

**SAUDI INDUSTRIAL EXPORT COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**RIYADH – SAUDI ARABIA**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2025**  
**AND INDEPENDENT AUDITOR'S REPORT**

**SAUDI INDUSTRIAL EXPORT COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**RIYADH – SAUDI ARABIA**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025**  
**AND INDEPENDENT AUDITOR'S REPORT**

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**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF  
SAUDI INDUSTRIAL EXPORT COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
RIYADH - SAUDI ARABIA****REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****Opinion**

We have audited the consolidated financial statements of "Saudi Industrial Export Company" (A Saudi Joint Stock Company) ("the Company") and its subsidiary (together "The Group"), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) adopted in Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Conduct and Ethics for Professional Accountants (including International Independence Standards), as endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have also fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern:**

As disclosed in Note (3/7) to the consolidated financial statements, which indicates that the Group did not generate any revenues during the financial year ended December 31, 2025 (2024: SR. 22.98 million). The Group also incurred a net loss of SR. 24.9 million for the same year (2024: SR. 19.6 million), and accumulated losses amounted to SR. 94.9 million as at the reporting date, representing approximately 48.8% of the Group's share capital. In addition, net cash outflows from operating activities amounted to SR. 10 million as at the same date (2024: SR. 20.6 million).

These conditions, as explained in the aforementioned note, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Management has performed an assessment of the Group's ability to continue as a going concern, as described in the same note, which includes assumptions relating to improving liquidity, activating operational activities, and restructuring investments.

The Board of Directors, at its meeting held on April 05, 2026, concluded that the use of the going concern basis in preparing the consolidated financial statements is appropriate. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter, a description of how our audit addressed the matter is set out below:

**INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS OF  
 SAUDI INDUSTRIAL EXPORT COMPANY  
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 RIYADH - SAUDI ARABIA**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**
**Key Audit Matters (Continued)**

<b>Investments at fair value through profit or loss</b>	<b>How the matter was addressed in our audit</b>
<p>As disclosed in Note (8) to the consolidated financial statements, the balance of financial investments at fair value through profit or loss amounted to SR. 32,544,240 (2024: SR. 78,269,432).</p> <p>Management measures these investments at fair value based on quoted prices in an active market as of the reporting date, and changes in fair value are recognized in the statement of profit or loss.</p> <p>The valuation of these investments is considered a matter of audit significance due to their materiality and the impact of market price fluctuations on the Group's results of operations and assets, notwithstanding the limited level of judgment and estimation involved in determining the fair value.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Verified the existence of an active market for these investments and assessed their classification within the fair value hierarchy levels.</li> <li>- Agreed the closing prices used in the valuation to independent market sources.</li> <li>- Verified the accuracy of the fair value calculation based on the number of units or shares held.</li> <li>- Reviewed the recognition of changes in fair value in the statement of profit or loss.</li> <li>- Assessed the adequacy and appropriateness of the disclosures related to financial investments in the consolidated financial statements.</li> </ul>
<b>Expected credit losses</b>	<b>How the matter was addressed in our audit</b>
<p>As disclosed in Note (10) to the consolidated financial statements, the Group's management has recognized a full expected credit loss allowance against trade receivables, resulting in a net carrying amount of nil as at December 31, 2025 (December 31, 2024: SR. 3,185,665).</p> <p>The determination of expected credit losses requires significant judgment and estimates by management, particularly in relation to the assessment of recoverability, ageing analysis of receivables, and consideration of relevant forward-looking information.</p> <p>Given that the recognition of a full allowance against trade receivables involves a high degree of professional judgment and a significant level of uncertainty regarding recoverability, this matter has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- The appropriateness of considerations for the impairment of trade receivables in accordance with the company's policies and the assessment of compliance with applicable accounting standards.</li> <li>- Considering management assumptions used in determining impairment losses.</li> <li>- Identify trade receivables exposed to credit risk and verify whether they have been correctly included in management's assessment of impairment.</li> <li>- Recalculating the impairment of trade receivables based on the company's policies to ensure that the impairment is appropriate at the date of the consolidated statement of financial position.</li> <li>- The appropriateness of the disclosures used in the consolidated financial statements.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS OF  
SAUDI INDUSTRIAL EXPORT COMPANY  
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RIYADH - SAUDI ARABIA**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****Other information**

Other information consists of other information from the information included in the Company's annual report, other than the consolidated financial statements and the auditors' report thereon. Management is responsible for the other information included in the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information and discover a material misstatement thereon, we are required to communicate the matter to those charged with governance.

**Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, The applicable requirements of the regulations for company's by laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, The Board of Directors are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF  
SAUDI INDUSTRIAL EXPORT COMPANY  
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RIYADH - SAUDI ARABIA****REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements...(Continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain the only body responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**FOR EL SAYED EL AYOUTY & CO.****Date:** DhuAl-Qa'Dah 09, 1447H  
April 26, 2026**Abdullah Ahmad Balamash**  
Certified Public Accountant  
License No. (345)

# SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

RIYADH – SAUDI ARABIA

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2025

(All amounts in Saudi Riyals)

	Note	Dec. 31, 2025	Dec. 31, 2024
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Murabaha Sukuk – Non-current Portion	(14)	---	3,965,735
Investments carried at FVTPL – Non-current portion	(8)	<b>15,028,250</b>	13,152,000
Property, plant and equipment - Net	(6)	<b>296,735</b>	396,885
Intangible assets - Net	(7)	---	7,210
<b>Total non-current assets</b>		<b>15,324,985</b>	17,521,830
<b>CURRENT ASSETS</b>			
Financial investments carried at FVTPL – Current portion	(8)	<b>17,515,990</b>	65,117,432
Financial investments carried at amortized cost	(9)	---	25,944,335
Trade receivables – Net	(10)	---	3,185,665
Prepayments and other debit balances – Net	(11)	<b>738,890</b>	4,616,937
Due from related parties	(12.1)	<b>57,821</b>	147,030
Bank deposits short-term	(13)	<b>3,872,976</b>	3,890,453
Cash and cash equivalents	(15)	<b>74,226,411</b>	13,328,776
<b>Total current assets</b>		<b>96,412,088</b>	116,230,628
<b>Total Assets</b>		<b>111,737,073</b>	133,752,458
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	(16)	<b>194,400,000</b>	194,400,000
Accumulated (losses)		<b>(94,947,911)</b>	(70,023,401)
Foreign exchange translation reserve		---	(5,475)
Actuarial reserve	(18)	<b>570,972</b>	569,367
<b>Total Equity</b>		<b>100,023,061</b>	124,940,491
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Employees' defined benefit obligations	(18)	<b>188,483</b>	196,536
<b>Total non-current liabilities</b>		<b>188,483</b>	196,536
<b>Current liabilities</b>			
Trade payables		<b>480,204</b>	606,382
Accrued expenses and other current liabilities	(19)	<b>1,686,100</b>	1,255,569
Due to related parties	(12.3)	<b>3,703,979</b>	3,703,979
Zakat provision	(20)	<b>5,655,246</b>	3,049,501
<b>Total current liabilities</b>		<b>11,525,529</b>	8,615,431
<b>Total Liabilities</b>		<b>11,714,012</b>	8,811,967
<b>Total equity and Liabilities</b>		<b>111,737,073</b>	133,752,458

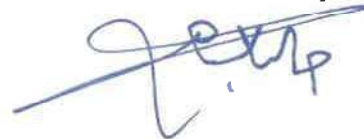
CFO  
Hamada Ali



MD  
Halim bin Ali Al-Saem



Chairman  
Khalid bin Abdullah Al-Ajlan



# SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

RIYADH – SAUDI ARABIA

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF  
DECEMBER 31, 2025

(All amounts in Saudi Riyals)

	Note	2025	2024
Revenues	(21)	---	22,976,364
Cost of revenues	(22)	---	(25,930,593)
<b>Gross (loss)</b>		---	(2,954,229)
General and administrative expenses	(23)	<b>(11,986,936)</b>	(17,121,447)
(Loss) / Gain on Sale of investments carried at FVTPL	(8.c)	<b>(1,480,620)</b>	2,557,524
Change in Fair Value Measurement of investments carried at FVTPL	(8.d)	<b>(756,830)</b>	2,569,086
Expected credit losses	(10.2)	<b>(2,423,649)</b>	(522,981)
Impairment of Murabaha Sukuk	(14)	<b>(3,778,891)</b>	---
Impairment of other current assets	(11)	<b>(1,605,918)</b>	---
(Loss) on sale of property and equipment	(6)	---	(8,906)
Other income	(24)	<b>387,617</b>	293,465
<b>Operating (loss)</b>		<b>(21,645,227)</b>	(15,187,488)
(Loss) on foreign currency differences		<b>(1,304)</b>	(3,306)
Returns on financial investments carried at amortized cost	(9)	<b>1,080,520</b>	944,335
Returns on bank deposits	(13)	<b>190,289</b>	270,890
Returns on Murabaha Sukuk	(14)	---	218,584
<b>Net (loss) for the year from continuing operations before zakat</b>		<b>(20,375,722)</b>	(13,756,985)
Zakat	(20)	<b>(4,498,077)</b>	(5,744,132)
<b>Net (loss) for the year from continuing operations after zakat</b>		<b>(24,873,799)</b>	(19,501,117)
Net (loss) from discontinued operations	(1.10)	<b>(50,711)</b>	(65,776)
<b>Net (loss) for the year</b>		<b>(24,924,510)</b>	(19,566,893)
<b>Other comprehensive income:</b>			
<b>Item that will not be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		---	(5,475)
Re-measurement gains on employee benefit obligations	(18)	<b>1,605</b>	67,070
<b>Total comprehensive (losses) for the year</b>		<b>(24,922,905)</b>	(19,505,298)
<b>Basic and diluted per share from:-</b>			
<b>(Loss) from the year</b>	(25)	<b>(0,13)</b>	(0,10)

