

**ARTEX INDUSTRIAL INVESTMENT COMPANY
SAUDI JOINT-STOCK COMPANY
RIYADH - KINGDOM OF SAUDI ARABIA
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**

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**Independent auditor's review report for the
interim condensed consolidated financial statements**

**To the Shareholders
Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Artex Industrial Investment Company (a Saudi joint-stock company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at September 30, 2025, the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2025, the interim condensed consolidated statements of changes in Shareholders' equity and cash flows for the nine-month period then ended, and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" 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 (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. The review of the interim condensed consolidated financial statements primarily involves directing inquiries to personnel responsible for financial and accounting matters within the Group, as well as applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing approved 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 the audit. Accordingly, we do not express an any audit opinion.

Emphasis of Matter

We draw attention to Note (2/5/1) regarding the going concern assumption, which indicates that the Group incurred net losses from continuing operations and negative net cash flows from operating activities for the nine-month period ended September 30, 2025. The Group has also received a demand letter from the Saudi Industrial Development Fund requesting full settlement of the guarantee provided in respect of a loan granted to Al-Reef Sugar Refining Company, in addition to a demand letter for monitoring fees. The total amount claimed is SR 111.9 million.

Management has assessed the impact of this claim and has prepared a budget along with cash flow projections for the next twelve months. Management also indicates the existence of undrawn banking facilities that support the Group's ability to meet its obligations, in addition to having a healthy working capital position, where current assets exceed current liabilities by a ratio of 2:1.

Accordingly, management believes that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern in the foreseeable future. Our conclusion is not modified regarding to this matter.

Conclusion

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

For El Sayed El Ayouty & Co.



Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

Riyadh on: 17 Jumada al Ula 1447
Corresponding to: 08 November 2025



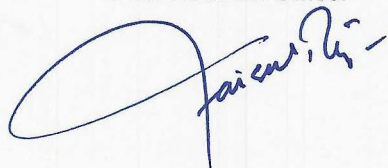
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Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated statement of financial position
As at September 30, 2025
(Expressed in thousands of Saudi Riyals)

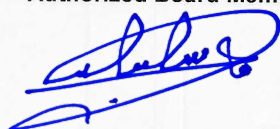
	Note	30/09/2025 (unaudited)	31/12/2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment - net	5	440,703	440,670
Investment properties - at cost	6	50,000	50,000
Right-of-use assets - net	7.1	10,843	12,713
Investments at fair value through other comprehensive income	8	85,121	69,553
Total non-current assets		586,667	572,936
Current assets			
Inventory- net		284,746	275,933
Trade receivables - net		512,954	491,711
Due from related parties	10.1	53,862	50,460
Prepayments and other debit balances- net		29,378	25,483
Investments at fair value through profits or losses	11	1,490	1,697
Assets held for sale and discontinued operations	19	553	-
Cash and cash equivalent		32,197	59,127
Total current assets		915,180	904,411
Total assets		1,501,847	1,477,347
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12	812,500	812,500
Reserve of valuation of investments at fair value		(20,910)	(20,910)
Surplus of revaluation of property, plant and equipment		249,845	249,845
Retained earnings / (accumulated losses)		5,720	(3,162)
Total Shareholders' equity		1,047,155	1,038,273
Non-current liabilities			
Lease liabilities - non-current portion	7.2.2	9,634	11,698
Employees' defined benefit obligations	13	18,664	17,489
Total non-current liabilities		28,298	29,187
Current liabilities			
Banks- credit facilities	14	237,553	237,992
Lease liabilities - current portion	7.2.1	1,522	1,585
Trade payables		26,770	33,702
Due to related parties	10.2	253	194
Accrued expenses and other credit balances		28,699	17,933
Dividends payable to Shareholders		481	481
Provision for third-party guarantee obligations	9	111,922	100,000
Provision for zakat	15.2	19,194	18,000
Total current liabilities		426,394	409,887
Total liabilities		454,692	439,074
Total Shareholders' Equity and Liabilities		1,501,847	1,477,347

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on their behalf by:

Chief Financial Officer



Authorized Board Member



Chief Executive Officer




Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated statement of profit or loss and other comprehensive income
For the three-month and nine-month periods ended September 30, 2025 (unaudited)
(Expressed in thousand Saudi riyals)

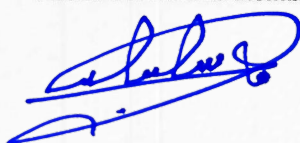
	Note	For the three-month period ended 30/09/2025 (unaudited)	30/09/2024 (unaudited)	For the nine-month period ended 30/09/2025 (unaudited)	30/09/2024 (unaudited)
Continuing operations					
Revenue		112,737	119,150	399,419	382,172
Cost of revenue		(113,818)	(117,113)	(360,299)	(358,801)
Gross profit / (loss)		(1,081)	2,037	39,120	23,371
Selling and marketing expenses		(2,907)	(5,574)	(10,855)	(14,858)
General and administrative expenses		(4,852)	(5,573)	(14,086)	(15,302)
Other income		1,405	3,849	3,830	8,763
Profit /(loss) from operating activities		(7,435)	(5,261)	18,009	1,974
Finance cost		(3,969)	(3,583)	(10,891)	(11,075)
Provision for third-party guarantee liabilities	9	(11,922)	-	(11,922)	-
Gains on sale of investment properties		-	10,245	-	10,245
Dividends income		-	29	40	4,087
(Losses)/profits of valuation of investments at fair value through profits or losses		19	(49)	(207)	(357)
Net profit (loss) of the period before Zakat		(23,307)	1,381	(4,971)	4,874
Zakat	15.2	(8,901)	(4,500)	(22,367)	(14,000)
Net (loss) for the period from continuing operations		(32,208)	(3,119)	(27,338)	(9,126)
Discontinued operations					
Profit/ (loss) for the period from discontinued operations	19	38,363	(1,714)	36,220	(3,309)
Net profit /(loss) for the period		6,155	(4,833)	8,882	(12,435)
Other comprehensive income:					
Other comprehensive income items		-	-	-	-
Total comprehensive income/(loss) for the period		6,155	(4,833)	8,882	(12,435)
Net profit /(loss) attributable to Company's Shareholders:					
Loss per share from continuing operations		(0.39)	(0.04)	(0.34)	(0.11)
Earnings /(loss) per share from discontinued operations		0.47	(0.02)	0.45	(0.04)
Basic and diluted earnings (loss) attributable to Company's					
Shareholders of net profit/(loss) for the period in Saudi Riyals	16	0.08	(0.06)	0.11	(0.15)

