

NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENT (UNAUDITED)
AND THE INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025

NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENT (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30,2025

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**INDEPENDENT AUDITORS' REVIEW REPORT
ON THE INTERIM CONDENSED FINANCIAL STATEMENTS**

**To The Shareholders of
NATIONAL GYPSUM COMPANY
(A Saudi Joint Stock Company)
RIYADH- KINGDOM OF SAUDI ARABIA**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **NATIONAL GYPSUM COMPANY (A Saudi joint stock company)** (the "Company") as at 30 September 2025 and the related interim condensed statements of profit or loss and other comprehensive income for the three months and nine months periods then ended, interim condensed statements of changes in shareholders equity and cash flows for the nine months periods then ended and a summary of material accounting policies and other disclosures.

The Company's management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the international standard on review engagements (2410), "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily to 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 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 such an audit opinion.

Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No. 34 endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi & Co.



**Abdullah S. Al Msned
License No. (456)**



**Riyadh:
26 Jumada al-Ula 1447
17 November 2025**

NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF INTERIM CONDENSED FINANCIAL POSITION (UNAUDITED)

As of September 30, 2025,

(All amounts in Saudi Riyal unless otherwise stated)

	<u>Note</u>	September 30, 2025 (UNAUDITED)	December 31, 2024 (AUDITED)
Assets			
Non – current assets			
Property, plant and equipment – net	4	270,776,624	245,372,234
Investments in associate at equity method	5	34,529,705	33,321,921
Investments in equity instruments at fair value through other comprehensive income	6	15,250,542	19,325,741
Investments in equity instruments at fair value through profit or loss	7	24,357,087	26,887,389
Right of use assets		5,485,852	5,893,501
Total non -current assets		350,399,810	330,800,786
Current assets			
Inventory – net		19,534,598	17,618,139
Trade receivables – net	8	17,989,281	11,783,731
Prepaid expenses and other debit balances	9	14,018,472	11,506,408
Cash and cash equivalents		2,841,507	3,622,917
Total current assets		54,383,858	44,531,195
Total assets		404,783,668	375,331,981
Shareholders' Equity and liabilities			
Shareholder's Equity			
Capital	1	316,666,667	316,666,667
Statutory reserve		95,000,001	95,000,001
Evaluation reserve for investments at fair value through other comprehensive income		(1,676,800)	2,158,780
Revaluation reserve of employee defined benefit obligation		4,985	4,985
Accumulated losses		(64,234,323)	(66,807,349)
Total shareholders' equity		345,760,530	347,023,084
Non- current liabilities			
Lease obligation – non current portion		4,437,268	4,962,106
Employees' defined benefit obligation		5,272,953	4,843,586
Total non -current liabilities		9,710,221	9,805,692
Current liabilities			
Trade payables		8,621,536	8,669,918
Islamic loan	11	32,851,492	-
Accrued expenses and other credit balance		6,631,492	8,315,538
Lease obligation – current portion		558,873	592,909
Zakat provision	12	649,524	924,840
Total current liabilities		49,312,917	18,503,205
Total liabilities		59,023,138	28,308,897
Total Shareholders' Equity and liabilities		404,783,668	375,331,981

Financial Manager



Chief Executive officer



Chairman of the Board of Directors



The accompanying notes form an integral part of these interim condensed financial statements , read together.



NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF INTERIM CONDENSED PROFITS OR LOSSES AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three and nine months periods ended September 30,2025

(All amounts in Saudi Riyal unless otherwise stated)