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Chairman  
Khalid bin Abdullah Al-Ajlan



## SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

RIYADH – SAUDI ARABIA

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts in Saudi Riyals)

	Share capital	Statutory reserve	Accumulated (losses)	Foreign exchange translation reserve	Remeasurement reserve of employee benefits	Total shareholders' equity
Balance as at 1 January 2024	194,400,000	642,645	(51,099,153)	502,297	—	144,445,789
Closing the statutory reserve in accumulated losses	—	(642,645)	642,645	—	—	—
Net (loss) for the year	—	—	(19,566,893)	—	—	(19,566,893)
Foreign currency translation differences	—	—	—	—	(5,475)	(5,475)
Remeasurement reserve of employee benefits (Note: 18)	—	—	—	67,070	—	67,070
<b>Balance as at December 31, 2024</b>	<b>194,400,000</b>	<b>642,645</b>	<b>(70,023,401)</b>	<b>569,367</b>	<b>(5,475)</b>	<b>124,940,491</b>
Balance as at 1 January 2025	194,400,000	—	(70,023,401)	569,367	(5,475)	124,940,491
Net (loss) for the year	—	—	(24,924,510)	—	—	(24,924,510)
Losses on disposal of a subsidiary (Note 1.10)	—	—	—	—	(5,475)	(5,475)
Remeasurement reserve of employee benefits (Note: 18)	—	—	—	1,605	—	1,605
<b>Balance as at December 31, 2025</b>	<b>194,400,000</b>	<b>—</b>	<b>(94,947,911)</b>	<b>570,972</b>	<b>—</b>	<b>100,023,061</b>

CFO  
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Halim bin Ali Al-Saem



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The attached notes from (1) to (31) form an integral part of these consolidated financial statements

**SAUDI INDUSTRIAL EXPORT COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**RIYADH – SAUDI ARABIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2025**

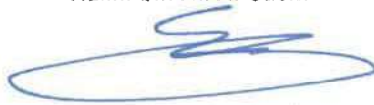
(All amounts in Saudi Riyals)

	2025	2024
<b>Cash flows from operating activities:</b>		
Net (loss) for the year before zakat	(20,375,722)	(13,756,985)
Net (loss) from discontinued operations	(50,711)	(65,776)
<b>Adjustments for:</b>		
Depreciation of property and equipment	100,150	191,312
Amortization of intangible assets	7,210	6,656
Allowance for expected credit losses	2,423,649	522,981
Impairment of Murabaha Sukuk	3,778,891	—
Impairment of other current assets	1,605,918	—
Realized Loss / (Gain) on Sale of investments carried at FVTPL	1,480,620	(2,557,524)
Change in Fair Value Measurement of investments carried at FVTPL	756,830	(2,569,086)
Employees defined benefit obligations	67,052	197,308
Returns on Bank deposit	(190,289)	(270,890)
Returns on Murabaha Sukuk	---	(218,584)
Returns on Financial investment carried at amortized cost	(1,080,520)	(944,335)
Loss on sale of property and equipment	---	8,906
Loss on foreign currency differences	1,304	3,306
<b>Operating (Loss) Before Changes in Working Capital</b>	<b>(11,475,618)</b>	<b>(19,452,711)</b>
<b>Changes in working capital items</b>		
Trade receivables	762,016	2,805,318
Due from related parties	89,209	864,369
Prepayments and other debit balances	2,272,129	1,484,132
Trade payables	(126,178)	222,836
Accrued expenses and other current payables	429,227	(594,796)
Due to related parties	---	(488)
Defined benefit obligations paid to employees	(73,500)	(387,511)
Zakat paid	(1,892,332)	(5,550,777)
<b>Net cash (used in) operating activities</b>	<b>(10,015,047)</b>	<b>(20,609,628)</b>
<b>Cash flows from investing activities</b>		
Acquisition of financial investments carried at FVTPL	(5,230,100)	(34,757,824)
Acquisition of financial investments carried at amortized cost	(17,000,000)	(25,000,000)
Proceeds from the sale of financial investments carried at FVTPL	47,707,324	22,942,873
Dividends received from financial investments at FVTPL	1,010,518	1,283,333
Proceeds from investments at amortized cost	44,024,855	---
Bank deposits short term	---	(3,700,000)
Murabaha Sukuk	---	(3,747,151)
Interest Received on bank deposits	207,766	80,437
Returns Received on Murabaha Sukuk	186,844	---
Additions to property and equipment	---	(262,706)
Proceeds from sale of property and equipment	---	10,000
<b>Net cash generated from / (used in) investing activities</b>	<b>70,907,207</b>	<b>(43,151,038)</b>
<b>Net change in cash and cash equivalents</b>	<b>60,892,160</b>	<b>(63,760,666)</b>
Foreign exchange translation differences	5,475	(5,475)
Cash and cash equivalents at the beginning of the year	13,328,776	77,094,917
<b>Cash and cash equivalents at the end of the year</b>	<b>74,226,411</b>	<b>13,328,776</b>

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# SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

RIYADH – SAUDI ARABIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

## 1. GENERAL

- 1.1. Saudi Industrial Export Company is a Saudi Joint Stock Company (the “Company”), established pursuant to the Minister of Industry and Trade resolution, No. 954 dated 12 Dhu al-Qidah 1410H. corresponding to 5 June 1990. The Company is registered under Commercial Register No. 1010077554 issued in Riyadh on 25 Dhu al-Qidah 1410H. corresponding to 18 June 1990. Unified entity no. 7001344865.
- 1.2. The Group's is engaged in the wholesale of lubricating oils and refined petroleum products, the wholesale of cement, plaster and the like, the wholesale of primary plastic materials, rubber and synthetic fibers, and storage in ports and customs or free zones.
- 1.3. The Company's head office is located in:  
P.O. Box 21977  
Riyadh 11485  
Kingdom of Saudi Arabia
- 1.4. The Company's issued and authorized capital amounts to 194,400,000 Saudi Riyals divided into 194,400,000 shares of 1 Saudi Riyals each.
- 1.5. The financial year starts from January 1 and ends on December 31 of each year.
- 1.6. On November 27, 2024, Saudi Industrial Export Company (the “holding Company”) signed a non-binding Memorandum of Understanding (MoU) with Industrial Production Services Company to acquire the entire share capital of Advanced Energy Trading and Contracting Company (a single-person company), a subsidiary of Industrial Production Services Company. On 16 January 2025, Alinma Investment was appointed as financial advisor to conduct the necessary studies to complete the acquisition process (Note 3/7). On September 01, 2025, the Company announced the signing of an addendum to the non-binding MoU with Industrial Production Services Company (a closed joint stock company) for a period of one calendar year under the same terms and conditions, expiring on 31 August 2026, with the possibility of extension by mutual written agreement between the parties. On March 04, 2026, the Group decided to terminate the non-binding MoU, as the results did not meet the Group's expectations and strategic direction (Note 30).

On August 14, 2025, the Board of Directors of Saudi Industrial Export Company (the “Holding Company”) approved an investment of SR. 70,000,000, including the Company's share of the fund's establishment costs amounting to SR. 1,278,250. This investment is to be made through Hadj Investment Company (the subsidiary) by subscribing to the FAD Industrial Fund (a private closed-ended fund licensed by the Capital Market Authority), which is managed by FAD Partners Financial Company. The fund aims to achieve capital growth through private equity investments by subscribing to or acquiring stakes in target companies operating in the industrial sector.

On 9 December 2025, the Group received a notification from the manager of the FAD Industrial Fund stating that the offering period had ended without achieving the minimum required subscription to launch the fund. Accordingly, the offer was cancelled in accordance with the Investment Funds Regulations. The fund manager also indicated that the Group's subscription amount remains available in its investment account, with the option to transfer it to the bank account (Note 30).

