve SR	Retained earnings SR	Share of other comprehensive loss from associates SR	Unrealised gains from financial assets held at fair value through other comprehensive income (FVTOCI) SR	Total equity SR
Balance as of 1 January 2025 (Audited)	750,000,000	225,000,000	455,861,045	(1,484,393)	476,865,843	1,906,242,495
Net income for the period	-	-	61,955,701	-	-	61,955,701
Other comprehensive income / (loss)	-	-	417,217	(327,797)	(25,236,182)	(25,146,762)
Total comprehensive income / (loss) for the period	-	-	62,372,918	(327,797)	(25,236,182)	36,808,939
<b>Balance as of 31 March 2025 (Unaudited)</b>	<b>750,000,000</b>	<b>225,000,000</b>	<b>518,233,963</b>	<b>(1,812,190)</b>	<b>451,629,661</b>	<b>1,943,051,434</b>
Balance as of 1 January 2024 (Audited)	750,000,000	225,000,000	372,469,073	(480,868)	498,705,104	1,845,693,309
Net income for the period	-	-	78,605,786	-	-	78,605,786
Other comprehensive income	-	-	7,921,393	52,365	5,459,449	13,433,207
Total comprehensive income for the period	-	-	86,527,179	52,365	5,459,449	92,038,993
Balance as of 31 March 2024 (Unaudited)	750,000,000	225,000,000	458,996,252	(428,503)	504,164,553	1,937,732,302

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.



Mr. Malik S. Hassan  
Chief Financial Officer



Eng. Abdulrahman Bin Abdulaziz Bin Sulaiman  
Chief Executive Officer and Board Member

**National Gas and Industrialization Company**  
**(A Saudi Joint Stock Company)**  
Interim condensed consolidated statement of cash flows  
For the three month period ended 31 March 2025

	Notes	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before zakat		64,355,701	80,415,437
<i>Adjustments to reconcile profit before zakat to net cash flows:</i>			
Depreciation of property, plant and equipment	21	13,980,165	24,020,005
Amortisation of intangible assets	21	1,045,809	3,514,384
Amortisation of right-of-use assets	5,2, 21	1,326,192	1,295,223
Finance costs		1,553,070	164,211
Share of results from associates	6	(3,163,463)	416,711
Loss / (gain) on disposal of property, plant and equipment		344,178	(217,280)
Reversal of provision for expected credit losses	9	(319,943)	(1,391,413)
Provision for employees' defined benefits liabilities	13	5,123,789	3,786,184
Amortisation of prepaid upfront fees on term loan		111,082	518,052
Follow up fees of term loan		73,321	331,281
Provision for slow moving inventories		630,795	368,649
Provision for replacing cylinders and others		714,236	927,986
Change in fair value of financial assets held at fair value through profit or loss	17	877,266	(8,212,179)
Dividend income received from financial assets held at fair value through other comprehensive income	17	(11,700,000)	(11,958,399)
Loss on disposal of financial assets held at amortised cost		6,551,114	-
Finance income		(1,920,450)	(3,558,363)
		<u>79,582,862</u>	<u>90,420,489</u>
<b>Changes in working capital:</b>			
Inventories		(3,051,473)	1,780,091
Accounts receivable		7,052,406	(9,266,317)
Prepayments and other assets		(18,062,307)	(21,732,816)
Financial assets held at fair value through profit or loss		(2,735,721)	447,508
Trade payable		(15,082,875)	27,715,182
Contract assets		(2,752,649)	-
Contract liabilities		(5,778,038)	-
Accrued expenses and other liabilities		9,391,658	(12,673,164)
		<u>48,563,863</u>	<u>76,690,973</u>
Zakat paid	15	-	(1,821,801)
Employees' defined benefits liabilities paid	13	(1,488,034)	(4,548,097)
<b>Net cash generated from operating activities</b>		<u>47,075,829</u>	<u>70,321,075</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disposal of financial assets held at amortised cost		104,504,990	10,256,814
Finance income		1,062,500	3,558,363
Additions to property, plant and equipment		(25,975,746)	(11,497,351)
Additions to intangible assets		(6,737,879)	(7,570,665)
Dividend received from associates		460,000	-
Dividend income received from financial assets held at fair value through other comprehensive income		11,700,000	11,958,399
Proceeds from disposal of property, plant and equipment		-	252,127
<b>Net cash generated from investing activities</b>		<u>85,013,865</u>	<u>6,957,687</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(81,473,919)	(74,853,915)
Principal element of lease payments		(1,799,990)	(34,067)
Finance costs element of lease payments		(119,394)	(4,153)
Loans repayment, net		(46,500,000)	-
Payment of finance cost on loans		(1,137,117)	-
Follow up fees on term loan paid		(73,321)	(331,281)
<b>Net cash used in financing activities</b>		<u>(131,103,741)</u>	<u>(75,223,416)</u>

**National Gas and Industrialization Company  
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Interim condensed consolidated statement of cash flows (continued)  
For the three month period ended 31 March 2025

	<b>31 March 2025 (Unaudited) SR</b>	31 March 2024 (Unaudited) SR
<b>Net increase in cash and cash equivalents</b>	<b>985,953</b>	2,055,346
Cash and cash equivalents at the beginning of the period	<u>75,133,500</u>	129,638,298
<b>Cash and cash equivalents at the end of the period</b>	<b><u>76,119,453</u></b>	<u>131,693,644</u>
<b>NON-CASH TRANSACTIONS:</b>		
Change in fair value of financial assets held at fair value through other comprehensive income	<u>25,236,182</u>	5,459,449
Re-measurement gain on employees' defined benefits liabilities	<u>417,217</u>	7,921,393
Current service cost charge to capital work in progress	<u>-</u>	<u>27,048</u>

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.