	Note	Three month periods ended		Nine month periods ended	
		September 30,2025 (UNAUDITED)	September 30,2024 (UNAUDITED)	September 30,2025 (UNAUDITED)	September 30,2024 (UNAUDITED)
Revenue		16,275,266	17,100,938	49,201,754	50,000,252
Cost of Revenue		(13,938,611)	(14,381,984)	(42,613,001)	(42,177,293)
Gross profit		2,336,655	2,718,954	6,588,753	7,822,959
Selling and marketing expenses		(831,277)	(828,913)	(2,579,830)	(2,640,410)
General and administrative expenses		(1,934,898)	(1,694,921)	(5,473,201)	(4,901,799)
(Loss) /Gain from operations		(429,520)	195,120	(1,464,278)	280,750
Company's share from results of investment in associate	5	615,556	440,661	968,165	1,511,887
Unrealized (loss) / profits from investments at fair value through profit or loss	7	(35,100)	(1,789)	(30,302)	180,943
Dividends income from investments	6,7	566,162	759,717	1,708,983	2,177,587
Finance costs		(102,298)	(41,673)	(395,912)	(155,594)
Expected credit loss reversal		405,937	-	1,420,136	-
Regulatory penalty provision formed	14	-	(10,700,000)	-	(10,700,000)
Other income		58,336	251,071	1,015,758	798,745
Profit/ (Loss) for the period before zakat		1,079,073	(9,096,893)	3,222,550	(5,905,682)
Zakat	12	(216,508)	(750,290)	(649,524)	(2,250,869)
Net profit / (loss) for the period		862,565	(9,847,183)	2,573,026	(8,156,551)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Share of the Company in Other Comprehensive Income from Investments in Associate Companies	5	-	-	239,619	(1,217,892)
Unrealized (losses) / gain of equity investments at fair value through other comprehensive income	6	(309,922)	1,803,777	(4,075,199)	(3,078,750)
Other comprehensive (loss) / gain for the period		(309,922)	1,803,777	(3,835,580)	(4,296,642)
Total comprehensive gain / (loss) for the period		552,643	(8,043,406)	(1,262,554)	(12,453,193)
Earning / (Loss) per share					
Basic & diluted earning per share for the period	13	0,03	(0,31)	0,08	(0,26)

Financial Manager

Chief Executive officer

Chairman of the Board of Directors

The accompanying notes form an integral part of these interim condensed financial statement, read together .



NATIONAL GYPSUM COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF INTERIM CONDENSED CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)

For the nine months period ended September 30,2025

(All amounts in Saudi Riyal unless otherwise stated)

	<u>Capital</u>	<u>Statutory reserve</u>	<u>Evaluation reserve for investments at fair value through other comprehensive income</u>	<u>Revaluation reserve of employee defined benefit obligation</u>	<u>Accumulated losses</u>	<u>Total shareholder's equity</u>
Balance as at January 01,2024 (Audited)	316,666,667	95,000,001	12,321,824	(395,523)	(61,449,339)	362,143,630
Sale of investment in equity instruments at fair value through other comprehensive income	-	-	(7,335,418)	-	7,335,418	-
Net Loss for the period	-	-	-	-	(8,156,551)	(8,156,551)
Other comprehensive loss for the period	-	-	(4,296,642)	-	-	(4,296,642)
Total comprehensive loss for the period	-	-	(4,296,642)	-	(8,156,551)	(12,453,193)
Balance at September 30,2024 (unaudited)	316,666,667	95,000,001	689,764	(395,523)	(62,270,472)	349,690,437
Balance as at the January 01,2025 (Audited)	316,666,667	95,000,001	2,158,780	4,985	(66,807,349)	347,023,084
Net profit for the period	-	-	-	-	2,573,026	2,573,026
Other comprehensive loss for the period	-	-	(3,835,580)	-	-	(3,835,580)
Total comprehensive loss for the period	-	-	(3,835,580)	-	2,573,026	(1,262,554)
Balance at September 30,2025 (unaudited)	316,666,667	95,000,001	(1,676,800)	4,985	(64,234,323)	345,760,530

Financial Manager

Chief Executive officer

Chairman of the Board of Directors



The accompanying notes form an integral part of these interim condensed financial statement , read together .

NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF INTERIM CONDENSED CASH FLOW (UNAUDITED)

For the nine months period ended September 30,2025

(All amounts in Saudi Riyal unless otherwise stated)

	Note	September 30,2025 (UNAUDITED)	September 30,2024 (UNAUDITED)
Cash flows from operating activities:			
Net profit /(Loss) for the period before zakat		3,222,550	(5,905,682)
Adjustments for Net profit / (loss):			
Depreciation of property, plant and equipment	4.1,4.2	7,484,975	6,538,819
Amortization of right-of-use assets		407,649	407,649
Employee's defined benefit obligations-formed		668,742	556,630
Finance cost		395,912	-
Expected credit loss provision no longer required	8	(1,420,136)	-
Regulatory penalty provision formed	14	-	10,700,000
Company's share of results from investment in an associate	5	(968,165)	(1,511,887)
Unrealized profit / (loss) in investments at fair value through profit or loss	7	30,302	(180,943)
		9,821,829	10,604,586
Changes in operating assets and liabilities:			
Inventory		(1,916,459)	(1,301,615)
Utilized from strategic spare parts		(266,470)	138,746
Trade receivables		(4,785,414)	420,912
Prepaid expenses and other debit balances		(2,512,064)	(29,077,503)
Trade payables		(48,382)	8,945,888
Accruals and other credit balances		(1,684,046)	(9,079,243)
		(1,391,006)	(19,348,229)
Zakat paid	12	(924,840)	(3,001,158)
Employees' defined benefit obligations -paid		(239,375)	(66,395)
Net cash flows (used in) operating activities		(2,555,221)	(22,415,782)
Cash flows from investing activities:			
Payment for purchase of property, plant and equipment	4	(2,063,777)	(9,287,837)
Net paid in projects under construction	4	(28,945,126)	(12,372)
Dividends received from associate company		-	860,607
Proceeds from investments at fair value through profit or loss	7	2,500,000	24,736,833
Net cash flows (used in)/ generated from investing activities		(28,508,903)	16,297,231
Cash flows from financing activities			
Proceeds from Islamic loan		30,930,602	-
Lease liability - paid		(647,888)	(575,638)
Cash flows generated from / (used in) financing activities:		30,282,714	(575,638)
Net change in cash and cash equivalents		(781,410)	(6,694,189)
Cash and cash equivalents at the beginning of the period		3,622,917	9,184,021
Cash and cash equivalents at end of the period		2,841,507	2,489,832
Non cash transaction			
Unrealized (losses) of equity investments at fair value through other comprehensive income	6	(4,075,199)	(3,078,750)
Expected credit loss provision write off during the period	8	(5,142,597)	-
Company's share in other comprehensive income from investment in an associate		239,619	(1,217,892)
Transferred to projects under construction	4	(1,613,992)	-
Projects under construction transferred to property, plant and equipment	4	35,100,390	-

Financial Manager

Chief Executive officer

Chairman of the Board of Directors

The accompanying notes form an integral part of these interim condensed financial statement, read together.



NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyal unless otherwise stated)

1. Company's profile

Incorporation of the company

National Gypsum Company ("the company") is a Saudi joint stock company registered in the city of Riyadh, Kingdom of Saudi Arabia under the commercial registration No.1010001487 dated April 27, 1959 (corresponding to Shawwal 19, 1378 H).

Company's activity

The main activity of the company, according to the commercial registration, is the manufacture and production of gypsum and its derivatives extracted from concession areas, trading in gypsum and its derivatives, the production of various materials that can be extracted from gypsum mechanically and chemically, and carrying out all the necessary work to achieve its purpose, which helps to achieve this purpose. The company has concession rights for raw stone in three concession areas (quarries) in the city of Riyadh, the city of Dammam and the city of Yanbu, noting that the quarries' operations in each of the cities of Dammam and Yanbu are temporarily suspended.

Company's head office is located at

The Co. head office is located at Prince Muhammad Bin Abdulaziz Road - Al Olaya District, PO Box 187 Riyadh, Postal Code 11411 , Riyadh, Saudi Arabia

Capital of the company

The company's capital is SR 316,666,667, divided into 31,666,667 shares, with a nominal value of SR.10 per share.

Company's Branches

The company has several branches registered as follows:

<u>Branch</u>	<u>C.R. Date</u>	<u>C.R. No</u>
Jeddah	26 Muharram 1392H	4030007100
Dammam	6 Rajab 1395H	2050003512
Yanbu	18 Rabi Awwal 1400H	4700000546
The National Factory for Gypsum Walls – Riyadh	10 Rabi al-Akhir 1425H	1010198301
The National Gypsum Company Factory – Dammam	4 Jumada Al-Akhir 1426H	2050048707
National Gypsum Company – Dammam	4 Rabi al Awwal 1428H	2050053971

2. Basis of preparation of interim condensed financial statements

Statement of compliance

These interim condensed financial statements have been prepared for the three months periods ended September 30, 2025 in accordance with IAS (34) "Interim Financial Reporting" adopted in Saudi Arabia and other standards and pronouncements endorsed by SOCPA. These condensed interim financial statements do not include all the information and explanations required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2024.