- 1.7. The Company operates through the following branch, of which assets, liabilities and operational results have been included in these consolidated financial statements:

<b>Branch name</b>	<b>City</b>	<b>CR. number</b>	<b>Registration date</b>
Saudi Industrial Exports Company - UAE Branch	Dubai	1473310	12.12.2019u

- 1.8. The activities of Saudi Industrial Export Company – UAE Branch comprise general trading, pursuant to the commercial license issued by the Department of Economic Development in Dubai under License No. 868310 dated 15 Rabi' Al-Thani 1441H (corresponding to 12 December 2019). On 25 August 2025, the Company's Board of Directors resolved to close Saudi Industrial Export Company – UAE Branch. However, the legal procedures related to the branch had not been completed as of the date of the consolidated financial statements as at 31 December 2025.
- 1.9. On Rabi' al-Thani 03, 1445H (corresponding to October 18, 2023), the Saudi Industrial Exports Company, a “Saudi Joint Stock Company,” established Haddaj Investment Company, a single person “Limited Liability Company,” with an ownership percentage of 100% of the capital. The activity of Haddaj Investment Company a single person “limited liability company” is in financial services activities, with the exception of insurance, pension financing, and real estate activities in owned or leased properties.

# SAUDI INDUSTRIAL EXPORT COMPANY

(A SAUDI JOINT STOCK COMPANY)

RIYADH – SAUDI ARABIA

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(All amounts in Saudi Riyals)

## 1. GENERAL ...(CONTINUED)

1.10. On 17 Ramadan 1445H (corresponding to 27 March 2024), Saudi Industrial Export Company (a Saudi joint stock company) established Saudi Industrial Export Company – Africa – Kingdom of Morocco (a limited liability company), with 100% ownership of the share capital. The activities of Saudi Industrial Export Company – Africa – Kingdom of Morocco (LLC) include import and export, air and land transportation, commercial, industrial, and agricultural services of all kinds, as well as civil and military contracting activities. However, the company did not commence operations as of the date of the consolidated financial statements. On 17.09.1446H (corresponding to March 17, 2025), the Group's Board of Directors approved the closure of the Morocco entity and the completion of the necessary procedures in this regard. On October 06, 2025, the company's commercial registration was cancelled, and losses arising from the disposal amounted to SR. 50,711.

1.11. The consolidated financial statements comprise of the holding company and its following subsidiary (together the "Group") as at December 31, 2025:

Name of the subsidiary	Country of incorporation	Percentage of ownership	
		2025	2024
Haddaj Investment Company	Saudi Arabia	100%	100%

1.12. On 16 November 2025, a number of members of the Board of Directors of Saudi Industrial Exports Company submitted their resignations from the Board membership, as announced on the Saudi Exchange (Tadawul) website, with such resignations becoming effective on the same date for personal reasons. On the same date, the Board of Directors resolved to accept the resignation of the Managing Director, Mr. Ghassan Abdulrahman Al-Haidari, from his position.

On 18 November 2025, the Chairman of the Board and two members of the Board submitted their resignations from the Board membership, effective from that date. During the same period, the Chairman and members of the Audit Committee also submitted their resignations.

### 1.13. Basis Of Consolidation

These consolidated financial statements include the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in shareholders' equity, the consolidated statement of cash flows, as well as the notes to the group's consolidated financial statements, as they include the assets, liabilities, and business results of the Company and its subsidiary as stated in (Note 1.11). The Company and its subsidiary are collectively referred to as the "Group". subsidiary are companies controlled by the Group. A subsidiary is consolidated from the date on which control commences until such time that control ceases. The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured at the fair value of the identifiable assets acquired and the fair value of the previously existing equity interest in subsidiaries. The excess of the acquisition cost plus the fair value of non-controlling interests over the net value of the identifiable assets acquired is recorded as goodwill in the consolidated statement of financial position. Non-controlling interests are measured by the proportion of their share of the net assets of the acquired company on the acquisition date. If the business combination is achieved in stages, the book value at the acquisition date of the interests previously owned by the group in the acquired company is remeasured to the fair value at the acquisition date, and any gains or losses arising from the measurement are recognized in the consolidated statement of profit or loss. Transactions and balances, as well as unrealized income and expenses resulting from transactions between the Group's companies, are eliminated. subsidiary' accounting policies are amended, when necessary, to ensure consistency with the policies adopted by the Group. The company and its subsidiaries have the same reporting periods.

## 2. BASIS OF PREPARATION THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

### 2.2. Accounting convention/measurement basis:

These consolidated financial statements have been prepared in accordance with the accrual accounting principle using the going concern concept and on the basis of historical cost.

### 2.3 Functional and presentation currency

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

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## 3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The significant accounting judgments, estimates and assumptions that have a material impact on the consolidated financial statements are stated as follows:

### 3.1 Measurement of employees benefits obligations

The Group's obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value. The calculation is performed annually by a qualified actuary using the projected unit credit method. Judgments are used in estimating the actuarial assumptions.

### 3.2 Provision for expected credit losses (ECL)

The Group applies the expected credit loss (ECL) model to determine the impairment losses of trade receivables and other receivables. This requires the Group to take certain factors to ensure that the balances of receivables are not overvalued as a result of the possibility of un-collecting them, such as ageing of receivables and continuous credit evaluation. Provisions are recorded when there is an objective evidence indicates the possibility of un-collection according to IFRS 9.

### 3.3 Useful lives of property, plant and equipment

The management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the estimated useful lives and the method of depreciation to ensure that the method and duration of depreciation are consistent with the expected model of the economic benefits from these assets. The change in depreciation expenses (if any) is adjusted in the current and future periods.

### 3.4 Impairment of non-financial assets

The Group assesses at each financial reporting date whether there are indications of impairment of non-financial assets at each financial reporting date. Non-financial assets are tested for impairment if there are indications that the carrying amount may not be recoverable.

When value in use is calculated, management evaluates the future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate to calculate the present value of these cash flows.

### 3.5 Duration of lease contracts

In determining the term of a lease, management takes into account all facts and circumstances that create an economic incentive to exercise the extension option or the valuation is revised if a material event or significant change in circumstances occurs that affects such valuation. During the current financial year, there was no material financial impact from reviewing the terms of lease contracts to reflect the effect of exercising extension or termination options, as most of the Group's lease contracts are short-term.

### 3.6 Measurement of fair value

#### The 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 a liability in an orderly transaction between market participants at the measurement date.

When measuring the fair value of a financial asset or liability, the Group 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:** Listed (unadjusted) prices in active markets for identical assets or liabilities can be obtained on the measurement date.
- **Level 2:** Inputs other than listed prices which already listed at level 1 which are observable assets and liabilities in direct manner (such as prices) or indirect manner (derived from prices)
- **Level 3:** Inputs of assets or liabilities are not based on observable market data (non-observable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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(All amounts in Saudi Riyals)

## 3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (Continued)

### 3.7 Going Concern

The consolidated financial statements of the Group have been prepared on a going concern basis, which assumes that the Group will continue its operations in the foreseeable future. However, management has identified a number of indicators that may cast significant doubt on the Group's ability to continue as a going concern, including the following:

- No operating revenues generated during the financial year ended 31 December 2025.
- Net loss of SAR 24.9 million for the year ended 31 December 2025.
- Accumulated losses of SAR 94.9 million as at the reporting date, representing approximately 48.8% of the Group's share capital.
- Net negative cash flows from operating activities amounting to SAR 10 million as at the reporting date.
- A portion of the Group's assets is held in long-term, low-liquidity investments.

Management has performed a detailed assessment of the Group's ability to continue as a going concern, taking into consideration current conditions and future prospects, including the preparation of future cash flow forecasts. These forecasts are based on a number of key assumptions, including:

- Improving liquidity through the restructuring of certain investments.
- Activating operational activities and generating future revenues.
- Rationalizing operating expenses.
- The ability to liquidate certain investments when required.

Based on the results of this assessment, management believes that the Group has the ability to meet its obligations as they fall due and has sufficient liquidity to continue its operations in the foreseeable future, even under conservative scenarios. Accordingly, at its meeting held on 5 April 2026, the Board of Directors confirmed that, despite current circumstances, the Group's ability to continue depends primarily on the successful execution of management's plans and achievement of the underlying assumptions. The Board confirmed that there is no intention to liquidate or cease operations, and accordingly approved the preparation of the consolidated financial statements on a going concern basis as of the same date.

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## 3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (Continued)

### 3.8 Classification of Current versus Non-current

#### Assets:

The Group presents assets and liabilities in the statement of consolidated financial position based on current / non-current classification.

#### The assets

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group are classified all other assets as non-current.

#### The liabilities

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group are classified all other liabilities as non-current.

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## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1. Property and equipment

#### A) Recognition and measurement

- Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of acquiring an asset includes all costs related to acquiring the asset.
- An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.
- The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the property and equipment and are recognized net in other income (expenses) in profit or loss.
- Subsequent expenditure is capitalized only when it increases the future economic benefits to the Group and can be measured reliably.
- Financing costs related to loans to finance the construction of qualifying assets are capitalized during the year necessary to complete and prepare the assets for their intended purpose.
- If significant parts of an item of property, plant and equipment have different useful lives then they are accounted for as separate items of property, plant and equipment.

The carrying amount of a replaced item is disposed when significant parts of property and equipment are required to be replaced at intervals of time. The Group recognizes such parts as individual assets with specified useful lives and is depreciated accordingly.

Other repair and maintenance costs are included in profit or loss as incurred.