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Chief Financial Officer



Authorized Board Member



Chief Executive Officer



Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated statement of changes in Shareholders' equity
For the nine-month period ended September 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

	Share capital	Reserve of valuation of investments at fair value	Surplus of revaluation of property, plant and equipment	Retained earnings	Total Shareholders' equity
For the nine-month period ended September 30, 2024					
Balance at January 01, 2024 (audited)	812,500	10,537	241,871	136,243	1,201,151
Net (loss) for the period	-	-	-	(12,435)	(12,435)
Balance at September 30, 2024 (unaudited)	812,500	10,537	241,871	123,808	1,188,716
For the nine-month period ended September 30, 2025					
Balance at January 01, 2025 (audited)	812,500	(20,910)	249,845	(3,162)	1,038,273
Net profit for the period	-	-	-	8,882	8,882
Balance at September 30, 2025 (unaudited)	812,500	(20,910)	249,845	5,720	1,047,155

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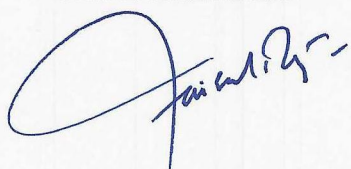


Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Interim condensed consolidated statement of cash flows
For the nine-month period ended September 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

	For the nine-month period ended 30/09/2025 (unaudited)	30/09/2024 (unaudited)
Cash flows from operating activities:		
Net (loss) for the period from continuing operations	(27,338)	(9,126)
Net profit /(loss) for the period from discontinued operations	36,220	(3,309)
Net profit /(loss) for the period	8,882	(12,435)
Adjustment for net profit /(loss) for the period:		
Dividends income	(40)	(4,087)
Depreciation on property, plant and equipment	28,583	33,803
Gains on disposal of property, plant and equipment	(4)	(6,065)
Gains on disposal of assets held for sale	(41,311)	-
Gains on disposal of investment properties	-	(10,245)
Depreciation of right-of-use assets	1,278	1,069
(Losses)/profits of valuation of investments at fair value through profits or losses	207	357
Finance cost on bank facilities	10,591	11,787
Interests on leases	475	470
Loss from lease disposal	42	-
Impairment of inventory	3,713	-
Provision for expected credit loss	1,500	2,500
Employees' defined benefit obligations	3,175	3,058
Provisions reserved	(1,740)	-
Provision for third-party guarantee obligations	11,922	-
Zakat	22,367	14,000
	49,640	34,212
Changes during the period in:		
Inventory	(10,786)	(375)
Trade receivables	(22,743)	(27,285)
Due from related parties	(3,402)	(5,439)
Prepayments and other debit balances	(3,895)	(10,055)
Trade payables	(6,932)	(12,712)
Due to related parties	59	(11)
Accrued expenses and other credit balances	10,766	3,383
Provisions for Zakat – paid	(21,173)	(22,931)
Employee defined benefit obligations – paid	(2,000)	(3,485)
Net cash flows (used in) operating activities	(10,466)	(44,698)
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,172)	(14,109)
Proceeds from disposal of property, plant and equipment	4	6,270
Proceeds from disposal of assets held for sale	41,311	-
Dividends income	40	4,087
Proceeds from disposal of investment properties	-	47,250
Investments at fair value through other comprehensive income	(15,568)	-
Net cash flows (used in) from investing activities	(3,385)	43,498
Cash flows from financing activities		
Finance obtained from banks - credit facilities	371,499	253,572
Finance from banks - credit facilities paid	(382,526)	(281,532)
Lease liabilities paid	(2,052)	(2,619)
Net cash flows (used in) financing activities	(13,079)	(30,579)
Net (decrease) in cash and cash equivalents	(26,930)	(31,779)
Cash and cash equivalents at the beginning of the period	59,127	57,119
Cash and cash equivalents at end of period	32,197	25,340
Non-cash significant transactions		
Additions to right-of-use assets against lease liabilities	-	6,418
Losses from derecognition of right-of-use assets against lease liabilities	42	-

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Chief Financial Officer



Authorized Board Member



Chief Executive Officer



Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Notes to the interim condensed consolidated financial statements
For the nine-month period ended September 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

1. General

1.1 Artex Industrial Investment Company (formerly Al Abdullatif Industrial Investment Company) ("the company") is a Saudi joint stock company incorporated in accordance with the Saudi Companies Law pursuant to Ministerial Resolution No. 3120 on 23/10/1427H (14/11/2006) and Ministerial Resolution No. 188 on 27/7/1427H (17/1/ 2007), upon which the Company received the approval to convert from a limited liability company to a Saudi joint stock company. The Company is registered in the commercial registration of Riyadh under No. 1010073685 on 26/2/1410H (26/9/1989) valid until 25/2/1447H (19/8/2025).

On 15 Jumada Al-Akhirah 1445H, corresponding to December 28, 2023, the Extraordinary General Assembly approved amending the company's Articles of Association to comply with the new Companies Law issued by Royal Decree No. M/132, dated 01/12/1443H.

On 24 Dhu al-Hijjah 1445H, corresponding to June 30, 2024, the Ordinary General Assembly approved an amendment to Article (2) of the company's Articles of Association related to the company's name, changing it to Artex Industrial Investment Company (a Saudi joint-stock company). The commercial registration and Articles of Association were updated on 2 Muharram 1446H, corresponding to July 8, 2024.

On 02 Safar 1446H, corresponding to August 6, 2024, the company's name was updated on the Saudi Stock Exchange (Tadawul) website.

The address of its head office is Riyadh, P.O. Box: 859, Postal Code 11421.

1.2 Main activities of the Company

Rug manufacturing including (prayer and travel rugs) and carpet manufacturing under industrial license No. 411 on 13/2/1439 H.