Basis for financial statements preparation

These financial statements have been prepared in accordance with the historical cost principle and using accrual basis and going concern principle except for:

- Investments that are measured at fair value through other comprehensive income.
- Investments that are measured at fair value through profit or loss.
- Investments in associates that are recognized as equity method.
- Employees' defined benefit obligations, which are measured at the present value of future obligations in accordance with the projected credit unit methods.



NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) " CONTINUED"
FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyal unless otherwise stated)

2. Basis of preparation of interim condensed financial statements (Continued)

Significant accounting estimates, assumptions and judgments

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures about assets and contingent liabilities at the date of the financial statements, the amounts of revenues and expenses declared during the reporting period. Although these estimates and judgments are based on management's best information regarding current operations and events, actual results may differ from these estimates. Significant judgments made by management in applying the Company's accounting policies and the main sources of estimation uncertainty are consistent with those applied to the financial statements for the year ended December 31, 2024.

Functional and presentation currency

The financial statements items are presented in Saudi Riyals ("SR") which is the functional and presentation currency.

3. Material accounting policies

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

New standards, amendments to standards and changes

New standards and a set of amendments to the standards were issued, which become effective as of January 1, 2025. These were disclosed in the company's annual financial statements, but they do not have a material impact on the company's condensed interim financial statements.

4. Property, plant and equipment - net

	September 30, 2025 (UNAUDITED)	December 31, 2024 (AUDITED)
Property, plant and equipment (4-1)	205,695,359	175,447,115
Add:		
Strategic spare parts (4-2)	13,628,960	13,931,542
Project under construction (4-3)	51,452,305	55,993,577
	270,776,624	245,372,234



NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) "CONTINUED"

FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyal unless otherwise stated)

4-1 Property, plant and equipment – net (Continued)

For the period ended September 30, 2025

	Lands**	Buildings*	Roads	Machinery and equipment	Water extensions	Electricity extensions	Vehicles	Tools	Furniture and fixtures	Total
Cost										
Balance at 1 January 2025	22,211,718	124,823,066	14,150,239	490,504,782	3,056,929	8,346,011	14,927,508	1,397,058	10,544,626	689,961,937
Transferred from projects under construction	-	8,834,007	-	26,266,383	-	-	-	-	-	35,100,390
Additions during the period	-	-	-	1,566,439	-	-	426,000	1,216	70,122	2,063,777
Balance at 30 September 2025	22,211,718	133,657,073	14,150,239	518,337,604	3,056,929	8,346,011	15,353,508	1,398,274	10,614,748	727,126,104
Depreciation:										
Balance at 1 January 2025	-	112,212,044	10,260,630	356,842,815	2,691,530	7,735,910	13,859,943	1,363,877	9,548,073	514,514,822
Charged during the period	-	1,553,091	739,662	4,059,097	42,324	135,908	139,869	10,929	235,043	6,915,923
Balance at 30 September 2025	-	113,765,135	11,000,292	360,901,912	2,733,854	7,871,818	13,999,812	1,374,806	9,783,116	521,430,745
Net book value:										
On September 30, 2025	22,211,718	19,891,938	3,149,947	157,435,692	323,075	474,193	1,353,696	23,468	831,632	205,695,359
On December 31, 2024	22,211,718	12,611,022	3,889,609	133,661,967	365,399	610,101	1,067,565	33,181	996,553	175,447,115

* The land on which one of the company's factories was established in the city of Yanbu is leased from the Royal Commission for Jubail and Yanbu (Ministry of Energy) for a period of 10 years starting from 2020. The annual rent amounts to SAR 287,888.

Other buildings are built on land owned by the company.

** The land category includes a land valued at 8,000 Saudi Riyals, which has been pledged as collateral for obtaining Islamic financing from a local bank as of September 30, 2025, as shown in (Note 11).



NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) "CONTINUED"

FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025

(All amounts in Saudi Riyal unless otherwise stated)

4-1 Property, plant and equipment – net (Continued)

For the year ended December 31, 2024

	Lands	Buildings*	Roads	Machinery and equipment	Water extensions	Electricity extensions	Vehicles	Tools	Furniture and fixtures	Total
Cost										
Balance at 1 January 2024	22,211,718	124,684,200	14,112,261	489,007,974	3,005,929	8,291,011	14,832,942	1,397,058	10,353,276	687,896,369
Additions during the period	-	138,866	37,978	1,496,808	51,000	55,000	94,566	-	191,350	2,065,568
Balance at 31 December 2024	22,211,718	124,823,066	14,150,239	490,504,782	3,056,929	8,346,011	14,927,508	1,397,058	10,544,626	689,961,937
Depreciation:										
Balance at 1 January 2024	-	109,473,143	9,269,051	351,703,474	2,639,333	7,572,294	13,620,001	1,363,877	9,232,897	504,874,070
Charged during the period	-	2,738,901	991,579	5,139,341	52,197	163,616	239,942	-	315,176	9,640,752
Balance at 31 December 2024	-	112,212,044	10,260,630	356,842,815	2,691,530	7,735,910	13,859,943	1,363,877	9,548,073	514,514,822
Net book value:										
On December 31, 2024	22,211,718	12,611,022	3,889,609	133,661,967	365,399	610,101	1,067,565	33,181	996,553	175,447,115
On December 31, 2023	22,211,718	15,211,057	4,843,210	137,304,500	366,596	718,717	1,212,941	33,181	1,120,379	183,022,299

* The land on which one of the company's factories was established in the city of Yanbu is leased from the Royal Commission for Jubail and Yanbu (Ministry of Energy) for a period of 10 years starting from 2020. The annual rent amounts to SAR 287,888. Other buildings are built on lands owned by the company.



NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) " CONTINUED"
FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30,2025

(All amounts in Saudi Riyal unless otherwise stated)

4. Property, plant and equipment – net (Continued)

4.2 Strategic spare parts - net

	September 30, 2025 (UNAUDITED)	December 31 ,2024 (AUDITED)
Cost		
Balance at the beginning of the period / year	16,860,840	17,063,921
Utilized during the period / year	266,470	(203,081)
Balance at the end of the year	17,127,310	16,860,840
Accumulated Depreciation		
Balance at the beginning of the period / year	2,929,298	2,246,739
Charged during the period / year	569,052	682,559
Balance at the end of the period / year	3,498,350	2,929,298
Net book value	13,628,960	13,931,542

4.3 Project under construction

	September 30,2025 (UNAUDITED)	December 31,2024 (AUDITED)
Cost		
Balance at the beginning of the period / year	85,672,333	42,888,742
Additions during the period / year	30,559,118	42,783,591
Transferred to property, plant and equipment during the period / year	(35,100,390)	-
	81,131,061	85,672,333
Impairment loss in projects under construction	(29,678,756)	(29,678,756)
Balance at the end of the period / year	51,452,305	55,993,577

Capital projects under construction represent the amounts spent on installation and commissioning works for the following plants:

4-3-1 Alpha and Beta Plants in the city of Dammam, with a value of SAR 51,179,574 for the period ended September 30, 2025 (SAR 20,129,967 as of December 31, 2024). According to the factory revaluation study, an impairment loss of SAR 29,678,756 was recognized on capital projects under construction during the period ended September 30, 2025 (SAR 29,678,756 as of December 31, 2024) making the project net value of SAR 21,500,818 (SAR 20,129,967 as of December 31,2024).

4-3-2 Gypsum Wall Plant Project in Riyadh 2 with a value of SAR 29,951,487 for the period ended September 30, 2025 (SAR 8,208,534 as of December 31, 2024).

4-3-3 The work on Gypsum Wall Plant Project in Riyadh 1 was completed and transferred to property, plant and equipment during the period ended September 30, 2025, (SAR 19,255,980 as of December 31,2024).