#### B) Depreciation

The cost less the estimated residual value is depreciated using the straight-line method over the estimated useful lives of the assets as follows:

<u>Item</u>	<u>Useful Life of asset</u>	<u>Item</u>	<u>Useful Life of asset</u>
Furniture and fixtures	10 years	Vehicles	3 – 4 years
Computers	4 - 8 years	Tools and equipment	8 years
Building on leasehold land	5 years or lease, whichever is less		

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 4.2 Borrowing costs

- Borrowing costs consist of interest and other costs incurred by an entity in connection with borrowing money.
- Borrowing costs directly attributable to the construction of an asset are capitalized using a capitalization rate up to that point when the work necessary to prepare the qualifying asset for its intended purpose is completed and thereafter these costs are charged to profit or loss.
- In the case of specific loans, all such costs are directly attributable to the acquisition, construction or production of an asset that requires a substantial period of time to prepare it for its specified purpose or for sale, such costs are capitalized as part of the cost of the relevant asset.
- All other borrowing costs are recognized as expenses in the period in which they occur.

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4.3 Intangible assets

An intangible asset is an identifiable non-monetary asset that does not have a tangible physical entity. Acquired intangible assets are recognized when they are capable of being sold and disposed of separately from the head office as a whole or arise from contractual rights or other regulatory rights, and are measured at cost upon initial recognition while Intangible assets acquired in a business combination acquisition are measured at fair value at the acquisition date.

Intangible assets are measured later on the date of the consolidated financial statements at cost less accumulated amortization and impairment, if any.

The Group estimates the useful lives of intangible assets. If they have a useful life that can be determined, then they are estimated on a straight-line basis over their assumed useful life. Their value is reduced when there are indicators of decline and their value in use or their fair value decreases, less selling expenses, whichever is higher than their book value.

Amortization rates for intangible assets, which are reviewed periodically, are as follows: -

- Useful life of 3 years

### 4.4 Leases

#### Right-of-use assets and obligations of leases

The Group evaluates whether the contract is a lease or contains a lease. At the beginning of the contract, the Group establishes the right-of-use asset and the corresponding lease obligation in relation to all lease agreements in which it is the lessee party, with the exception of short-term leases and low-value leases.

The assets and liabilities arising from the lease contract are initially measured on the basis of present value. The assets and liabilities of the lease contracts are recognized and each lease payment is distributed between the liabilities and the financing cost. Charge the financing cost to profits or losses over the lease period.

#### Right-of-use assets

The right-of-use asset is depreciated over the useful life of the asset and the lease term, whichever is shorter, on a straight-line basis. The right-of-use asset is measured at the date of initial application for leases previously classified as operating leases at its carrying amount as if the standard had been applied from the inception date of the lease, but discounted using the lessee's incremental borrowing rate at the date of initial application.

#### Obligations of leases

Lease obligation is recognized at the date of initial application for leases previously classified as operating leases at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate at the date of initial application.

### 4.5 Trade receivables

These are non-derivative financial assets with fixed or determinable payments that are not listed in an active market and are created primarily by providing goods and services to customers (such as trade receivables). They also include other types of contractual financial assets that are initially recognized at fair value plus direct costs associated with them. obtained, and is subsequently recognized at amortized cost using the effective interest method, less an allowance for expected credit losses. Trade receivables appear net after deducting the provision that is recorded in a separate account and offset by a loss that is recorded in the consolidated statement of profit or loss and other comprehensive income. When it is confirmed that the trade receivables will not be collected, their total book value is written off against the provision associated with them.

### 4.6 Cash and cash equivalents

For the purposes of preparing the consolidated statement of cash flows, cash and cash equivalents consist of bank balances, cash on hand, short-term deposits with an original maturity of three months or less, banks and other highly liquid short-term investments, if any, with an original maturity of three months. Or less than the date of its creation.

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4.7 Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

The losses arising from impairment are recognized in the consolidated statement of profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An assessment is conducted at each reporting date to determine whether there is an evidence of impairment loss previously recorded or curtailed. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of consolidated profit or loss.

Any impaired non-financial assets are reviewed for possible reversal of the impairment at the end of each reporting period.

### 4.8 Financial instruments

#### Financial assets

##### Initial recognition and measurement

An asset and a financial liability are recognized when the Group becomes a party to the contractual obligations of the instrument.

All financial assets are classified and subsequently measured at amortized cost or fair value. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as described below at the time of initial recognition.

All financial assets that are not classified as measured at amortized cost or at fair value through other comprehensive income as stated below are measured at fair value through profit or loss. Net gains and losses are recognized and include any interest or dividend income in profit or loss.

##### Assets measured at amortized cost

Financial assets are measured at amortized cost if the following two conditions are met:

- The objective to hold financial assets within a business model is to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding amount.
- Financial assets classified as trade receivables are measured at amortized cost as they are held in the business model to collect contractual cash flows from payments of principal and interest only.
- Amortized cost is reduced by impairment losses.

##### Investments in debt instruments at FVTOCI

##### Financial assets held at fair value through profit and loss

These assets are subsequently measured at fair value. Net profits or losses, including any interest or dividends, are recognized in the consolidated statement of profits or losses.

Financial assets are not subsequently reclassified to the initial measurement unless the Group changes the business model for managing financial assets. In this case, all financial assets that will be affected by this are reclassified on the first day of the first financial period following the change in the business model.

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4.8 Financial instruments (Continued)

#### Investments in debt instruments at FVTOCI (Continued)

##### De-recognition

The Group derecognizes financial assets when the contractual cash flows for those assets expire, or when the Group transfers the right to obtain the contractual cash flows from the financial asset in a transaction in which all the risks and rewards of ownership of the financial assets are substantially transferred. Any interest resulting from the transferred financial assets that the Group creates or maintains is recognized as separate assets or liabilities.

##### Financial liabilities

Financial liabilities are classified according to the contractual arrangements, which also include creditors, the amounts payable and loans. All financial obligations are initially measured at fair value, after the initial recognition, the direct transaction costs are recorded at amortized cost using the effective commission rate over the life of the instrument and are recognized in the consolidated statement of profit or loss and other comprehensive income.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right and when the Group has the intention to settle on a net basis to realize the asset and settle the liability simultaneously.

### 4.9 Employees' benefits

#### a) Defined benefits programs

The Group offers employees' defined benefits plan in accordance with the labor law in the Kingdom of Saudi Arabia, where the Group's net obligation in relation to defined benefit programs is calculated by estimating the amount of future benefits that the employee has earned in the current and previous periods and deducting that amount. Defined benefits obligations are calculated annually by a qualified actuary using the projected unit credit method, which takes into account the provisions of the labor law in the Kingdom of Saudi Arabia and the Group's policy.

The defined benefit obligation is re-measured periodically by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows. Given the absence of a deep market for government bonds/sukuks or corporate bonds/sukuks in the Kingdom of Saudi Arabia, the discount rate is determined by reference to the "yield to maturity" of the Dow Jones Sukuk Index. Net commission cost is calculated by applying the discount rate to the net defined benefit obligation balance and the fair value of the plan assets.

Defined benefits obligations are costed using actuarially defined retirement costs at the end of the previous year, adjusted for significant market fluctuations and any significant one-time events such as program modifications, workforce reductions, and reimbursements. In the absence of such significant market fluctuations and one-time events, the actuarial liabilities are extended based on the assumptions at the beginning of the year. If there are significant changes in assumptions or arrangements during the initial period, changes are considered to re-measure these obligations and related costs.

Re-measurement of the net defined benefit plan liability consisting of actuarial gains and losses is recognized directly in consolidated other comprehensive income. The Group calculates net benefit by applying the discount rate used to measure the net defined benefit obligation or asset. Net interest expense and other related expenses for defined benefit plans are recognized in consolidated profit or loss.

When the benefits of a program change or when the duration of the program is reduced, the resulting change in the benefit that relates to previous service or profits or losses from the reduction is recorded immediately in consolidated profits or losses.

#### b) Short-term employee's benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the Year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### c) Retirement benefit

Retirement contributions for its Saudi Arabian employees are paid by Group of the General Organization for Social Insurance and considered as a defined contribution plan. The payments are expensed as incurred.

### 4.10 Accounts payable and accruals

Trade payables are recognized for amounts payable in the future for goods and services received, whether or not billed by suppliers.

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4.11 Related parties

Transactions with related parties involve the transfer of resources, services, obligations, or financing between the company and that related party, regardless of whether such transactions are conducted on terms equivalent to those prevailing in arm's length transactions. A person is considered to be related to the company if that person, or a close family member of that person:

- A. is a member of the company's key management personnel (\*); or
- B. has control or joint control over the company; or
- C. has significant influence over the company's decisions and direction.

(\*) Key management personnel are those persons who have the authority and responsibility for planning, directing, and controlling the company's activities, directly or indirectly, including any director, whether executive or otherwise.

An entity is considered to be related to the company if:

- A. the entity and the company are members of the same group or are owned by common owners; or
- B. the entity is an associate or owned by the company; or
- C. the entity is controlled by the company, or vice versa, or the entity and the company are under common control.