1.3 The interim condensed consolidated financial statements as at September 30, 2025, include the interim condensed financial statements of the parent company and the following subsidiaries, collectively referred to as "the Group":

Name of subsidiary	Legal form	Headquarters	Principal activity	Shareholding %
National Spinning Company	LLC	Riyadh	Yarn production	100%
Eastern Textiles Company	LLC	Riyadh	Polypropylene yarn production	100%
Western Textiles Company	LLC	Riyadh	Polypropylene yarn production	100%
Adfa Blanket Company	LLC	Riyadh	Production of blankets	100%
Nadeen Arabian Color Company	LLC	Riyadh	Masterbatch production	100%
Shahd Paper Tube Factory	LLC	Riyadh	PVC tubes	100%
First Carpet Company	LLC	Riyadh	Carpet backing production	100%
Retaj Al Waseel Company	LLC	Riyadh	Staff catering and transportation services	100%
Abdullatif Training Institute	LLC	Riyadh	Training services	100%

1.4 The Group's fiscal year begins on January 01 and ends on December 31 of each calendar year. The interim condensed consolidated financial statements presented are for the period from January 1, 2025, to September 30, 2025.

2. Basis of preparation of interim condensed consolidated financial statements

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Saudi Arabia and other standards by the Saudi Organization for Auditors and Accountants.

These interim condensed consolidated financial statements do not include all the information and notes required for the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statement for the year ended December 31, 2024.

2.2 Basis for consolidation of financial statements

The interim condensed consolidated financial statements include the financial statements of the Parent Company and all subsidiaries, collectively referred to as the "Group". The interim condensed consolidated financial statements present financial information about the Group as a single economic entity at the same reporting date of the Parent Company, using consistent accounting policies.

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control is presumed to exist over the subsidiary when the Company owns, directly or indirectly, more than half of the voting power of an investee unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the Company owns half or less of the voting power of an investee but has other power to govern the financial and operating policies of the entity.

The assets, liabilities and results of the subsidiaries are consolidated in full from the date of acquisition, being the date when control is transferred to the Group. Consolidation continues until the date of such control ceases.

The Group applies the acquisition method to account for business combinations.

Inter-company transactions, balances, income, expenses, unrealized gains and losses on transactions and dividends are eliminated in full.

Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Notes to the interim condensed consolidated financial statements
For the nine-month period ended September 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

2. Basis of preparation of interim condensed consolidated financial statements (continued)

2.3 Basis of measurement

The interim condensed consolidated financial statements have been prepared in accordance with the accrual basis of accounting and the going concern principle, and on the basis of the historical cost principle except for financial assets that are measured at fair value and financial liabilities that are measured at the present value of future liabilities projections using the projected unit credit method.

2.4 Presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency. All figures in the interim condensed consolidated financial statements have been rounded to nearest thousand Riyals unless otherwise stated.

2.5 Use of judgments, estimates and assumptions

The preparation of these financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets, liabilities, and disclosures of contingent liabilities at the reporting date. Although these estimates are based on the best current information and indicators available to Management, the final actual results, however, may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis and the effects arising from adjustment of the accounting estimates are recognized in the period in which such adjustment is made and the subsequent periods. The assumptions and estimates are particularly represented in the application of accounting policies that have significant impact on the amounts recognized in the financial statements.

2.5.1 Going concern assumption

The interim condensed consolidated financial statements have been prepared on the going concern basis. Management has assessed the Group's ability to continue as a going concern in the foreseeable future, which is not less than 12 months from the date of the interim condensed consolidated financial statements.

Although the Group incurred a net loss from continuing operations and negative cash flows from operating activities for the nine-month period ended September 30, 2025, and although it received a final notice from the Saudi Industrial Development Fund dated 22 January 2025 (received on 26 January 2025) requiring the settlement of the guarantee amounting to SR 100.8 million, in addition to a demand letter for monitoring fees, bringing the total amount claimed to SR 111.9 million (Note 8/2), management believes that the Group has adequate financial resources and appropriate operating plans to support the continuity of its operations, including the expected cash flows for the following twelve months, while taking into consideration the potential impact of settling the guarantee. Management has therefore concluded that no material uncertainties have been identified that would cast significant doubt on the Group's ability to continue as a going concern.

It should be noted that the Group has available and undrawn banking facilities as of the date of the interim condensed consolidated financial statements, which enhances its ability to meet its short-term obligations. In addition, the Group maintains good working capital, where current assets exceed current liabilities by a ratio of 2:1.

In addition to the above, on 21 June 2025, the Group signed a memorandum of understanding with Ethraa Holding Company, under which Ethraa intends to acquire all shares of Al-Reef Sugar Refining Company and assume its liabilities, subject to obtaining the required regulatory approvals from the Saudi Industrial Development Fund. Management believes that, if completed, this step could significantly reduce the Group's exposure to Al-Reef's obligations. On 20 August 2025, the term of the memorandum previously signed with Ethraa Holding on 21 June 2025 was extended for an additional 70 days, until 30 October 2025. Subsequently, on 2 November 2025, the term was further extended to 31 January 2026, based on a request from Ethraa Holding Company.

The significant judgments made by Management in applying the Group's accounting policies and the significant sources of estimation uncertainties were the same as those applied to the consolidated financial statements for the year ended December 31, 2024.

3. Significant Accounting Policies

The accounting policies applied to these interim condensed consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2024.

Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Notes to the interim condensed consolidated financial statements
For the nine-month period ended September 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

4. Changes in significant accounting policies and new standards

4.1 New and revised IFRS Standards that are applicable and have no significant impact on the interim condensed consolidated financial statements:

No new IFRS standards have been applied; however, a number of IFRS amendments are effective as of January 1, 2025 but have no significant impact on the the Group's interim condensed consolidated financial statements. The following is a summary of the amendments applied by the Group:

Standard - Interpretation	Description	Effective date for financial statements beginning on or after
IAS 21	Amendments to the standard "Effects of Changes in Foreign Exchange Rates" related to the definition of a convertible currency and the estimation of the spot exchange rate when the currency is non-convertible, and the related disclosures.	1 January 2025

4.2 New and revised IFRS not yet effective and not applicable

The following are standards and interpretations issued and not yet effective and not applicable as of the date of the interim condensed consolidated financial statements.