4-3-4 The work on Gypsum Wall Plant Project in Dammam was completed and transferred to property, plant and equipment during the period ended June 30, 2025, (SAR 8,399,096 as of December 31,2024).

5. Investments in associates at equity method

The company owns a 33.37% of shares as of September 30,2025 (December 31 ,2024: 33.37%) investments in an associate company represent in the investment in the Qatari Saudi Gypsum Industries Company, a limited liability company registered in the State of Qatar. The Company's interest in the associate is accounted for using the equity method in these financial statements because the Company exercises significant influence over the associate.

5. Investments in associates at equity method (Continued)



NATIONAL GYPSUM COMPANY

(A Saudi Joint Stock Company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) " CONTINUED"
FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30,2025

(All amounts in Saudi Riyal unless otherwise stated)

The following table shows the summarized financial information for the company's investment in the Qatari Saudi Gypsum Manufacturing Company:

	September 30,2025 (UNAUDITED)	December 31,2024 (AUDITED)
Balance at beginning of the period / year	33,321,921	33,920,879
Company's share of the associate's net income	968,165	1,676,334
Dividend during the period / year	-	(2,577,792)
comprehensive income during the period / year	239,619	302,500
Balance at end of the period / year	34,529,705	33,321,921

6. Investments in equity instruments at fair value through other comprehensive income

	No, of shares		September 30, 2025 (UNAUDITED)	December 31, 2024 (AUDITED)
	September 30, 2025	December 31,2024		
<u>Investments in stocks</u>				
Saudi Arabian Oil Company (Aramco)	363,000	363,000	8,937,060	10,182,150
Saudi Kayan Petrochemical Company	500,000	500,000	2,825,000	3,510,000
Methanol Chemicals Company	249,770	249,770	2,697,516	4,620,745
Tabuk cement company	77,142	77,142	779,906	992,046
National Building and Marketing Co.	100	100	11,060	20,800
			15,250,542	19,325,741

The movement of investment during the year was as follows:

	September 30, 2025 (UNAUDITED)	December 31 ,2024 (AUDITED)
Balance at the beginning of the period / year	19,325,741	33,155,510
Additions / (Reversals) during the period	(4,075,199)	(3,130,126)
Changes in fair value – gains / (losses) during the year	-	(10,699,643)
Balance at the end of the period/ year	15,250,542	19,325,741

* Dividends from investments in equity instruments measured at fair value through other comprehensive income amounted to SAR 399,247 for the period ended September 30, 2025 (SAR 733,394 as of September 30, 2024)



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7 - Investments in equity instruments at fair value through profit or loss

The movement of investment during the period/ year was as follows:

	September 30, 2025 (UNAUDITED)	December 31 ,2024 (AUDITED)
Balance at the beginning of the period / year	26,887,389	41,550,919
(Redemption) during the period / year	(2,500,000)	(14,858,129)
(Loss) / gain of fair value	(30,302)	194,599
Balance at the end of the period/ year	24,357,087	26,887,389

* Investments in equity instruments at fair value through profit or loss represent an investment in funds managed by Riyad Capital.

*Dividends from investments in equity instruments measured at fair value through profit or loss amounted to SAR 1,309,736 for the period ended September 30, 2025 (SAR 1,444,193 as of September 30, 2024)

8 -Trade receivables – net

	September 30, 2025 (UNAUDITED)	December 31 ,2024 (AUDITED)
Trade receivables	25,965,345	26,322,528
Provision for expected credit loss (Note 8.1)	(7,976,064)	(14,538,797)
Balance at the end of the period/ year	17,989,281	11,783,731

8.1 Movement in provision for expected credit losses during the period/ year was as follows:

	September 30, 2025 (UNAUDITED)	December 31 ,2024 (AUDITED)
Balance at the beginning of the period / year	14,538,797	14,538,797
Reversal during the period / year	(1,420,136)	-
Write off during the period / year	(5,142,597)	-
Balance at the end of the period/ year	7,976,064	14,538,797

9 -Prepaid expenses and other debit balances

	September 30, 2025 (UNAUDITED)	December 31 ,2024 (AUDITED)
Advance payments to suppliers and contractors	9,571,739	9,297,173
Cash margin of letter of guarantee	2,300,000	-
Prepaid expenses	1,344,279	1,319,742
Employee receivables	862,393	948,932
Others	108,900	109,400
Total	14,187,311	11,675,247
Provision for expected credit loss	(168,839)	(168,839)
Balance at the end of the period/ year	14,018,472	11,506,408



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10 -Transactions with related parties

Transactions with related parties mainly represent salaries, allowances and remunerations for senior executives' staff.