### 4.12 Zakat and tax

#### A. Zakat

The Zakat provision is calculated in accordance with the regulations issued by the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. The zakat provision is charged to profits or losses.

Any additional zakat obligations are recorded and adjustments resulting from the zakat assessment, if any, that may become due upon completion of the assessment are processed in the same financial year in which the zakat assessment is issued.

#### B. Withholding tax

The Group deducts taxes on certain transactions with non-resident entities in Saudi Arabia as required in accordance with the applicable tax regulations in the Kingdom of Saudi Arabia. The withholding tax relating to foreign payments is recorded as a liability.

#### C. Transaction tax

Revenues, expenses, and assets are recognized net of transaction tax (value added tax), except:

When the transaction tax incurred on the purchase of assets or services is not recoverable from the tax authority, in which case the transaction tax is recognized as part of the cost of the asset purchase or as part of an expense item, where applicable, and receivables and payables are included with the transaction tax amount.

The net amount of transaction tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statement of financial position.

### 4.13 Revenue

The Group recognizes revenue from contracts with customers based on a five-step model as defined in International Financial Reporting Standards. Revenue is recognized when an entity fulfills a performance obligation by transferring ownership of the promised goods or services to the customer. Revenues come mainly from services, the following five steps are followed: -

#### Step 1. Determine the contract (s) with a client:

A contract is an agreement concluded between two or more parties that establishes rights and undertakings and sets out the criteria that must be fulfilled for each contract.

#### Step 2. Determine the performance obligations in the contract:

A performance commitment is a promise in the contract with the client to transfer goods or provide services to the client.

#### Step 3. Determine the transaction price:

The transaction price is the amount of the consideration that the company expects to receive in exchange for transferring the goods or services promised to the client, excluding the amounts collected on behalf of third parties.

#### Step 4. Allocation of the transaction price to the performance obligations in the contract:

In a contract that contains more than one performance obligation, the company will distribute the transaction price to each performance obligation in an amount that determines the amount of the consideration that the company expects to receive in exchange for fulfilling each performance obligation.

#### Step 5. Recognition of revenue when (or where) the entity fulfills a performance obligation.

The Group evaluated its revenue agreements based on specific criteria and determined that it acts as a principal party to all revenue agreements.

#### Revenue recording:

The Group recognizes revenue in accordance with the terms and conditions contained in contracts concluded with customers to the extent that performance obligations related to customer contracts are fulfilled by the Group.

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4.13 Revenue (Continued)

#### Revenue recognition:

- Revenue is measured at the fair value of the consideration collected or receivable, taking into account any trade discounts, quick settlement discounts and volume discounts allowed by the Group (if any).
- Revenue includes only the total inflows of economic benefits received or receivable that relate to it. All amounts collected on behalf of a third party, such as income taxes and value-added taxes, are excluded.
- Revenue recognition policy: When the good is delivered or the service is performed and accepted by the customer at a certain point in time, all benefits and risks related to it are transferred to the customer and he is able to benefit from the service provided, and therefore the Group has the right to recognize revenues at the time when invoices are issued.

### 4.14 Expenses

General and administrative expenses include direct and indirect costs that are not specifically considered part of the cost of revenues.

All expenses except financial charges, depreciation, amortization and impairment losses are classified as general and administrative expenses.

Other common expenses are distributed between revenue costs, and general and administrative expenses on a fixed basis when necessary.

### 4.15 Foreign currency translations and balances

Transactions in foreign currencies are recorded after converting them according to the prevailing exchange rates into the functional currency (the Saudi riyal) on the date of the transaction, and the balances of monetary assets and liabilities in foreign currencies are converted into the Saudi riyal (the functional currency) at the exchange rates prevailing on the date of the consolidated financial statements. Gains and losses resulting from changes in exchange rates are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are retranslated using the exchange rates as at the date of the initial transactions and are not subsequently adjusted. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Gains or losses arising on the translation of non-monetary items measured at fair value are treated in line with the recognition of gains or losses from changes in the fair value of the related item.

### 4.16 Provisions

Provisions are recognized when the Group has a liability at the date of the consolidated statement of financial position (legal or constructive) as a result of a past event; It is probable that the Group will divert economic resources to settle the obligation and that the obligation can be estimated reliably. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### 4.17 Dividends

Dividends are recognized as a liability when approved at the annual general meeting. Interim dividends are recorded upon approval by the members of the Board of Directors.

## 5. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

### 5.1 Standards and amendments effective in the current period:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management assessment
IAS 21	Lack of Exchangeability	1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Company's financial position, financial performance, or cash flows for the current reporting period

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## 5. NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

### 5.2 New and Amended Standards Not Yet Effective and Not Yet Adopted:

The following standards and amendments have been issued but are not yet effective for the reporting period ended 31 December 2025, and have not been early adopted by the Company:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7.	Management has performed a preliminary assessment and does not expect the adoption of these amendments to have a material impact on the Group's consolidated financial statements, as the Company's financial instruments and settlement arrangements are not expected to be significantly affected.
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	Based on the nature of the Group's operations and contractual arrangements, management does not expect these amendments to have a material impact on the Group's consolidated financial statements upon initial application.
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18.
IFRS 19	Subsidiary without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiary without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

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### 6. PROPERTY, PLANT AND EQUIPMENT – NET

<u>2025</u>	Furniture and fixtures	Computers	Vehicles	Tools & Equipments	Building on leasehold land	Total
<b>Cost</b>						
Balance as at January 01, 2025	204,857	352,831	136,436	213,333	568,426	1,475,883
Additions during the year	---	---	---	---	---	---
<b>Balance as at December 31, 2025</b>	<b>204,857</b>	<b>352,831</b>	<b>136,436</b>	<b>213,333</b>	<b>568,426</b>	<b>1,475,883</b>
<b>Accumulated depreciation</b>						
Balance as at January 01, 2025	79,397	270,982	136,436	32,036	560,147	1,078,998
Depreciation for the year (Note: 23)	18,221	30,938	---	42,712	8,279	100,150
<b>Balance as at December 31, 2025</b>	<b>97,618</b>	<b>301,920</b>	<b>136,436</b>	<b>74,748</b>	<b>568,426</b>	<b>1,179,148</b>
<b>Net book value:</b>						
<b>As at December 31, 2025</b>	<b>107,239</b>	<b>50,911</b>	<b>---</b>	<b>138,585</b>	<b>---</b>	<b>296,735</b>
<u>2024</u>						
<b>Cost</b>						
Balance as at January 01, 2024	183,446	496,981	136,436	---	568,426	1,385,289
Additions during the year	40,711	8,662	---	213,333	---	262,706
Disposals during the year	(19,300)	(152,812)	---	---	---	(172,112)
<b>Balance as at December 31, 2024</b>	<b>204,857</b>	<b>352,831</b>	<b>136,436</b>	<b>213,333</b>	<b>568,426</b>	<b>1,475,883</b>
<b>Accumulated depreciation</b>						
Balance as at January 01, 2024	68,206	362,703	136,436	---	473,547	1,040,892
Depreciation for the year (Note: 23)	18,807	53,869	---	32,036	86,600	191,312
Disposals during the year	(7,616)	(145,590)	---	---	---	(153,206)
<b>Balance as at December 31, 2024</b>	<b>79,397</b>	<b>270,982</b>	<b>136,436</b>	<b>32,036</b>	<b>560,147</b>	<b>1,078,998</b>
<b>Net book value:</b>						
<b>As at December 31, 2024</b>	<b>125,460</b>	<b>81,849</b>	<b>---</b>	<b>181,297</b>	<b>8,279</b>	<b>396,885</b>

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## 7. Intangible assets - Net

	2025	2024
<b>Cost - Software licenses</b>		
Balance At the beginning of the year	26,624	26,624
Additions during the year	---	---
<b>Balance as at December 31,</b>	<b>26,624</b>	<b>26,624</b>
<b>Accumulated depreciation</b>		
Balance At the beginning of the year	19,414	12,758
Amortization during the year (Note: 23)	7,210	6,656
<b>Balance as at December 31,</b>	<b>26,624</b>	<b>19,414</b>
<b>Net book value as at December 31</b>	<b>---</b>	<b>7,210</b>

## 8. Financial investments carried out at Fair Value Through Profit or Loss (FVTPL)

	Dec. 31, 2025	Dec. 31, 2024
Investment in financial assets at fair value (a)	12,488,907	18,678,938
Investment in mutual Funds (b)	20,055,333	59,590,494
	<b>32,544,240</b>	<b>78,269,432</b>
Non-current portion	15,028,250	13,152,000
Current portion	17,515,990	65,117,432

a. Investment in financial assets measured at fair value through profit or loss are represented in a managed portfolio for the benefit of the Company for in listed equities shares in Saudi capital exchange market in compliance with Islamic sharia; the following represents the movement of Investments carried at FVTPL:

	2025	2024
<b>Movement of investments in financial assets at fair value at the following: -</b>		
Balance At the beginning of the year	18,678,938	4,914,111
Additions during the year	230,100	22,007,824
Disposals during the year	(2,898,958)	(8,625,759)
Realized gains on disposal of investments carried at FVT (c)	(888,093)	1,257,524
Changes in fair value measurement of investments carried at FVTPL at end of the year(d)	(2,633,080)	(874,762)
<b>Balance at the end of the year</b>	<b>12,488,907</b>	<b>18,678,938</b>
Current portion	12,488,907	18,678,938

## b. The investment in mutual funds in compliance with Islamic sharia details as follow:

	Number of Units (units)		Carrying amount (Saudi Riyals)	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Tasharuk Fund**	500,000	2,000,000	5,027,083	20,108,334
Blom Hajar Real Estate Fund	---	7,000	---	7,902,510
Mieyar Fund for Saudi shares	---	1,500,000	---	18,427,650
Wathiq Fund for Supply Chain Technologies*	100,000	100,000	1,363,000	1,402,000
Wathiq Fund for Smart Cities*	1,175,000	1,175,000	13,665,250	11,750,000
			<b>20,055,333</b>	<b>59,590,494</b>
Non-current portion			15,028,250	13,152,000
Current portion			5,027,083	46,438,494

\* The Wathiq Supply Chain Technologies Fund and the Wathiq Smart Cities Fund, which are classified as high-risk (venture capital) funds, have been presented as non-current financial investments at fair value through profit or loss. This classification is based on the fact that the fund term is three years, commencing on 21 May 2024, and the funds are not redeemable or liquid until the end of their respective terms.