Standard - Interpretation	Description	Effective date for financial statements beginning on or after
IFRS 9 and IFRS 7	Amendments to the "Financial Instruments" standard related to the classification and measurement of financial instruments in terms of timing and requirements for recognition and derecognition, with a new exception regarding obligations settled through electronic payment systems before actual settlement when certain conditions are met. With consequential amendment to Financial Instruments: Disclosures, relating to financial instruments with contractual terms that affect cash flows, particularly those linked to environmental, social and governance (ESG) objectives.	1 January 2026
IFRS 18 Replacing IAS 1 and Consequential Amendments to IAS 8	The Saudi Organization for Auditors and Accountants has adopted IFRS 18 "Presentation and Disclosure in Financial Statements," which supersedes IAS 1. The standard includes enhancements to the income statement structure to provide more relevant and clear information, and develops specific requirements related to management-defined performance measures. The issuance of this standard has resulted in consequential amendments to IAS 8 regarding the basis of preparation of financial statements and disclosure of significant accounting policy information and sources of estimation uncertainty. It has also led to amendments to IAS 7 concerning the presentation of cash flows from dividends and interest income and expense, with specific requirements for entities whose primary activities are investing or financing.	1 January 2027
IFRS 19	The Saudi Organization for Auditors and Accountants has adopted IFRS 19 "Subsidiaries without Public Accountability: Disclosures." This standard primarily aims to provide a reduced level of disclosures in the financial statements of subsidiaries without public accountability, as an alternative to the disclosure requirements in the full IFRS standards. The goal is to simplify the mechanisms and systems for preparing financial statements and reduce their cost. It should be noted that application of the standard is optional, and it may be discontinued in future periods after being applied.	1 January 2027

Artex Industrial Investment Company
Saudi Joint-stock Company
Riyadh - Kingdom of Saudi Arabia
Notes to the interim condensed consolidated financial statements
For the nine-month period ended September 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

5. Property, plant and equipment - net

	Lands*	Buildings and roads **	Plant, equipment and main spare parts	Furniture, fixture and office equipment	Vehicles	Capital work in progress***	Total
Cost:							
Balance at 1 January 2025	10,625	220,953	1,804,632	112,475	33,613	28,662	2,210,960
Additions during the period	-	-	2,929	2,878	424	22,941	29,172
Transfers	-	-	18,495	-	-	(18,495)	-
Disposals	-	-	-	-	(36)	-	(36)
Transferred to assets held for sale and discontinued operations (note 19)	-	(18,652)	(143,138)	(6,218)	(1,863)	-	(169,871)
Balance at September 30, 2025	10,625	202,301	1,682,918	109,135	32,138	33,108	2,070,225
Accumulated depreciation:							
Balance at 1 January 2025	-	(213,612)	(1,658,553)	(109,164)	(33,206)	-	(2,014,535)
Depreciation for the period	-	(1,877)	(25,647)	(744)	(315)	-	(28,583)
Disposals	-	-	-	-	36	-	36
Transferred to assets held for sale and discontinued operations (note 19)	-	18,648	142,597	6,207	1,863	-	169,315
Balance at September 30, 2025	-	(196,841)	(1,541,603)	(103,701)	(31,622)	-	(1,873,767)
Provision for accumulated impairment:							
Balance at 1 January 2025	-	-	(5,600)	-	-	-	(5,600)
Balance at September 30, 2025	-	-	(5,600)	-	-	-	(5,600)
Revaluation surplus							
Balance at 1 January 2025	249,845	-	-	-	-	-	249,845
Balance at September 30, 2025	249,845	-	-	-	-	-	249,845
Net book value as at September 30, 2025							
As per the cost model	-	5,460	135,715	5,434	516	33,108	180,233
As per the revaluation model*	260,470	-	-	-	-	-	260,470
As at September 30, 2025 (unaudited)	260,470	5,460	135,715	5,434	516	33,108	440,703
As at December 31, 2024 (audited)	260,470	7,341	140,479	3,311	407	28,662	440,670

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5. Property, plant and equipment - net ... (Continued)

Based on the decision of the Board of the Capital Market Authority on December 31, 2019, allowing listed companies to use the fair value model or revaluation option for measuring properties and investment properties starting from the year 2022, the Group applied and adopted the revaluation model for properties included under the category of properties, plants, and equipment. This was approved by the Board of Directors following a recommendation from the Audit Committee during its meeting held on May 8, 2022. The land located in the industrial city of Riyadh was evaluated by accredited appraisers from the Saudi Authority for Accredited Valuers, and the results of the last evaluation as of December 31, 2024, are as follows:

Valuation company	Valuer	License No.	Basis for valuation	Valuation amount "in thousands SR" December 31, 2024
Current Value Real Estate Valuation Company	Abdulkareem Albaseer	1210000606	Comparable market value	260,470
Summit Stars Real Estate Valuation Office	Nawaf bin Jutaily Al-Shammari	1210000915	Comparable market value	261,796

The lowest valuation has been adopted in accordance with the conditions set by the Financial Market Authority when using the revaluation model.

* The Group's management did not perform a revaluation during the six-month period ended on September 30, 2025, believing that there was no change in the fair value.

** Some of the above-mentioned buildings are built on land leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon) in the Second Industrial City, Riyadh, under a contract ending between 2028-2040.

On 09/11/1446H (corresponding to 07/05/2025), one of the Group's subsidiaries (Al-Wataniya Spinning Company) entered into a binding agreement to assign a land lease contract with the Saudi Authority for Industrial Cities and Technology Zones (MODON) in the Second Industrial City in Riyadh, together with the factory situated thereon, including all related facilities and warehouses, complete with all specifications and components, as well as the civil defense, electricity, and gas systems at their current capacity and in their existing condition, to Lamina Company Limited for an amount of SR 41 million. The purchaser shall be entitled to proceed with the assignment procedures, subject to a grace period for delivery within 120 days from the date of amendment of the lease agreement. The net carrying amount of the buildings subject to the assignment amounted to SR 3 thousand, and the net carrying amount of the right-of-use asset assigned amounted to SR 592 thousand.

On 28/01/1447H (23 July 2025), one of the Group's subsidiaries (Al-Wataniya for Spinning Company) executed the agreement previously signed on 09/11/1446H (7 May 2025) and assigned the contract to Lamina Limited. The Group has received the full consideration of the agreement amounting to SR 41 million.

*** Capital work in progress represents the value of buildings, plant and equipment during the construction and installation phase.