Mr. Malik S. Hassan  
Chief Financial Officer



Eng. Abdulrahman Bin Abdulaziz Bin Sulaiman  
Chief Executive Officer and Board Member

**National Gas and Industrialization Company  
(A Saudi Joint Stock Company)**

Notes to the interim condensed consolidated financial statements  
For the three month period ended 31 March 2025

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**1 CORPORATE INFORMATION**

**A) ESTABLISHMENT OF THE COMPANY**

National Gas and Industrialization Company (the "Company") is a Saudi joint stock company. The Company is registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010002664 dated 22 Rajab 1383H (corresponding to 9 December 1963). The share capital of the Company amounts to SR 750 million and is divided into 75 million shares of SR 10 each. Mr. Abdulaziz Abdulrahman Al-Mohsen owns 6.66% as of 31 March 2025 (31 December 2024: 6.66%) of the total Company's shares, and the remaining shares are publicly traded.

The Company was established in accordance with the Royal Decree No. 713 dated 03/12/1380H (corresponding to 18 May 1961), to merge the Saudi Gas and Manufacturing Company and National Gas Company with the approval of the General Assembly of both companies, under the letter of H.H. the Minister of Commerce No. 2843/H dated 01/01/1381H (corresponding to 15 June 1961), and the actual merger commenced in 1383H. Later to this date on 13/06/1384H (corresponding to 19 October 1964), the Council of Ministers Decree No. 820 was issued to merge all the entities involved in gas activities in the Kingdom of Saudi Arabia into the National Gas and Industrialization Company.

The accompanying interim condensed consolidated financial statements include the interim financial statements of National Gas and Industrialization Company (the "Company") and its subsidiaries (collectively referred to as the "Group").

**B) GROUP ACTIVITIES**

The activities of the Company and its subsidiaries (the "Group") include carrying out all work related to the exploitation, manufacturing and marketing of all kinds of gas and its derivatives and industrial gases inside and outside the Kingdom of Saudi Arabia, selling, manufacturing and maintaining cages, cylinders, tanks and accessories, maintenance of gas networks and accessories, carrying out all work related to the manufacturing, transporting and marketing of petroleum, chemical, petrochemical and glass products, establishment or participation in the production of energy, water treatment and environmental services, in addition to the acquisition of real estate and purchase of land for the construction of buildings thereon and investing it through sale or lease in favor of the Group. Also, the Group is incorporated to provide technical and engineering consulting services and training related to all gas and energy works. In addition, The Group is specialized in establishing, building and maintenance of liquefied petroleum gas (LPG) networks and tanks, developing LPG products and solution. Currently the Group is engaged in selling gas and its derivatives and industrial gases inside the Kingdom of Saudi Arabia and maintaining cages, cylinders, tanks and accessories, maintenance of gas networks and accessories.

The registered address of the Group is P.O. Box 564, Riyadh 11421, Kingdom of Saudi Arabia.

The Group has the following branches as of 31 March 2025 and 31 December 2024:

<b>Sr.</b>	<b>Branch</b>	<b>Commercial registration number</b>	<b>Issuing date</b>
1	Riyadh	1010672640	23/04/1442 H
2	Riyadh	1010672641	23/04/1442 H
3	Riyadh	1010828231	25/02/1444 H
4	Riyadh	1009105305	22/03/1446 H
5	Riyadh	1010681388	04/06/1442 H
6	Riyadh	1010672639	23/04/1442 H
7	Dammam	2050001551	07/08/1383 H
8	Buraidah	1131004089	06/04/1402 H
9	Al-Madinah Al-Munawwarah	4650006707	18/03/1402 H
10	Jeddah	4030032503	19/02/1402 H
11	Khamis Mushait	5855004366	25/12/1402 H
12	Taif	4032007367	20/09/1402 H

The assets, liabilities and results of operations of these branches are included in these interim condensed consolidated financial statements.