\*\* The investment in the Tasharok Fund represents a highly liquid investment, which can be redeemed and converted into cash within a short period without significant losses.

## Movement of investments in joint investment funds is subject to Islamic Sharia at the following: -

	2025	2024
Balance At the beginning of the year	59,590,494	57,697,093
Additions during the year	5,000,000	12,750,000
Disposals during the year	(44,808,366)	(14,317,114)
Realized gains of investments carried at FVTPL	(592,527)	1,300,000
Proceeds received during the year	(1,010,518)	(1,283,333)
Changes in fair value measurement of investments carried at FVTPL at end of the year	1,876,250	3,443,848
<b>Balance at the end of the year</b>	<b>20,055,333</b>	<b>59,590,494</b>

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## 8. Financial investments carried at Fair Value Through Profit or Loss (FVTPL)...(Continued)

### c. Realized (Losses) / gains from the sale of investments at FVTPL

	2025	2024
Realized gains from investments in financial assets at fair value (a)	(888,093)	1,257,524
Realized gains from investments in mutual funds (b)	(592,527)	1,300,000
	<u>(1,480,620)</u>	<u>2,557,524</u>

### d. Change in Fair Value Measurement of investments carried at FVTPL

	2025	2024
Change in Fair Value Measurement financial assets at fair value (a)	(2,633,080)	(874,762)
Change in Fair Value Measurement in mutual funds (b)	1,876,250	3,443,848
	<u>(756,830)</u>	<u>2,569,086</u>

## 9. Financial Investments carried at Amortized Cost

Investments at amortized cost comprise Murabaha investments with a financial institution licensed by the Capital Market Authority (Al khair Capital), in accordance with Shariah principles, carrying an annual return rate ranging from 5.39% to 6.05% and maturing within one to three months. Income generated from these investments is recognized within returns on investments at amortized cost in the statement of profit or loss and other comprehensive income.

	Dec. 31, 2025	Dec. 31, 2024
Balance At the beginning of the year	25,944,335	---
Additions during the year	17,000,000	25,000,000
Disposals during year	(44,024,855)	---
Income from investments at amortized cost accrued during the year	1,080,520	944,335
<b>Balance at the end of the year</b>	<u>---</u>	<u>25,944,335</u>

## 10. Trade receivables – Net

	Dec. 31, 2025	Dec. 31, 2024
Gross trade receivables (Note: 10.1)	4,296,954	5,058,970
Allowance for expected credit losses (Note: 10.2)	(4,296,954)	(1,873,305)
	<u>---</u>	<u>3,185,665</u>

### 10.1. The following is information related to exposure to credit risk regarding the company's trade receivables using the provisions matrix:-

	From 1: 30 days	From 31: 90 days	From 91: 365 days	More than 365 days	Total
<b>On December 31, 2025</b>					
Trade receivables balance	---	---	---	4,296,954	4,296,954
Expected loss rate	---	---	---	100%	100%
Expected credit (losses)	---	---	---	(4,296,954)	(4,296,954)
	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<b>On December 31, 2024</b>					
Trade receivables balance	---	---	3,701,479	1,357,491	5,058,970
Expected loss rate	---	---	26.83%	64.83%	37%
Expected credit (losses)	---	---	(993,210)	(880,095)	(1,873,305)
	<u>---</u>	<u>---</u>	<u>2,708,269</u>	<u>477,396</u>	<u>3,185,665</u>

### 10.2. Movement in the allowance for expected credit losses as the follows:

	Dec. 31, 2025	Dec. 31, 2024
Balance At the beginning of the year	1,873,305	1,350,324
Provision for the year	2,423,649	522,981
<b>Balance at the end of the year</b>	<u>4,296,954</u>	<u>1,873,305</u>

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## 11. Prepayments and other debit balances – Net

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Advance payments to suppliers	5,532,117	5,557,844
Impairment of other current assets (Note: 11.1)	(5,532,117)	(3,926,199)
	---	1,631,645
Prepaid expenses	199,000	2,126,315
VAT	360,890	776,692
Employees' receivables	5,500	---
Others	173,500	82,285
	<u>738,890</u>	<u>4,616,937</u>

### 11.1. Movement of Impairment of other current assets as the following:

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
At the beginning of the year	3,926,199	3,926,199
Provided during the year	1,605,918	---
Written off during the year	---	---
<b>At the end of the year</b>	<u>5,532,117</u>	<u>3,926,199</u>

## 12. Related parties' transactions and related balances

In the ordinary course of business, the Group undertakes transactions with the related parties of the company. All such transactions are executed on commercial terms that are approved by the management. Transactions during the year with related parties and the related balances as at December 31, are as follows:

<u>Related Party</u>	<u>Nature of transactions</u>	<u>2025</u>	<u>2024</u>
Shareholders	Amounts collected from shareholders	89,209	852,504
Management staff and committee members	Management salaries	869,569	887,404
	Salaries and benefits	1,641,214	3,181,097
	Attendance allowances	285,000	252,000

### 12.1. Due from a related party

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Amounts due from shareholders	373,463	462,672
Less: Provision for amounts due from shareholders (Note: 12.2)	(315,642)	(315,642)
	<u>57,821</u>	<u>147,030</u>

### 12.2. Movement of the provision for amounts due from shareholders

	<u>2025</u>	<u>2024</u>
At the beginning of the year	315,642	315,642
(Reversal) during the year	---	---
	<u>315,642</u>	<u>315,642</u>

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## 12. Related parties transactions and related balance (Continued)

### 12.3. Due to related parties

	Dec. 31, 2025	Dec. 31, 2024
Share capital subscription surplus (a)	437,136	437,136
Dividend payable (b)	2,369,278	2,369,278
Refunds from the sale of capital reduction fractions (c)	34,109	34,109
Rights-issue holders' compensation shares capital increase (Note 12.c) (d)	863,456	863,456
	<u>3,703,979</u>	<u>3,703,979</u>

a) The balance of the share capital subscription surplus represents the subscription amounts received from eligible shareholders who exercised their right to subscribe to newly issued shares and those entitled to fractional shares. The remaining balance of the surplus amounts to SR 437,136. As of December 31, 2025, and 31 December 2024, the Company cannot transfer these amounts due to the lack of availability or completeness of bank account information from 2018.

b) This balance represents dividends payable to the shareholders for the profits of previous years, which the shareholders did not present to receive it until the date of approval of these consolidated financial statements.

c) The balance of the amounts returned from the sale of fractional shares of the capital reduction represents the entitlement of the fractional shares from the capital reduction process on February 15, 2022. An amount of SR. 34,109 may remain of the amount due to shareholders as of December 31, 2025, and December 31, 2024. The company was unable to transfer these amounts due to the lack of Completion of receivables' bank accounts data.

d) The balance of compensation dues for rights shares - capital increase is represented by the dues of shareholders who did not exercise their right to subscribe to rights shares on 2022, and the remaining amounts due to shareholders amounted to SR. 863,456 as of December 31, 2025 and December 31, 2024 (SR. 863,456) The company was unable to transfer these amounts due to the unavailability or incompleteness of the receivables' bank account data.

### 13. Short term bank deposits

These represent deposits held with Saudi Investment Bank – Investment Capital, in accordance with Shariah principles, carrying an annual return rate of 5.1% and maturing within one year. Income generated from these deposits is recognized within interest income on bank deposits in the consolidated statement of profit or loss and other comprehensive income.