6. Investment properties - at cost

Lands *

Balance at beginning of period/year

Disposals during the period/year

Net carrying amount at end of the period/year

	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of period/year	50,000	87,005
Disposals during the period/year	-	(37,005)
Net carrying amount at end of the period/year	50,000	50,000

(a) Real estate contribution in a plot of land in Medina with a cost of 50 million Saudi Riyals (for the purpose of generating revenue or capital gains) at a percentage of 14.58% under a land participation contract between the Group and a local real estate investment company, which has registered the title deed of the land in its name. The company has the right to sell or dispose of the land without referring to the Group, and in that case, the sale value and profits will be distributed according to the participation percentage immediately after the sale.

The Group's share in its fair value as of December 31, 2024, amounted to 66.30 million Saudi Riyals, according to the evaluation of this land by Al-Qima Al-Haliyah for Real Estate Valuation (License No. 1210000606) as an accredited appraiser during the year ended December 31, 2024.

** On 26/01/1445H, corresponding to 13/08/2023, the Board of Directors of the Group approved the sale of the land in Al-Khobar for an amount of 47 million Saudi Riyals based on the best offer submitted by Nasser bin Hazza Al-Subaie and Brothers. During the year ended December 31, 2024, the ownership of the land was transferred to the buyer.

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7. Leases

7.1 Right-of-use assets – net

Right-of-use lands

	30/09/2025 (unaudited)	31/12/2024 (audited)
Cost:		
Balance at beginning of the period/year	17,742	21,687
Additions during the period/year	-	6,769
Disposals during the period/year	-	(10,714)
Transferred to assets held for sale (note 19)	(1,350)	-
Balance at end of the period/ year	16,392	17,742
Accumulated depreciation:		
Balance at beginning of period/year	5,029	7,636
Depreciation for the period / year	1,278	1,504
Disposals during the period/year	-	(4,111)
Transferred to assets held for sale (note 19)	(758)	-
Balance at end of the period/ year	5,549	5,029
Net carrying amount at end of the period / year	10,843	12,713

7.2 Lease liabilities

	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of period/year	13,283	15,190
Additions during the period/year	-	6,769
Paid during the period/year	(2,052)	(2,778)
Disposals during the period/year	(550)	(6,459)
Financing costs during the period / year	475	561
Present value of obligations	11,156	13,283

Lease liabilities were presented in the statement of financial position based on the current portion - within the current liabilities (which represents the payable portion within a year) and the non-current portion - within the non-current liabilities (which represents the remaining liability less the current portion) as follows:-

	30/09/2025 (unaudited)	31/12/2024 (audited)
7.2.1 Lease liabilities - current portion	1,522	1,585
7.2.2 Lease liabilities - non-current portion	9,634	11,698
	11,156	13,283

8. Investments at fair value through other comprehensive income

Unquoted investments	Legal form	Headquarters	Shareholding %	30/09/2025 (unaudited)	31/12/2024 (audited)
Red Sea Cables Company *	Saudi closed joint stock company	Riyadh	27%	85,121	69,553
Al-Reef Sugar Refining Company **	Saudi closed joint stock company	Jeddah	15%	-	-
				85,121	69,553

- The Group does not have any control or significant influence over participation in the financial and operational decisions of the investees.

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8.1 Red Sea Cables Company

Red Sea Cables Company is a Saudi closed joint stock company registered under Commercial Registration No. 1010250764 in Riyadh with a capital of 148 million Saudi Riyals. The cost value of the investment in Red Sea Cables Company amounts to 50 million Saudi Riyals. The fair value was assessed as of December 31, 2024, by Abdul Majeed Manqal Valuation Office - an accredited valuer from the Saudi Authority for Accredited Valuers, license number 3912000002. The fair value reserve has been recognized through other comprehensive income.

The Group's management did not perform a revaluation during the nine-month period ended September 30, 2025, believing that there had been no change in the fair value of the investment. - Note 18 includes information on fair value.

The fair value changes for the investment in Red Sea Cables Company were as follows:	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of period/year	69,553	59,000
Additions	15,568	-
Revaluation profits	-	10,553
Fair value at the end of the period/year	85,121	69,553

- On 24/07/2025, the Group's Board of Directors resolved to approve an increase in the share capital of Red Sea Cables Company from SR 148 million to SR 180 million, through the subscription to 864 thousand shares at a nominal value of SR 10 per share and a share premium of SR 8 per share, amounting to SR 15,568 thousand. The Group's ownership interest in the company will remain at 27%.

8.2 Al-Reef Sugar Refining Company

Al-Reef Sugar Refining Company is a Saudi closed joint stock company registered under Commercial Registration No. 4030282069 in Jeddah. The company is developing a sugar refinery project in Jazan Economic City (which is still under construction). The project has been financed through the company's capital of SR 300 million and additional contributions from shareholders amounting to SR 31.2 million, in addition to a loan obtained by the company from the Saudi Industrial Development Fund with an irrevocable and unconditional guarantee from the shareholders of Al-Reef Sugar Refining Company, with all project assets pledged in favor of the Fund.

The fair value of the investment as at December 31, 2024 was measured based on discounted future cash flows assuming going concern and commencement of trial operations during 2026 amounting to SR 32 million by Abdul Majeed Mangal Valuation Office - an accredited valuer by the Saudi Authority for Accredited Valuers, license No. 3912000002.

On November 17, 2024, the Group received an official notice dated November 13, 2024 from the Saudi Industrial Development Fund (SIDF) requiring the settlement of SR 100.8 million in respect of the guarantee provided by the Group under a loan agreement granted to Al-Reef Sugar Refining Company, with a total loan value of SR 672 million, of which the Company bears 15 percent.

On January 26, 2025, the Group received a final formal warning dated January 22, 2025 from SIDF requiring settlement within no more than 15 business days, in accordance with Article (14) of the State Revenue Law.

On October 28, 2025, the Group received a demand letter from SIDF for the settlement of monitoring fees related to the Al-Reef Sugar Refining Company loan, of which the Group's share up to 12/03/1446H (September 16, 2024) amounted to SR 11.122 million.