Senior management personnel are persons who have the power and authority to plan, direct and control the activities of the company, directly or indirectly, including members of the board of directors and shareholders (whether executive or otherwise).

The following is a statement of the total amounts that were included in the statement of profits or losses during the period:

	September 30, 2025 (UNAUDITED)	September 30, 2024 (UNAUDITED)
Salaries and bonuses for senior management staff	642,000	562,500
Allowance for attending the company's committee meetings	171,000	153,000
Allowance for attending the company's board of directors meetings	180,000	180,000

11. Islamic loan

The company obtained a short-term Islamic Murabaha financing from Riyad Bank to finance projects under construction in the amount of SAR 31.5 million, payable after nine months as one installment. The final installment is due in November 2025. This is guaranteed by a land amounting to SAR 8,000 mortgaged to the bank (Note 4-1).

Summary of the movement on the Islamic loan as follows:

	September 30, 2025 (UNAUDITED)	December 31, 2024 (AUDITED)
Balance at 1 January	-	-
Proceeds during the period	31,500,000	-
Finance cost charged during the period	1,613,992	-
Commission deducted from the loan*	(569,398)	-
Amortized from the commission during the period	306,898	-
Balance at the end of the period/ year	32,851,492	-

* These are transaction costs that can be directly attributable to the acquisition of financial liability in accordance with International Financial Reporting Standard No. 9, paragraph No. 5.1.1.



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12. Zakat

Movement of zakat Provision

	September 30, 2025 (UNAUDITED)	December 31 ,2024 (AUDITED)
Balance at beginning of the period / year	924,840	3,001,158
Charged for the period / year	649,524	924,840
Less: Zakat paid during the period / year	(924,840)	(3,001,158)
Balance at the end of the period / year	649,524	924,840

Zakat status

- The company submitted its Zakat filings to the Zakat, Tax and Customs Authority for the years 2021 and 2022. Observations were made regarding those filings, but no response has been received to date.
- The company submitted its zakat return for the years 2023 and 2024, which are currently under review and have not yet been assessed.

13. Earning / (Loss) per share

Basic earnings per share is calculated of the basis of profit attributable to ordinary shareholders and the weighted average number ordinary shares outstanding profit attributable to ordinary shareholders.

	Three month periods ended		Nine month periods ended	
	September 30,2025 (UNAUDITED)	September 30,2024 (UNAUDITED)	September 30,2025 (UNAUDITED)	September 30,2024 (UNAUDITED)
Net profit / (loss) for the period	862,565	(9,847,183)	2,573,026	(8,156,551)
Weighted average of share during the period	31,666,667	31,666,667	31,666,667	31,666,667
Basic & diluted share base on profit	0.03	(0.31)	0.08	(0.26)

14. Regulatory penalty provision formed

The company received a claim from the General Authority for Competition ("The Authority") requesting the payment of a penalty amounting to SAR 10.7 million, based on the Authority's allegation that the company had violated competition regulations in the Kingdom of Saudi Arabia.

The company contested the Authority's claim before the Administrative Court in Riyadh, and in January 2024, the court ruled in favor of the company, dismissing the Authority's claim. However, the Authority appealed the decision, and in May 2024, the Court of Appeal ruled in favor of the Authority.

The company subsequently filed a petition with the Supreme Court to review the case, but the lawsuit against the General Authority for Competition was rejected. Accordingly, at December 31, 2024 the company recorded the expense and paid the full claimed amount of SAR 10.7 million.

15. Contingent liabilities and capital commitments

As at September 30, 2025, the Company contingent liabilities represent letter of bank guarantee issued to a supplier in the amount of SR 1.7 million (December 31, 2024: SR. 1.7 million). The company also has capital commitments amounting to SAR 26.1 million (December 31, 2024: SAR 30.4 million).