**National Gas and Industrialization Company  
(A Saudi Joint Stock Company)**

Notes to the interim condensed consolidated financial statements  
For the three month period ended 31 March 2025

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**1 CORPORATE INFORMATION** (continued)

**B) GROUP's ACTIVITIES** (continued)

The Group has the following subsidiaries as at 31 March 2025 and 31 December 2024:

Subsidiary	Commercial registration number	Nature of activities	Country of incorporation	Effective shareholding percentage	
				2025	2024
1. Gas Solutions Company	1010693275	Gas networks	Saudi Arabia	<b>100%</b>	100%
2. Best Gas Distributor Company	1010851646	Distribution	Saudi Arabia	<b>100%</b>	100%
3. National Carrier Transportation Company	1010851708	Transportation	Saudi Arabia	<b>100%</b>	100%
4. National Gas Supply Company	1010882359	Retail sales	Saudi Arabia	<b>100%</b>	100%
5. National Storage Company	1010924126	Storage and filling	Saudi Arabia	<b>100%</b>	100%
6. Innovators Company for Communications and Information Technology *	1009161653	Communications & IT	Saudi Arabia	<b>100%</b>	100%
7. Aman Al-Mutqadma Industrial Company**	1009143782	Cylinder maintenance	Saudi Arabia	<b>100%</b>	-

\* As of 31 December 2024, the Company completed the formal procedures of the newly established subsidiary which have been established based on the Board of Directors' approval in its meeting held on 16 December 2024. Innovators Company for Communications and Information Technology has not started its operations as of 31 March 2025.

\*\* As of 31 March 2025, the Company completed the formal procedures of the newly established subsidiary which has not yet started its operations.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These interim condensed consolidated financial statements for the three month period ended 31 March 2025 were prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants.

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR"), which is the Group's functional and presentation currency, and all values are rounded to the nearest SR, except when otherwise indicated.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and they must be read in conjunction with the Group's last annual audited financial statements for the year ended 31 December 2024. In addition, the results for the three month period ended 31 March 2025, are not an accurate indication of the results that can be expected for the fiscal year ending 31 December 2025.

**National Gas and Industrialization Company  
(A Saudi Joint Stock Company)**

Notes to the interim condensed consolidated financial statements  
For the three month period ended 31 March 2025

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**2 BASIS OF PREPARATION (continued)**

**2.2 Judgments, estimates and assumptions**

The preparation of the interim condensed consolidated financial statements requires management to use certain judgments, estimates and assumptions that affect the application of accounting policies and the amounts presented for assets and liabilities, revenues, and expenses. Actual results may differ from these estimates. The significant judgments taken by management in applying the Group's accounting policies and the main sources of uncertainty estimates are the same as those applied to the annual financial statements for the year ended 31 December 2024 except for the change in the estimate of certain assets as mentioned in note 4.

**2.3 Historical cost convention**

These interim condensed consolidated financial statements were prepared under the historical cost convention, except for financial instruments, which are measured at fair value at the end of each reporting period and employees defined benefit liability, which is measured using the Projected Unit Credit Method. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of the transaction.

**2.4 Basis of consolidation**

These interim condensed consolidated financial statements include the assets, liabilities, and the results of operations of the Company and its subsidiaries (the "Group") as stated in note 1.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired (or disposed) of during the period/year are included (or derecognized) in the interim condensed consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The Company and its subsidiaries have the same reporting period. Where necessary, accounting policies of the subsidiary have been changed to ensure consistency with the accounting policies adopted by the Group.

All inter-group accounts and transactions have been eliminated on consolidation.

**3 MATERIAL ACCOUNTING POLICIES**

The accounting policies applied during the preparation of these interim condensed consolidated financial statements are the same accounting policies applied during the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2024, unless otherwise stated.

**3.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP**

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2025:

1. Amendments to IAS 21 - Lack of Exchangeability

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**National Gas and Industrialization Company**  
**(A Saudi Joint Stock Company)**

Notes to the interim condensed consolidated financial statements  
For the three month period ended 31 March 2025

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**3 MATERIAL ACCOUNTING POLICIES (continued)**

**3.2 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP**

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 1 January 2025 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below:

**1. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)**

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVTOCI).

The Group does not expect these amendments to have a material impact on its operations or financial statements.

**2. IFRS 18 “Presentation and Disclosure in Financial Statements” (effective for annual periods beginning on or after 1 January 2027)**

IFRS 18 will replace IAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

**3. IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)**

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

**National Gas and Industrialization Company**  
**(A Saudi Joint Stock Company)**

Notes to the interim condensed consolidated financial statements  
For the three month period ended 31 March 2025

**4 PROPERTY, PLANT AND EQUIPMENT**

Property, plant, and equipment includes the following:

- a) Two plots of land with an aggregate value of SR 2.7 million (31 December 2024: SR 2.7 million) that have been pledged to the Saudi Industrial Development Fund (SIDF). The loan was fully paid in the current period and the group is in the process of releasing the pledge (note 12).
- b) Capital work in progress amounted to SR 360.1 million (31 December 2024: SR 340.4 million) mainly represents projects to develop the Group's stations and production lines in accordance with the Group's needs and the public safety requirements.
- c) The Group has disposed property, plant and equipment during the period ended 31 March 2025 with a cost of SR 0.36 million and accumulated depreciation of SR 0.016 million. As a result, a loss of SR 0.34 million has been included within other income (note 18).
- d) During the period, the Group reviewed the estimated useful lives of certain assets, which resulted in a change in the estimate of these items, as follows:

<b>Nature of assets</b>	<b>Previous useful life (years)</b>	<b>Revised estimated useful life (years)</b>
Buildings	20	33
Motor vehicles and trucks	5	5-10
Machine and equipment	10	20
Cages	5	10
Devices and equipment	5	3-5
Tools and equipment	10	5