Management has reviewed the fair value assessment of the investment in light of the developments referred to above, taking into consideration the following:

- Al-Reef's failure to commence operational activities, and the need for additional financing that has not been secured to date to complete the remaining work, representing 37% of the project.
- Insufficient information about the ability or willingness of other shareholders in Al-Reef Sugar Company to fulfill their obligations toward the Fund, which increases the risks to the Group.
- The probability that the Group will not be able to recover the value of its investment or realize future returns from it.

Based on the above, management concluded that the fair value of the investment has become significantly impaired, with insufficient indicators of recoverability under current circumstances. Accordingly, a full impairment provision of SR 42 million representing the entire carrying value of the investment was recognized, and the effect was included under "Losses on revaluation of investments at fair value" in other comprehensive income for the year ended December 31, 2024.

On June 21, 2025, the Group signed a memorandum of understanding with Ethraa Holding Company, under which Ethraa intends to acquire all shares of Al-Reef Sugar Refining Company and assume its liabilities, subject to obtaining the required regulatory approvals from the Saudi Industrial Development Fund. Management believes that this step, if completed, may significantly contribute to reducing the Group's exposure to Al-Reef's obligations. On August 20, 2025, the term of the memorandum previously signed with Ethraa Holding Company on June 21, 2025 was extended for an additional 70 days, until October 30, 2025. On November 02, 2025, the term was further extended to January 31, 2026, based on a request from Ethraa Holding Company.

The Group periodically reassesses this investment, and continues to evaluate the status and developments related to the memorandum of understanding. Appropriate decisions will be taken accordingly.

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8.2 Al-Reef Sugar Refining Company... (Continued)

The movement in the fair value changes of the investment in Al-Reef Sugar Refining Company was as follows:	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of period/year	-	42,000
Revaluation (losses)	-	(42,000)
Fair value at the end of the period/year	-	-

9. Provision for third-party guarantee obligations	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of period/year	100,000	-
Provided for during the period / year	11,922	100,000
Balance at end of the period/ year	111,922	100,000

Guarantee for Saudi Industrial Development Fund Loan provided to Al-Reef Sugar Refining Company

On November 17, 2024, the Group received an official notice dated November 13, 2024 from the Saudi Industrial Development Fund (SIDF) requiring the settlement of SR 100.8 million in respect of the guarantee provided by the Group under a loan agreement granted to Al-Reef Sugar Refining Company, with a total loan value of SR 672 million, of which the Company bears 15 percent. On January 26, 2025, the Group received a final formal warning dated January 22, 2025 from SIDF requiring settlement within no more than 15 business days, in accordance with Article (14) of the State Revenue Law. The Group recognized a provision of SR 100 million in its consolidated financial statements as at December 31, 2024.

On October 28, 2025, the Group received a demand letter from SIDF for the settlement of monitoring fees related to the Al-Reef Sugar Refining Company loan, of which the Group's share up to 12/03/1446H (September 16, 2024) amounted to SR 11.122 million.

Based on this confirmed development, and given the high probability of an outflow of economic benefits arising from the enforcement of the guarantee and the monitoring fees, the Group recognized a provision for obligations equal to the total claimed amount of SR 111.922 million, in accordance with the requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

- This provision will be periodically reassessed based on developments related to the settlement with the Fund or the results of negotiations with investors in Al-Reef Sugar Refining Company and the potential investor.

10. Related party transactions

10.1 Due from related parties

Related parties	Nature of relationship	30/09/2025 (unaudited)	31/12/2024 (audited)
Al Abdullatif Furniture Company	Related to one of the directors of the Board	53,862	50,460
		53,862	50,460

10.2 Due to related parties

Related parties	Nature of relationship	30/09/2025 (unaudited)	31/12/2024 (audited)
Natural Gas Distribution Company	Related to one of the directors of the Board	200	194
Red Sea Cables Company	Related to one of the directors of the Board	53	-
		253	194

10.3 Significant transactions with related parties

Type and volume of related party transactions for the nine-months period ended September 30, 2025				
Related parties	Nature of relationship	Sales and services rendered	Purchases and services received	Payments and repayments
Al Abdullatif Furniture Company	Related to one of the directors of the Board	31,351	(163)	(27,786)
Red Sea Cables Company	Related to one of the directors of the Board	74	(227)	100
Natural Gas Distribution Company	Related to one of the directors of the Board	-	(2,202)	2,196

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10.3 Significant transactions with related parties... (Continued)

Type and volume of related party transactions for the nine-months period ended September 30, 2024				
Related parties	Nature of relationship	Sales and services rendered	Purchases and services received	Payments and repayments
Al Abdullatif Furniture Company	Related to one of the directors of the Board	31,606	(356)	(25,868)
Red Sea Cables Company	Related to one of the directors of the Board	4,074	(19)	(3,998)
Natural Gas Distribution Company	Related to one of the directors of the Board	-	(1,323)	1,334

The Group performs an assessment of the impairment of receivables due from related parties by examining the financial position of the related parties and the markets in which they operate in each financial period. The Management believes that there are no indications of impairment on the date of interim condensed consolidated financial statements.

10.4 Board of Directors' Compensation

On June 18, 2025 (22/11/1446H), the Ordinary General Assembly resolved to approve the payment of SR 100,000 to each of four Board members, totaling SR 400,000, as remuneration for the year ended December 31, 2024.

11. Investments at fair value through profit or loss

	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of period/year	1,697	1,996
(losses) from revaluation of investments at fair value	(207)	(299)
Balance at end of the period/ year	1,490	1,697

- The investments consist of shares in a listed company (Saudi Arabian Oil Company - Aramco), representing less than 1% of the invested company's capital. The number of shares held as of September 30, 2025, was 60,500 shares (compared to 60,500 shares as of December 31, 2025). The fair value was measured according to the announced share price as of September 30, 2025.

12. Share capital

The Group's share capital is SR812,500 thousand divided into 81,250 thousand shares at a nominal value of SR10 each. The Shareholders subscribed to the entire share capital of the Group. There were no changes in the share capital during the current financial year.

	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at end of the period/ year	812,500	812,500

13. Employee defined benefit obligations

The company operates an end-of-service plan for its employees in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The EOS payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment. Employee benefit plans are unfunded plans and the Group meets benefit payment obligations when they fall due.