	Dec. 31, 2025	Dec. 31, 2024
At the beginning of the year	3,890,453	---
Additions during the year	---	3,700,000
Interest Income on Bank Deposits Receivable during the year	190,289	270,890
Interest Income on Bank Deposits Received during the Year	(207,766)	(80,437)
<b>At the end of the year</b>	<u>3,872,976</u>	<u>3,890,453</u>

### 14. Murabaha Sukuk

On June 6, 2024, the Company subscribed to Murabaha Sukuk representing an investment in a Shariah-compliant financing instrument issued by AIS PCC Limited in Guernsey island. The proceeds were used to provide private financing to a company listed in the Kingdom of Saudi Arabia operating in the petrochemicals sector, through Alinma Investment Company, which is licensed by the Capital Market Authority (License No. 37-09134).

The Sukuk bear a fixed semi-annual return of 5%, and only one profit distribution has been received to date. The principal amount is due on March 18, 2026, unless early settlement occurs or a default arises in accordance with the terms of issuance. These Sukuk are not listed on any financial market and were issued through a private placement.

	Dec. 31, 2025	Dec. 31, 2024
At the beginning of the year	3,965,735	---
Additions during the year	---	3,747,151
Murabaha Sukuk Return Income Receivable during the Year	---	218,584
Murabaha Sukuk Return Income Received during the Year	(186,844)	---
	<u>3,778,891</u>	<u>3,965,735</u>
<b>Less: Impairment of Murabaha Sukuk*</b>	<u>(3,778,891)</u>	<u>---</u>
<b>At the end of the year</b>	<u>---</u>	<u>3,965,735</u>
<b>Non-current portion</b>	<u>---</u>	<u>3,965,735</u>

\*Based on significant indicators, including the failure of the beneficiary entity of the Sukuk to settle the amount due on the contractual maturity date of March 18, 2026, management assessed the recoverability of the investment instrument. based on this assessment, and in accordance with the requirements of the relevant International Financial Reporting Standards, management recognized an impairment provision for the full carrying amount of the investment, due to the significant increase in credit risk and the existence of objective evidence of default.

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## 15. Cash and cash equivalents

	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
Cash at banks	<b>5,504,661</b>	9,630,971
Cash balances available at investment portfolio	<b>68,721,750</b>	3,697,805
	<b>74,226,411</b>	13,328,776

## 16. Share capital

- a) Share capital of the Group as of December 31, 2025, amounted to SR 194,400,000 (31 December 2024: SR 194,400,000) consisting of 194,400,000 shares fully paid and issued shares at a value of 1 Saudi Riyals per share.
- b) During the year ended 31 December 2022, Capital Market Authority (“CMA”) approved the Group's request to reduce its share capital from SR 64.8 million to SR 21.6 million by reducing the number of shares from 6,480,000 to 2,160,000 to absorb accumulated losses of the Company amounting to SR 43.2 million. On 15 February 2022, the Extraordinary General Assembly approved Company's restructuring of share capital, and the statutory procedures were completed, and the Group's share capital was amended.
- c) Furthermore, on 17 March 2022, the Group obtained regulatory approval from the CMA to increase share capital through rights-issue amounting to SR 172.8 million. On 11 May 2022, the Company's extraordinary general assembly approved the share capital increase through rights- issue, and the regulatory procedures were completed, and the Company's share capital was amended during the year ended 31 December 2022.
- d) On Dhu Al-Hijjah 25, 1445H (corresponding to July 02, 2024), The group board of directors decided to split the par value of the share from ten riyals per share to one riyal per share, to be the number of the group's shares 194,400,000 shares instead of 19,440,000 shares. This was approved by the extra ordinary general assembly on Rabi' I 03, 1446H (corresponding to September 04, 2024).

## 17. Compensation of Subscription Creditors for Priority Shares

The results of trading in priority rights and subscription for the new shares after subscription amounted to (15,597,076) shares out of the total new shares offered of (17,280,000) shares, with a value of SR. 155,170,760. The subscription coverage ratio of the total new shares offered was 90.26%. The remaining unsubscribed shares amounted to (1,682,924) shares and were offered in an auction. The average selling price of the shares sold was SR. 55.48 per share, and the total proceeds from the sale of unsubscribed shares amounted to SR. 93,369,809. Accordingly, the net compensation payable to priority rights holders amounted to SR. 76,540,569.

An agreement was reached with Saudi Investment Bank to distribute the proceeds from the sale of rights, and SR. 75,640,729 was distributed during the period from 23 to 30 June 2022. The amount of SR. 863,456 remained outstanding as of 31 December 2025 (Note 12/d).

Total offering costs related to the capital increase amounted to SR. 4.8 million and were charged to the Group's equity statement in accordance with the applicable accounting standards.

## 18. Employees defined benefit obligations

	<u>2025</u>	<u>2024</u>
Balance at January 01,	<b>196,536</b>	453,809
Current service cost (Note: 23)	<b>58,809</b>	178,627
Interest cost (Note: 23)	<b>8,243</b>	18,681
Benefits paid during the year	<b>(73,500)</b>	(387,511)
Gains on remeasurement of employee benefits (Note: 18.1)	<b>(1,605)</b>	(67,070)
	<b>188,483</b>	196,536

### 17.1 Movement in net employees' defined benefit obligations

	<u>2025</u>	<u>2024</u>
Balance at January 01,	<b>569,367</b>	502,297
Gains on remeasurement of employee benefits	<b>1,605</b>	67,070
	<b>570,972</b>	569,367

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## 18. Employees' defined benefit obligations (Continued)

### Actuarial assumptions

Significant assumptions used in determining the post-employment defined benefit obligations includes the following:

	2025	2024
Retirement age	<b>60 years</b>	60 years
Discount rate	<b>5.75%</b>	5.6%
Future salary increase	<b>1.5 %</b>	2%
Staff turnover rate	<b>Medium</b>	Medium

### Sensitivity analysis

Sensitivity analysis is based on a method that extrapolates the effect on defined employee benefit obligations when a change occurs in one of the basic actuarial assumptions, while keeping all other assumptions constant. Below is a quantitative sensitivity analysis of the assumptions used to measure defined employee benefit obligations.

	2025	2024
<b>The basis is according to the actuarial assumptions used</b>		
<b>Employee benefit obligations to change an assumption</b>	<b>188,483</b>	196,536
Discount rate (rate increase by 1%)	<b>174,899</b>	179,804
Discount rate (decrease rate by 1%)	<b>(204,196)</b>	(215,647)
Future salary growth (1% rate increase)	<b>204,734</b>	216,154
Future salary growth (rate decrease by 1%)	<b>(174,241)</b>	(179,101)

The sensitivity analysis may not represent the actual change in defined employee benefit obligations but only provides an approximate report of the sensitivity of the assumptions, as it is unlikely that changes in the assumptions would occur independently of each other.

## 19. Accrued expenses and other current liabilities

	Dec. 31, 2025	Dec. 31, 2024
Accrued expenses	<b>1,627,244</b>	1,135,251
Advance payments from customers	<b>38,995</b>	99,300
VAT payable	<b>19,861</b>	21,018
	<b>1,686,100</b>	1,255,569

## 20. Provision for zakat

### 20.1. Zakat has been calculated as follows:

	2025	2024
Total positive Items	<b>109,570,769</b>	135,502,530
Total negative items	<b>(296,735)</b>	(17,521,829)
Total positive and negative items	<b>109,274,034</b>	117,980,701
<b>Zakat base</b>	<b>112,669,555</b>	121,980,047
<b>Total zakat due*</b>	<b>2,816,739</b>	3,049,501

\* Zakat was calculated in proportion to the number of days of the fiscal year according to the period of the financial statements attributable to the number of the lunar year 354 days after excluding the profits and losses of the year because it pertains to the period, based on Article Fourteen of the new Zakat levy Regulations issued by Ministerial Resolution No. (2216) dated 07.07.1440H.

### 20.2. Zakat movement

	2025	2024
Balance at the beginning of the year	<b>3,049,501</b>	2,856,146
Previous years adjustments	---	(218,284)
Zakat differences	<b>1,681,338</b>	2,476,347
Provision for the year	<b>2,816,739</b>	3,049,501
	<b>4,498,077</b>	5,744,132
Paid during the year	<b>(1,892,332)</b>	(5,550,777)
	<b>5,655,246</b>	3,049,501

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## 18. Provision for Zakat (Continued)

### 20.3 Zakat status

#### 1- Saudi Industrial Exports Company (The Holding Company)

The Company submitted its Zakat return for the year 2024 and obtained Zakat Certificate No. 1116414003, which enables the Company to complete all its transactions. The certificate remains valid until 13/11/1447H (corresponding to 30 April 2026). During the period, the Company received a Zakat assessment relating to the year 2023 issued by the Zakat, Tax and Customs Authority, which included additional Zakat differences amounting to SAR 1,681,338. On 11 Muharram 1447H (corresponding to 6 July 2025), the Company submitted a request to the Zakat, Tax and Customs Authority to reschedule the settlement of the Group's Zakat liabilities amounting to SAR 4,730,839 (including subsidiaries' share of SAR 589,117). On 13 Muharram 1447H (corresponding to 8 July 2025), the Authority approved the rescheduling request, effective from 13 Safar 1447H (corresponding to 7 August 2025). On 11 December 2025, the Company submitted another request to reschedule the Group's outstanding Zakat liabilities amounting to SAR 2,838,504 after settling four instalments under the first rescheduling arrangement totaling SAR 1,892,332. On 14 December 2025, the Authority approved the new rescheduling arrangement effective from 15 February 2026, payable in four equal instalments of SAR 709,626 each, ending on 15 November 2026. The Zakat return for the year ended December 31, 2024, is currently under review by the Zakat, Tax and Customs Authority (ZATCA).