The change in estimates of useful life of these items resulted in a (decrease) / increase in depreciation expense for the three month period ended 31 March 2025:

<b>Nature of assets</b>	<b>(Decrease) / increase in depreciation expense for the period ended 31 March 2025</b>
Buildings	<b>(2,077,355)</b>
Motor vehicles and trucks	<b>(5,272,629)</b>
Machine and equipment	<b>(4,003,690)</b>
Cages	<b>(209,627)</b>
Devices and equipment	<b>699,865</b>
Tools and equipment	<b>47,643</b>
	<b><u>(10,815,793)</u></b>

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**4 PROPERTY, PLANT AND EQUIPMENT (continued)**

Had the estimated useful lives not changed, the estimated annualized impact on the consolidated financial statements for the year ending 31 December 2025 would have been as follows:

<b>Nature of assets</b>	<b>(Decrease) / increase in annual depreciation</b>
Buildings	<b>(8,213,828)</b>
Motor vehicles and rucks	<b>(21,077,235)</b>
Machine and equipment	<b>(15,696,349)</b>
Cages	<b>(838,519)</b>
Devices and equipment	<b>1,851,973</b>
Tools and equipment	<b>116,552</b>
	<b><u>(43,857,406)</u></b>

**5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

**Group as a lessee**

The Group has lease contracts for various plots of land and machineries. Leases of land generally have lease terms between 3 and 99 years. The Group's obligations under its leases are secured by the lessors' titles to the leased plots of land. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group has certain leases of equipment with lease terms of 12 month or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

**5.1 Right-of-use assets**

Below are the carrying amounts of right-of-use assets recognized and the movements during the period / year:

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
At the beginning of the period / year	<b>12,199,718</b>	17,853,616
Termination of lease	-	(442,036)
Amortisation charge for the period / year	<b>(1,326,192)</b>	(5,211,862)
At the end of the period / year	<b><u>10,873,526</u></b>	<u>12,199,718</u>

**5.2 Lease liabilities**

Below are the carrying amounts of lease liabilities recognized and the movements during the period/year:

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
At the beginning of the period / year	<b>16,387,329</b>	19,597,898
Terminations during the period / year	-	(442,036)
Paid during the period / year	<b>(1,919,384)</b>	(3,358,009)
Finance costs for the period / year	<b>119,394</b>	589,476
At the end of the period / year	<b>14,587,339</b>	16,387,329
Current portion	<b>(7,906,744)</b>	(9,826,128)
Non-current portion	<b><u>6,680,595</u></b>	<u>6,561,201</u>

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**5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

**5.2 Lease liabilities (continued)**

The following are the amounts recognised in the interim condensed consolidated statement of comprehensive income:

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	2024 (Unaudited) SR
Amortisation expense of right-of-use assets	<b>1,326,192</b>	1,295,223
Finance costs on lease liabilities	<b>119,394</b>	164,211
Expense relating to short-term leases	<b>425,076</b>	283,952
Total amount recognised in profit or loss	<b>1,870,662</b>	1,743,386

The Group has lease contracts that include extension options. These options are negotiable by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether this extension option is reasonably certain to be exercised.

***Group as a lessor***

The Group has entered into leases contracts on plots of land, which are long term in nature. Rent income recognised by the Group during the period is SR 3.1 million as of 31 March 2025 (31 March 2024: SR 3.1 million).

**6 INVESTMENTS IN ASSOCIATES**

Investments in associates comprise the following:

	<b>Ownership percentage</b>		<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
	<b>2025</b>	2024		
Saudi Gas Cylinder Factory Company	<b>33.1%</b>	33.1%	<b>40,032,111</b>	39,125,594
Natural Gas Distribution Company	<b>35%</b>	35%	<b>21,158,694</b>	20,791,688
East Gas Company	<b>35%</b>	35%	<b>33,132,214</b>	32,030,071
			<b>94,323,019</b>	91,947,353

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**6 INVESTMENTS IN ASSOCIATES** (continued)

The movement of investments in associates is as follows:

	<b>Saudi Gas Cylinder Factory Company</b>	<b>Natural Gas Distribution Company</b>	<b>East Gas Company</b>	<b>Total</b>	<b>Saudi Gas Cylinder Factory Company</b>	<b>Natural Gas Distribution Company</b>	<b>East Gas Company</b>	<b>Total</b>
	<b>For the period ended 31 March 2025 (Unaudited)</b>				<b>For the year ended 31 December 2024 (Audited)</b>			
At the beginning of the period / year	<b>39,125,594</b>	<b>20,791,688</b>	<b>32,030,071</b>	<b>91,947,353</b>	37,768,954	20,339,988	31,299,002	89,407,944
<b>Amount recognized in P&amp;L</b>								
Current period / year share of results	<b>951,613</b>	<b>414,737</b>	<b>965,769</b>	<b>2,332,119</b>	4,116,632	1,366,877	1,626,181	7,109,690
Prior year adjustment	<b>282,701</b>	<b>(47,731)</b>	<b>596,374</b>	<b>831,344</b>	(62,781)	(5,873)	44,888	(23,766)
	<b>1,234,314</b>	<b>367,006</b>	<b>1,562,143</b>	<b>3,163,463</b>	4,053,851	1,361,004	1,671,069	7,085,924
<b>Amount recognized in OCI</b>								
Share of other comprehensive income / (loss)	<b>(327,797)</b>	-	-	<b>(327,797)</b>	(969,221)	(34,304)	-	(1,003,525)
Dividends declared	-	-	<b>(460,000)</b>	<b>(460,000)</b>	(1,727,990)	(875,000)	(940,000)	(3,542,990)
At the end of the period / year	<b>40,032,111</b>	<b>21,158,694</b>	<b>33,132,214</b>	<b>94,323,019</b>	39,125,594	20,791,688	32,030,071	91,947,353