Below is the movement during the period/ Year:

	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of period/year	17,489	22,526
Cost of current service for the period / year	3,175	3,648
Financing costs during the period / year	-	232
Charged to the profit or loss	3,175	3,880
Paid during the period/year	(2,000)	(3,868)
Actuarial losses "charged to other comprehensive income"	-	(5,049)
Balance at end of the period/ year	18,664	17,489

The company prepared an actuarial study for future employee benefits as of December 31, 2024, and recognized the impact of that study. The company's management did not conduct an actuarial valuation of the employee benefits obligations for the nine-month period ending September 30, 2025, as they expect no significant changes in the present value of the obligations.

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14. Banks - credit facilities	30/09/2025 (unaudited)	31/12/2024 (audited)
Business facility finance and short-term Murabaha	242,452	242,167
(Less): Deferred finance interests	(4,899)	(4,175)
	237,553	237,992

* Through facility agreements signed with local banks, the Group received short-term facilities at a credit limit SR 451.75 million for the following purposes:

- Finance to purchase and import raw materials for production.
- Finance for the operational cycle of the Company and working capital.
- Purchase of materials via the opening account of Sabic Company.
- Letters of credit and guarantees.

The above are under the following guarantees:

- Promissory notes with maximum amount of the facilities.
- Agreement to finance Islamic trade.

15. Zakat provision

15.1 Calculation of zakat

The Group submits a consolidated zakat assessment for the entire Group (the Parent Company and its subsidiaries) as per the consolidated financial statements:

15.2 Movement in zakat provision

	30/09/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of period/year	18,000	22,000
Paid during the period/year	(21,173)	(22,931)
Zakat for the period/year	18,466	17,140
Provision for expected Zakat claims	3,901	1,791
Provided for the period/year	22,367	18,931
Balance at end of the period/ year	19,194	18,000

15.3 Zakat status

The Group submitted its consolidated zakat return for the year ended December 31, 2024 and received a zakat certificate valid until 30 April 2026.

Zakat has been calculated for the subsidiaries mentioned in note (1) within the consolidated financial statements of the Group. The Group is committed to accounting for it before the Zakat, Tax and Customs Authority, and each subsidiary is charged with its due Zakat in accordance with the Group's policy of redistributing Zakat among the subsidiaries.

- The group has finalized its Zakat status with the Zakat, Tax and Customs Authority for the year ended 31/12/2023.

15.4 Value Added Tax

The Group submits consolidated VAT returns for the Group every month.

16. Basic and diluted earnings per share

Basic and diluted earnings per share have been calculated by dividing the net profit (loss) for the period attributable to the company's shareholders by the weighted average number of shares issued. The diluted earnings per share are equal to the basic earnings per share as follows:

	30/09/2025 (unaudited)	30/09/2024 (unaudited)
Basic and diluted earnings per share attributable to the Company's shareholders:		
(loss) for the period from continuing operations	(27,338)	(9,126)
Profit/ (loss) for the period from discontinued operations	36,220	(3,309)
Net profit /(loss) attributable to Company's Shareholders	8,882	(12,435)
Weighted average number of shares issued "in thousand of shares"	81,250	81,250
Loss per share from continuing operations	(0,34)	(0,11)
Earnings /(loss) per share from discontinued operations	0,45	(0,04)
Basic and diluted profit/(loss) per share attributable to the Company's Shareholders	0.11	(0.15)

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17. Segment information

The Group's operating segments consist of two main sectors: the Carpets and Rugs sector (including related products) and the Blankets sector. Below is a summary of certain financial information for the main business segments for the nine-month period ended September 30, 2025, compared to the nine-month period ended September 30, 2024.

For the nine-month period ended September 30, 2025 (unaudited)

Description / Sector	Discontinued operations of Al-Wataniya Spinning Company	Carpet, rugs and related products	Blanket sector	Total
Revenue	13,873	349,959	49,460	413,292
Cost of revenue	(18,519)	(321,261)	(39,038)	(378,818)
Gross profit / (loss)	(4,646)	28,698	10,422	34,474
Net profit /(loss) for the period	36,220	(32,295)	4,957	8,882
Property, plant and equipment - net	-	421,507	19,196	440,703
Assets held for sale and discontinued operations	553	-	-	553
Total assets	82,920	1,267,704	151,223	1,501,847
Total liabilities	1,700	334,077	118,915	454,692

For the nine-month period ended September 30, 2025 (unaudited)

Description / Sector	Discontinued operations of Al-Wataniya Spinning Company	Carpet, rugs and related products	Blanket sector	Total
Revenue	25,955	331,101	51,071	408,127
Cost of revenue	(28,694)	(302,256)	(56,545)	(387,495)
Gross profit / (loss)	(2,739)	28,845	(5,474)	20,632
Net profit /(loss) for the period	(3,309)	1,104	(10,230)	(12,435)
Property, plant and equipment - net	3,324	419,594	20,110	440,028
Total assets	50,117	1,320,645	142,712	1,513,474
Total liabilities	8,427	308,347	7,984	324,758

18. Financial instruments and risk management

The Group's activities are exposed to various financial risks including: Liquidity risk, credit risk, and market risk (include currency risk, fair value risk, cash flow of commission rate and price 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.

Group's financial instruments comprise financial assets (cash and cash equivalents, trade receivables, investments at fair value through profit or loss, and other receivables) and financial liabilities (banks - credit facilities, trade payables and other payables) and include the following risks:

18.1 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Group manages and monitors liquidity risks on a regular basis to ensure that sufficient funds are available through bank facilities to meet any future commitments.

The Group's sales conditions stipulate that payments are to be made in cash upon delivery of the goods or on a credit basis. All current liabilities are expected to be settled within 12 months as of the date of the financial statements.

18.2 Credit risks

A credit risk refers to the risk that a customer or a counter party in a financial instrument will default on its contractual obligations resulting in financial loss to the Group and arises principally from the cash at banks and receivables. The Group minimizes credit risks associated with receivables by establishing procedures for credit limits for each customer and monitoring outstanding receivables in line with a set of procedures and policies. Cash is deposited with high credit rated banks.

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18. Financial instruments and risk management ... (Continued)

18.3 Market risks

Market risk is the risk of fluctuations in a financial instrument due to changes in prevailing market prices such as foreign exchange rates, interest rates, and equity rates, which affect the Group's income or the value of its financial instruments. Market risk management aims to manage and control market risk exposure within acceptable parameters while maximizing returns.