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16. Segment reporting

The company is managed as a single operating sector in the production of gypsum of all kinds and the company practice its activities in the Kingdom of Saudi Arabia. Here are its details:

As at 30 September 2025

	<u>Riyadh</u>	<u>Yanbu</u>	<u>Dammam</u>	<u>Total</u>
Net sales	29,929,105	3,118,408	16,154,241	49,201,754
Gross profit / loss	13,943,593	(3,828,904)	(3,525,936)	6,588,753
Net profit / loss before Zakat	9,044,980	(3,23,1827)	(2,590,603)	3,222,550
Net property, plant, equipment and equivalent	88,571,519	33,750,094	148,455,011	270,776,624

As at 30 September 2024

	<u>Riyadh</u>	<u>Yanbu</u>	<u>Dammam</u>	<u>Total</u>
Net sales	21,833,457	5,915,315	22,251,480	50,000,252
Gross profit / loss	4,584,659	(791,588)	4,029,888	7,822,959
Net profit / loss before Zakat	(624,986)	(4,558,255)	(722,441)	(5,905,682)
Net property, plant, equipment and equivalent	52,690,376	31,671,333	129,298,030	213,659,739

17. Fair value of the assets and liabilities

Fair value is the selling price that would be received in exchange for selling an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date or, otherwise. The best market available on that date. The fair value of obligations reflects the risk of inability to perform. When measuring the fair value of a financial asset or liability, the company uses market observable data as much as possible. Fair values are categorized into a hierarchy based on the data used in the valuation techniques as follows:

- Level 1: Quoted prices in active market for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



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18. Financial risk management

Foreign currency risk

Currency risk represents the risk arising from fluctuations in the value of financial instruments due to changes in foreign exchange rates. The company's functional and presentation currency is the Saudi Riyal. The company conducts its transactions in Saudi Riyal, US Dollar, and Qatari Riyal. Management monitors fluctuations in foreign exchange rates and believes that currency risk is not material. The majority of the exposure is in US Dollars, and since the Saudi Riyal is pegged at 3.75 SAR to 1 USD, and the Qatari Riyal is pegged at 1.03 SAR, the company is not exposed to any risk from financial instruments denominated in US Dollars or Qatari Riyals.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk consists of commission rate risk, currency risk and other price risk.

Fair Value risk

The Company's listed and unlisted shares are exposed to fair value risk resulting from uncertainty about the future value of financial instruments. The company manages equity price risks by diversifying its investment portfolio and setting limits for each financial instrument individually and as a whole. Reports on the equity portfolio are submitted to the company senior management on a regular basis. Senior management reviews and approves all decisions related to equity investments.

Liquidity risk

Liquidity risk represents the difficulties the company faces in providing funds to meet obligations related to financial instruments. Liquidity risk arises from the inability to quickly sell a financial asset at or near its fair value. Liquidity is managed by regularly ensuring that sufficient funds are available through committed credit facilities to meet any future obligations.

The company's approach to managing liquidity risk is to ensure, as much as possible, that it has sufficient liquidity to meet its obligations as they fall due under both normal and stressed conditions, without incurring unacceptable losses or damaging the company's reputation. For this purpose, the company has maintained credit lines with commercial banks to meet its liquidity requirements.

19. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation in the current period.

The impact of the above reclassifications on the condensed interim statement of profit or loss and other comprehensive income as at 30 September 2024 is as follows:

	Balance as issued on 30 September 2024	Reclassification	Reclassified balance on 30 September 2024
statement of interim condensed profits or losses and other comprehensive income			
Company's share in other comprehensive income from investment in an associate	-	(1,217,892)	(1,217,892)
Unrealized (losses) of equity investments at fair value through other comprehensive income	(4,296,642)	1,217,892	(3,078,750)

20. Subsequent events

In opinion of company's management There are no significant subsequent events from the date of the statement of financial position on September 30, 2025, until the date of approving these financial statements that may require amendments or disclosures in the financial statements.

21. Approval of the financial statements

These financial statements were approved by the Board of Directors on 10 November 2025 (corresponding to 19 Jumada al-Ula 1447 H).