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**6 INVESTMENTS IN ASSOCIATES (continued)**

The share of results from associates comprises the following:

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>
East Gas Company	<b>1,562,143</b>	1,508,452
Natural Gas Distribution Company	<b>367,006</b>	362,899
Saudi Gas Cylinders Factory Company	<b>1,234,314</b>	(2,288,062)
	<b>3,163,463</b>	(416,711)

The figures related to the investments in associates and share of results are based on accounts prepared by the respective entities' managements.

**7 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)**

Financial assets held at fair value through other comprehensive income comprises the following:

	<b>31 March 2025 (Unaudited) SR</b>	<b>31 December 2024 (Audited) SR</b>
	Investment in equity instruments – unquoted (notes a, b, and c)	<b>505,489,000</b>
Closed REITs	<b>41,136,600</b>	41,136,600
Investment in equity instruments – quoted	<b>85,729,237</b>	81,204,419
	<b>632,354,837</b>	657,591,019

- a) The above unquoted investments in equity instruments have been evaluated by management through an independent expert valuer, who issued a report on the valuation of investments in the National Industrial Gases Company as of 31 March 2025, using the similar companies' method (Market Method).
- b) During the three month period ended 31 March 2025, the General Assembly of National Industrial Gases Company, approved distribution of dividends to the shareholders amounting to SR 130 million (31 March 2024: SR 130 million). The Group's share is 9%, equivalent to SR 11.7 million (31 March 2024: SR 11.7 million).
- c) The significant unobservable inputs used in the fair value measurement of equity instrument categorized within Level 3 of the fair value hierarchy as of 31 March 2025 and 31 December 2024 are as follows:

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**7 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI) (continued)**

<b>Unquoted equity investment</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Description of valuation technique</b>
National Industrial Gases Company	Market Method	Comparable entities  Discount factor	This approach establishes value by comparison to recent sales of comparable assets or other multiple such as expected value over earnings before interest, tax, depreciation, and amortization (EV/EBITDA). The market approach is a general way of determining the value of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have been sold.

**Sensitivity analysis**

Description	Fair value at		Unobservable inputs	Range of inputs		Sensitivity
	31 March 2025 (Unaudited)	31 December 2024 (Audited)		31 March 2025 (Unaudited)	31 December 2024 (Audited)	
National Industrial Gases Company	<b>505,489,000</b>	535,250,000	EV/EBITDA	<b>9.04%</b>	9.74%	Change by +/-1X will change FV increase/decrease by SR <b>5.7 million</b> (31 December 2024: increase/decrease by SR 6.2 million).
			Discount factor	<b>10%</b>	10%	Change by +/-1% will change FV decrease/increase by SR <b>6.4 million</b> (31 December 2024: decrease/increase by SR 7 million).
	<b>505,489,000</b>	<b>535,250,000</b>				

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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**8 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

*Financial assets at fair value through profit or loss comprises the following:*

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
Portfolio of traded securities	<b>118,131,172</b>	116,272,717

**9 ACCOUNTS RECEIVABLE**

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
Trade receivables	<b>45,323,249</b>	52,344,663
Non-trade receivables	<b>2,635,615</b>	2,666,607
	<b>47,958,864</b>	55,011,270
Provision for expected credit losses	<b>(3,915,608)</b>	(4,235,551)
	<b>44,043,256</b>	50,775,719

The movement in provision for expected credit loss on accounts receivable is as follows:

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
At the beginning of the period / year	<b>4,235,551</b>	8,554,288
Reversal for the period / year	<b>(319,943)</b>	(4,318,737)
At the end of the period / year	<b>3,915,608</b>	4,235,551

**10 PREPAYMENTS AND OTHER ASSETS**

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
Advances to suppliers and contractors	<b>66,242,042</b>	57,007,812
Accrued rent	<b>35,061,321</b>	36,383,131
Prepaid expenses	<b>16,318,867</b>	9,417,557
Value added tax receivable	<b>10,585,552</b>	8,221,623
Employees' receivable	<b>4,602,992</b>	3,773,428
Insurance claims	<b>273,868</b>	242,718
Dividends receivable	-	875,000
Others	<b>2,417,505</b>	1,518,571
	<b>135,502,147</b>	117,439,840
Less: non-current accrued rent	<b>(35,061,321)</b>	(36,383,131)
	<b>100,440,826</b>	81,056,709

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**11 CASH AND CASH EQUIVALENTS**

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
Bank balances	<b>69,552,552</b>	65,443,621
Cash with portfolio managers	<b>6,566,901</b>	9,689,879
	<b><u>76,119,453</u></b>	<u>75,133,500</u>