The Group is exposed to the following market risks:

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates affecting foreign currency payments and receipts along with assessment of assets and liabilities in foreign currencies. The Group is subject to fluctuations in foreign exchange rates in the normal course of its business. The Management regularly monitors changes in foreign exchange rates and manages the impact on the financial statements.

Fair value risk

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Since the Group's financial statements are prepared under the historical cost in which case differences may arise between the carrying amount and the fair value estimates. The Group's Management believes that the fair value of financial assets and liabilities approximates book balances.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring fair value, the Group uses observable market information whenever possible. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability. either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of the asset or liability fall into different levels of the hierarchy, the fair value measurement is categorized entirely in the same level of the fair value hierarchy as the lowest level input is considered material to the full measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred. During the period, there were no transfers between Level 1 and Level 2 fair value measurements.

Where the Group's financial instruments are grouped according to the historical cost principle, except for investments and derivative financial instruments charged at the fair value, differences may arise between the carrying amount and the fair value estimates. The management believes that the fair value of the Group's financial assets and liabilities are not materially different from their carrying amount.

The financial assets measured at fair value are as follows:

Assets	Level 1	Level 2	Level 3	Total
Investments at fair value through other comprehensive income	-	-	85,121	85,121
Investments at fair value through profits or losses	1,490	-	-	1,490
Total assets at fair value	1,490	-	85,121	86,611

Interest rate risk (Commissions)

Interest rate risk (commissions) represents the risk related to the effects of fluctuations in interest rates (commissions) prevailing in the market to the Group's financial position and its cash flows.

Commodity price risk

Commodity price risk is the risk associated with changes to the prices of certain commodities to which the Group is exposed as a result of adverse impact on the Group's costs and cash flows. The commodity price risks arise from the expected purchases of certain commodities made of raw materials used by the Group.

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19. Assets held for sale and discontinued operations

19.1 Assets held for sale

On 09/11/1446H (corresponding to 07/05/2025), one of the Group's subsidiaries (Al-Wataniya Spinning Company) entered into a binding agreement to assign a land lease contract with the Saudi Authority for Industrial Cities and Technology Zones (MODON) in the Second Industrial City in Riyadh, together with the factory situated thereon, including all related facilities and warehouses, complete with all specifications and components, as well as the civil defense, electricity, and gas systems at their current capacity and in their existing condition, to Lamina Company Limited for an amount of SR 41 million. The purchaser shall be entitled to proceed with the assignment procedures, subject to a grace period for delivery within 120 days from the date of amendment of the lease agreement. The net carrying amount of the buildings subject to the assignment amounted to SR 3 thousand, and the net carrying amount of the right-of-use asset assigned amounted to SR 592 thousand.

On 28/01/1447H (July 23, 2025), one of the Group's subsidiaries (Al-Wataniya for Spinning Company) executed the agreement previously signed on 09/11/1446H (May 07, 2025) and assigned the contract to Lamina Limited. The Group has received full consideration of the agreement amounting to SR 41 million.

Certain machinery and equipment related to the site have been transferred to other operational locations for use in production operations, and a portion of the machinery and equipment is planned to be offered for sale.

Below is the statement of the disposals of assets held for sale:

	30/09/2025 (unaudited)	31/12/2024 (audited)
Property, plant and equipment - net (Note 5)	(3)	-
The selling value of assets held for sale	41,314	-
Gains on disposal of assets held for sale	41,311	-
Right-of-use assets - net (note 7.1)	(592)	-
Lease Liabilities (note 7.2)	550	-
Losses of disposal of finance leases	(42)	-

19.1.2 Financial assets held for sale

	30/09/2025 (unaudited)	31/12/2024 (audited)
Property, plant and equipment	3,841	-
Accumulated depreciation of property, plant and equipment	(3,841)	-
	-	-

19.2 Discontinued Operations

19.2.1 Below is the statement of profit or loss and other comprehensive income for discontinued operations:

	For the three-month period ended		For the nine-month period ended	
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	National Spinning Company		National Spinning Company	
Revenue	-	5,961	13,893	25,955
Cost of revenue	(2,808)	(7,326)	(18,539)	(28,694)
Gross (loss)	(2,808)	(1,365)	(4,646)	(2,739)
Selling and marketing expenses	-	-	(16)	-
General and administrative expenses	(140)	(161)	(313)	(470)
Other income	41,368	270	41,368	1,082
Profit /(loss) from operating activities	38,420	(1,256)	36,393	(2,127)
Cost of finance	(57)	(458)	(173)	(1,182)
Net profit / (loss) before Zakat	38,363	(1,714)	36,220	(3,309)
Zakat	-	-	-	-
Net profit /(loss) for the period	38,363	(1,714)	36,220	(3,309)

Artex Industrial Investment Company
Saudi Joint-stock Company
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For the nine-month period ended September 30, 2025 (unaudited)
(Expressed in thousands of Saudi Riyals)

19. Assets held for sale and discontinued operations ... (Continued)

19.2.2 The statement of financial position for discontinued operations is as follows:

	30/09/2025 (unaudited)	31/12/2024 (audited)
Property, plant and equipment	152,254	-
Accumulated depreciation of property, plant and equipment	<u>(151,701)</u>	<u>-</u>
	<u>553</u>	<u>-</u>

20. Comparative figures

During the nine-month period ended September 30, 2025, the Group reclassified certain comparative-period transactions to conform to the presentation adopted for the current period, as a result of applying IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (as disclosed in Note 19).

21. Subsequent events

On October 28, 2025, the Group received a demand letter from the Saudi Industrial Development Fund (SIDF) for the settlement of monitoring fees related to the Al-Reef Sugar Refining Company loan, of which the Group's share up to 12/03/1446H (September 16, 2024) amounted to SR 11.122 million. Management has recognized a provision for the amount claimed.

Other than what has been mentioned above, Management believes that there are no subsequent significant events as of the date of the interim condensed consolidated statement of financial position at September 30, 2025 until the date of approval of these financial statements that may have a material impact on the interim condensed consolidated financial statements.

22. Approval of interim condensed consolidated financial statements

The interim condensed consolidated financial statements for the period ended September 30, 2025, were approved for issuance by the Group's Board of Directors on 17 Jumada al Ula 1447 corresponding to 08 November 2025.