**12 TERM LOAN**

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
Principal amount at 1 January	<b>119,500,000</b>	53,000,000
Add: Loans taken during the period / year	<b>50,000,000</b>	286,053,127
Less: Repayment	<b>(96,500,000)</b>	(219,553,127)
Principal amount at 31 December	<b>73,000,000</b>	119,500,000
Less: Un-amortized portion of transaction cost	-	(111,082)
Add: Accrued finance cost	<b>564,364</b>	267,805
<b>Term loans – current</b>	<b><u>73,564,364</u></b>	<u>119,656,723</u>

On 17 Muharram 1440 H (corresponding to 27 September 2018), the Group signed an agreement to obtain a loan from the Saudi Industrial Development Fund (SIDF) amounting to SR 203 million. The loan is for the purpose of developing the filling plants and distribution of gas in all regions with a production capacity of 1,648 thousand tons in all branches of the Group. The terms of the loan span over a tenure of 5 years. The loan carries only an upfront fee amount of SR 16.2 million that was paid at the start of the loan and incur to follow-up charges which are paid on semi-annual basis over the term of the loan. Further, this loan carries certain conditions / covenants, such as maintaining required current asset ratios during the term of the loan and a specific ratio of liabilities to net tangible value. During the period ended 31 March 2025, there has been no non-compliance with any of the covenants. The agreement also contains undertaking pledges of seven plots of land with a total cost of SR 17.6 million; of which the Group has pledged two plots as of the reporting period with a total cost of SR 2.7 million (note 4). The loan was fully paid in the current period, and the group is in the process of releasing the pledge.

On 26 March 2025, the group signed a loan agreement with Alinma bank, subject to finance cost at the rate of 6.35% and matures within 3 months. The loan is not attached to any covenants and collaterals.

**13 EMPLOYEES' DEFINED BENEFITS LIABILITIES**

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
At the beginning of the period / year	<b>86,495,930</b>	116,044,000
<b>Amount recognised in profit or loss</b>		
Current service cost	<b>3,860,789</b>	2,999,055
Finance charge	<b>1,263,000</b>	6,708,000
	<b>5,123,789</b>	86,495,930
<b>Amount recognised in other comprehensive income</b>		
Re-measurements gain on employees defined benefit liabilities	<b>(417,217)</b>	(1,696,726)
Current service cost charge to capital work in progress	-	80,238
Paid during the period/year	<b>(1,488,034)</b>	(37,638,637)
<b>At the end of the period / year</b>	<b><u>89,714,468</u></b>	<u>86,495,930</u>

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**13 EMPLOYEES' DEFINED BENEFITS LIABILITIES (continued)**

The most recent actuarial valuation was performed by an independent, qualified actuary using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
Discount rate	<b>5.3%</b>	5.8%
Future salary increases	<b>4%</b>	4%
Retirement age	<b>60</b>	60

Sensitivity analysis

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
<b>Discount rate</b>		
Increase 1%	<b>(7,781,000)</b>	(7,675,930)
Decrease 1 %	<b>9,043,000</b>	8,979,070
<b>The future increase in the salaries</b>		
Increase 1%	<b>9,114,000</b>	9,054,070
Decrease 1%	<b>(7,974,000)</b>	(7,870,930)

**14 ACCRUED EXPENSES AND OTHER LIABILITIES**

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
Accrued expenses and other liabilities	<b>48,684,430</b>	47,719,078
Dividends payable	<b>41,548,112</b>	123,022,051
Accrued employees' benefits	<b>27,477,914</b>	25,520,654
Board of Directors and committees' remunerations	<b>3,889,796</b>	3,341,846
Security deposits from customers	<b>2,574,271</b>	2,522,991
Others	<b>3,807,622</b>	2,724,001
	<b>127,982,145</b>	204,850,621

**15 ZAKAT PAYABLE**

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
At the beginning of the period / year	<b>21,710,107</b>	47,278,106
Charge for the period / year	<b>2,400,000</b>	8,548,979
Reversal during the period / year	-	(17,976,199)
Paid during the period / year	-	(16,140,779)
At the end of the period / year	<b>24,110,107</b>	21,710,107

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**15 ZAKAT PAYABLE (continued)**

***Status of assessments***

The Group obtained final assessment for zakat until the end of the year 2010 and for the years 2014 until 2020.

***2011 to 2013 status:***

The Group did not receive the zakat assessments for the years 2011 until 2013.

***2021 to 2024 status:***

The Group has submitted its consolidated zakat returns for the years 2021 until 2024, for the years 2021 and 2022 the assessments have been raised by ZATCA subsequent to the year end 2024, which resulted in an additional amount of SR 1.4 million. The Group has submitted objection against the assessments with the relevant Appeal Committee. No assessment has been raised by ZATCA for the years 2023 and 2024.

**16 REVENUES**

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>
Gas sales	<b>773,831,113</b>	653,293,737
Gas cylinders and tanks and extension parts' sales	<b>35,803,691</b>	26,543,449
Service, transportation and installation revenue	<b>5,017,174</b>	6,446,961
Scrap sales	<b>2,881,883</b>	3,345,605
Other commercial projects	<b>20,038,889</b>	17,202,504
	<b>837,572,750</b>	706,832,256

**17 INVESTMENTS INCOME**

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>
Dividend income from FVTOCI	<b>11,700,000</b>	11,958,399
Rent income from investment properties	<b>3,133,115</b>	3,102,090
Income from Sukuk and short-term Murabaha time deposits	-	244,900
Change in fair value of FVTPL	<b>(877,266)</b>	8,212,179
	<b>13,955,849</b>	23,517,568

**18 OTHER (LOSS) / INCOME, NET**

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>
(Loss) / gain on disposal of property, plant, and equipment	<b>(344,198)</b>	217,280
Foreign currency exchange differences	<b>(774,845)</b>	162,116
Others	<b>56,652</b>	650,441
	<b>(1,062,391)</b>	1,029,837

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**19 EARNINGS PER SHARE**

Earnings per share are calculated based on the weighted average number of shares outstanding. The diluted earnings per share are the same as the basic earnings per share, as the Group has not issued any discounted instruments as of 31 March:

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>
Net income for the period	<b>61,955,701</b>	<b>78,605,786</b>
Weighted average number of outstanding shares	<b>75,000,000</b>	<b>75,000,000</b>
Basic and diluted earnings per share	<b>0.83</b>	<b>1.05</b>

**20 COMMITMENTS AND CONTINGENCIES**

**Contingencies**

The Group received a claim for the rent of one of the branches for the period from 9 April 1976 to 13 November 2021 amounting to SR 18.3 million. The legal advisor of the Group believes that the expected outcome from this matter will be in favor of the Group and management filed an objection to comply with the basis of the contractual terms.

**Guarantees and letters of credit**

The Group has submitted a bank guarantee to Saudi Arabian Oil Company ("Saudi Aramco") amounting to SR 280 million (31 December 2024: SR 280 million) relating to the supply of liquefied gas products.

The Group has other outstanding letters of guarantees as of 31 March 2025 amounting to SR 13.6 million (31 December 2024: SR 34.3 million).

The Group has outstanding letters of credit as of 31 March 2025 amounting to SR 22.1 million (31 December 2024: SR 25.5 million).

**Commitments**

As of 31 March 2025, the Group has commitments of SR 69.3 million (31 December 2024: SR 89.6 million) related to capital work in progress under property, plant and equipment and intangible assets.

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**21 OPERATING SEGMENTS**

For management purposes, the Group is organised into business units based on its geographical regions, as follows:

	Central region SR	Western region SR	Eastern region SR	Southern region SR	Eliminations SR	Total SR
<b>31 March 2025 (Unaudited)</b>						
Revenues	1,024,427,262	352,717,726	159,691,314	114,352,224	(813,615,776)	837,572,750
Cost of revenues	(966,634,441)	(312,270,548)	(136,871,251)	(103,520,953)	810,091,018	(709,206,175)
Depreciation and amortisation of assets	(8,418,367)	(3,317,247)	(605,197)	(2,685,163)	-	(15,025,974)
Amortisation of right-of-use assets	(1,326,192)	-	-	-	-	(1,326,192)
Selling and distribution expenses	(15,265,364)	(6,729,925)	(3,105,626)	(2,081,308)	3,524,758	(23,657,465)
General and administrative expenses	(15,056,738)	(10,344,531)	(4,439,910)	(4,168,792)	-	(34,009,971)
Reversal of provision for expected credit losses	127,112	121,041	53,430	18,360	-	319,943
<b>Operating income</b>	<b>17,853,272</b>	<b>20,176,516</b>	<b>14,722,760</b>	<b>1,914,368</b>	<b>-</b>	<b>54,666,916</b>
<b>31 March 2025 (Unaudited)</b>						
<b>Total operating assets</b>	<b>1,781,414,263</b>	<b>554,528,662</b>	<b>211,878,863</b>	<b>215,446,244</b>	<b>(1,181,316,501)</b>	<b>1,581,951,531</b>
<b>Total operating liabilities</b>	<b>1,124,936,261</b>	<b>344,227,344</b>	<b>144,421,226</b>	<b>125,873,630</b>	<b>(1,181,316,501)</b>	<b>558,141,960</b>
	Central region SR	Western region SR	Eastern region SR	Southern region SR	Eliminations SR	Total SR
<b>31 March 2024 (Unaudited)</b>						
Revenues	287,602,738	237,284,111	114,903,918	76,129,664	(9,088,175)	706,832,256
Cost of revenues	(230,993,918)	(199,792,103)	(93,538,030)	(67,442,708)	9,088,175	(582,678,584)
Depreciation and amortisation of assets	(9,383,159)	(10,879,700)	(3,746,629)	(3,524,901)	-	(27,534,389)
Amortisation of right-of-use assets	(513,974)	(460,952)	(161,838)	(158,459)	-	(1,295,223)
Selling and distribution expenses	(8,130,336)	(5,301,977)	(2,533,469)	(1,862,183)	-	(17,827,965)
General and administrative expenses	(11,067,985)	(7,799,970)	(3,777,105)	(2,502,524)	-	(25,147,584)
Reversal of provision for expected credit losses	640,049	320,025	375,682	55,657	-	1,391,413
<b>Operating income</b>	<b>28,153,415</b>	<b>13,369,434</b>	<b>11,522,529</b>	<b>694,546</b>	<b>-</b>	<b>53,739,924</b>
<b>31 December 2024 (Audited)</b>						
<b>Total operating assets</b>	<b>1,111,051,963</b>	<b>329,874,740</b>	<b>73,205,162</b>	<b>110,684,685</b>	<b>(75,657,168)</b>	<b>1,549,159,382</b>
<b>Total operating liabilities</b>	<b>493,600,840</b>	<b>135,747,333</b>	<b>52,820,067</b>	<b>40,774,506</b>	<b>75,657,168</b>	<b>798,599,915</b>

**National Gas and Industrialization Company**  
**(A Saudi Joint Stock Company)**

Notes to the interim condensed consolidated financial statements  
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**21 OPERATING SEGMENTS (continued)**

The top management of the Group monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements. In addition, the Group's other costs (including finance costs, salaries and benefits of the management, directors, finance and IT departments, legal and HR departments, administrative and support department, other expenses, and other income) and zakat are managed on a Group basis and are not allocated to operating segments.

The revenue information above is based on the regional location of the customers. Segment revenue reported above represents revenue generated from external customers. There was a revenue between the parent company and its subsidiaries of SR 813,615,775 for the period ended 31 March 2025 (31 March 2024: SR 9,088,175) which was eliminated at consolidation. No single customer contributed 10% or more to the Group's revenues. Zakat provision, term loan and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Inter-company revenues are eliminated upon consolidation and reflected in the elimination's column. All other adjustments and eliminations are part of detailed reconciliations presented further below:

**Reconciliation of profit**

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>
<b>Segment operating income</b>	<b>54,666,916</b>	53,739,924
Investments income	<b>13,955,849</b>	23,517,568
Loss on disposal of financial assets held at amortised cost	<b>(6,551,114)</b>	-
Finance income	<b>1,920,450</b>	3,558,363
Finance costs	<b>(1,737,472)</b>	(1,013,544)
Share of results from associates	<b>3,163,463</b>	(416,711)
Other (loss) / income, net	<b>(1,062,391)</b>	1,029,837
Zakat for the period	<b>(2,400,000)</b>	(1,809,651)
<b>Net income for the period</b>	<b>61,955,701</b>	78,605,786

**Reconciliation of assets**

	<b>31 March 2025 (Unaudited) SR</b>	<b>31 December 2024 (Audited) SR</b>
<b>Segment operating assets</b>	<b>1,581,951,531</b>	1,549,159,382
Investments in associates	<b>94,323,019</b>	91,947,353
Financial assets held at fair value through other comprehensive income (FVTOCI)	<b>632,354,837</b>	657,591,019
Financial assets held at amortised cost	<b>138,665,132</b>	248,863,286
Financial assets held at fair value through profit or loss (FVTPL)	<b>118,131,172</b>	116,272,717
Investment properties	<b>33,442,174</b>	33,442,174
<b>Total assets</b>	<b>2,598,867,865</b>	2,697,275,931

**National Gas and Industrialization Company  
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**21 OPERATING SEGMENTS (continued)**

**Reconciliation of liabilities**

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
<b>Segment operating liabilities</b>	<b>558,141,960</b>	649,666,606
Term loan	<b>73,564,364</b>	119,656,723
Zakat payable	<b>24,110,107</b>	21,710,107
<b>Total liabilities</b>	<b>655,816,431</b>	791,033,436

**22 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

- a) Transactions with related parties included in the condensed consolidated statement of comprehensive income are as follows:

<b>Name</b>	<b>Relationship</b>
Saudi Gas Cylinder Factory Company	Associate

- b) The significant transactions for the periods are as follows:

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	2024 (Unaudited) SR
Purchases of gas cylinders and tanks	<b>17,883,284</b>	10,554,440

- c) Amounts due to related parties

	<b>31 March 2025 (Unaudited) SR</b>	31 December 2024 (Audited) SR
Saudi Gas Cylinder Factory Company	<b>12,880,124</b>	15,257,367

The above balances are unsecured, interest free and have no fixed repayments.

**National Gas and Industrialization Company  
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Notes to the interim condensed consolidated financial statements  
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**22 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

*d) Key management personnel compensation*

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management is shown below:

	<b>For the three month period ended 31 March</b>	
	<b>2025 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>
Key management personnel salaries and benefits – short term	<b>6,356,932</b>	4,058,968
Board of directors' members remunerations	<b>1,405,250</b>	1,342,992
Post-retirement benefits	<b>640,315</b>	130,061
<b>Total</b>	<b>8,402,497</b>	<b>5,532,021</b>

The amounts disclosed in the above table are the amounts recognised as an expense during the reporting period related to key management personnel and board of directors members.

**23 EVENTS SUBSEQUENT TO THE REPORTING DATE**

In the opinion of management, there have been no significant subsequent events that may require adjustments or disclosures in the interim condensed consolidated financial statements.

**24 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements were approved by the Audit Committee in accordance with the authorisation of the Board of Directors on May 12, 2025.