#### 2- Haddaj Investment Company (The Subsidiary Company)

There is no zakat payable by the Company, as it was established on 3 Rabi' Al-Thani 1445H (corresponding to 18 October 2023), and its first financial year commenced from the date of its commercial registration and ended on 31 December 2024.

On 15 Jumada Al-Awwal 1446H (corresponding to 17 November 2024), the Group obtained approval to submit a consolidated zakat declaration based on the Group's consolidated financial statements. This approval is effective starting from the consolidated financial statements for the year ended 31 December 2024.

### 20.4 VAT status

The Group received amended Value Added Tax ("VAT") assessment notices from the Zakat, Tax and Customs Authority ("the Authority") relating to periods during 2018 and 2019, with tax differences amounting to SR. 6,619,971. The Group submitted an objection to the Tax Committees Secretariat for the assessed differences. During 2022, the Group settled the VAT differences amounting to approximately SAR 6.6 million.

During 2023, the Group received inspection notices for the years 2020, 2021, and 2022, and the related tax differences amounting to SR. 64,273 were settled against the Group's receivable balance with the Authority.

During 2024, the Group received inspection notices for the year 2023, and the related tax differences amounting to SR. 2,030 were settled against the Group's receivable balance with the Authority. The VAT inspection for the year 2024 has been completed by the Authority, and no differences were identified or payable by the Group.

## 21. Revenues

	2025	2024
Selling of goods	---	22,976,364

### 21.1 Timing of revenue recognition

	2025	2024
At a certain point in time	---	22,976,364

## 22. Cost of revenues

	2025	2024
Cost of material	---	17,294,432
Cost of services	---	8,636,161
	---	25,930,593

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## 23. General and administrative expenses

	2025	2024
Salaries, wages, and equivalent	2,754,000	5,528,592
Professional fees*	4,401,991	5,572,783
Board of Directors' remuneration (Note: 12.1)	869,569	887,404
Governmental fees	412,288	467,837
Computer systems licenses	2,405,755	2,395,838
Depreciation of property, plant and equipment (Not: 6)	100,150	191,312
Travelling and transportation	---	274,110
Insurance	28,882	143,734
Rent	514,685	527,624
Attendance allowance for members of the Board of Directors (Note: 12.1)	285,000	252,000
Water, electricity and telephone	26,278	71,844
Repair and maintenance	3,788	4,166
Bank charges	16,253	204,863
Amortization intangible assets (Note: 7)	7,210	6,656
Employee benefit obligations (Note: 18)	67,052	197,308
Stationary	912	2,913
Donations	---	85,000
Others	93,123	307,463
	<b>11,986,936</b>	<b>17,121,447</b>

The auditors' fees for the regular audit and quarterly reviews of the Group's financial statements for the year ending December 31, 2025, amounted to SR. 535,000 (2024: SR. 535,000), while fees for other related services amounted to SR. 30,000 (2024: SR. 30,000).

## 24. Other income

	2025	2024
Amounts collected related to previously bad debts	---	67,986
Others	387,617	225,479
	<b>387,617</b>	<b>293,465</b>

## 25. Basic and diluted loss per share

	2025	2024
(Loss) from continuing operations for the year	<b>(24,924,510)</b>	(19,566,893)
Weighted average number of common shares	<b>194,400,000</b>	194,400,000
<b>Basic and diluted (loss) per share</b>	<b>(0,13)</b>	<b>(0,10)</b>

Basic loss per share was calculated by dividing the loss attributable to the Group's shareholders for the year by the weighted average number of ordinary shares outstanding during the year.

The number of shares was adjusted retrospectively in accordance with the resolution of the Extraordinary General Assembly on September 4, 2024, splitting the nominal value of each share from 10 riyals to 1 riyal, bringing the total number of shares in the Group to 194,400,000 shares instead of 19,440,000 shares.

Diluted loss per share was calculated by dividing the losses for the year attributable to shareholders of the company by the weighted average number of common shares outstanding during the year after adjusting for the effect of all potential common shares. There were no potentially dilutive shares outstanding at any time during the year ended December 31, 2025, and the year ended December 31, 2024.

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## 26. Segment information

A sector is a distinct element that provides products or services (a business sector) and is subject to risks and benefits that differ from any other sector. The Group monitors its business essentially as a single business sector, and accordingly, management believes that business sector reports do not apply to the Group. The Group operates only in the Kingdom of Saudi Arabia.

## 27. Contingent liabilities

With reference to the Group's announcement dated 08/04/1447H (corresponding to 30/09/2025), being a supplementary announcement to the announcement issued on 23/06/1440H (corresponding to 28/02/2019) regarding the legal claim filed against a former Board of Directors and its executive management, the Commercial Court in Riyadh (Twenty-First Commercial Circuit) issued its judgment under deed No. 437483530, ruling that the case be deemed as if it had never been filed, based on the following reasons: the case had been struck off twice, and pursuant to Article (31) of the Commercial Courts Law, which provides that if a period of thirty (30) days elapses from the date of the court judgment or decision striking off the case due to the claimant's absence without submitting an excuse acceptable to the court, and the claimant does not request continuation of the proceedings or fails to attend after resumption thereof, the court may, on its own motion, deem the case as if it had never been filed. Based on the letter received from the Group's legal advisor dated 06/04/1447H, management confirms, in line with the announcement dated 17 November 2025, that the Board of Directors, pursuant to its resolution dated 16 November 2025, decided not to file a liability claim against the former Board of Directors (Eighth Term), after consultation with the Company's legal counsel and based on the legal advisor's opinion.

One of the Group's suppliers filed a legal claim against the Group for an amount of SAR 94,955. A judgment was issued dismissing the claim for lack of subject-matter jurisdiction. Based on management's assessment, the Group does not expect this claim to have any material impact on its financial position or results of operations.

## 28. Financial instruments

### 28.1. Financial risk management

The company's activities are exposed to various financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's general risk management program focuses on the unpredictability of financial market conditions and seeks to limit potential negative impacts on the company's financial performance. Senior management is responsible for risk management. The following is a summary of the most important types of risk: -

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group are exposed to credit risk on its bank balances and accounts receivable as follows:

The following table shows the maximum credit risk to which the Group are exposed in relation to the components of the consolidated statement of financial position.

	<u>2025</u>	<u>2024</u>
Trade receivables (Note: 10)	---	3,185,665
Prepayments and other debit balances – Net (Note: 11)	<b>539,890</b>	858,977
Amounts due from shareholders (Note: 12.1)	<b>57,821</b>	147,030
Short-term bank deposits (Note 13)	<b>3,872,976</b>	3,890,454
Cash and cash equivalents (Note: 15)	<b>74,226,411</b>	13,328,776
	<b><u>78,697,098</u></b>	<b><u>21,410,902</u></b>

- Trade receivables are recorded net after deducting expected credit losses. Other than that, management has not identified any significant concentration of credit risk at the date of preparing the consolidated financial statements and expects to recover the amounts in full at the recorded book value of cash balances with banks and other financial assets. Therefore, there is no need to prove significant losses of impairment in the value of those balances.
- Cash balances held in banks with a stable credit rating.

#### Liquidity risk

Liquidity risk is that the Group encounters difficulty in securing the necessary funds to meet obligations related to financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly and at a value approximate to its fair value. The Group's methodology for liquidity management is to ensure, as much as possible, that it has sufficient cash liquidity to meet its obligations when they fall due, under normal and difficult circumstances, without incurring unacceptable losses or being exposed to risks that would harm the company's reputation. Accordingly, the Group manages liquidity risks by constantly monitoring expected and actual cash flows and maturity dates of financial assets and liabilities. Management believes that the Group are not exposed to significant liquidity risks.

The remaining contractual due dates for financial liabilities as of the date of the consolidated financial statements are as follows: The amounts are calculated based on contractual undiscounted payments:

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## 28. Financial instruments (Continued)

### Liquidity risk (Continued)

	<b>Book value upon request or less than 12 months</b>
<b>2025</b>	
Trade payables	480,204
Accrued expenses and other current liabilities (Note: 19)	1,686,100
Amounts due to shareholders (Note: 12.3)	3,703,979
	<b>5,870,283</b>
<b>2024</b>	
Trade payables	606,382
Accrued expenses and other current liabilities (Note: 19)	1,255,569
Amounts due to shareholders (Note: 12.3)	3,703,979
	<b>5,565,930</b>

### Market risk

Market risk is the risk of fluctuation in a financial instrument due to changes in prevailing market prices, such as foreign exchange rates, interest rates, and stock prices, which affects the Group's income or the value of the financial instruments it owns. Market risk management aims to manage and control market risk exposure within acceptable limits while maximizing returns.

### Foreign currency risk

Foreign currency risk is the fluctuations that occur in the value of financial instruments as a result of changes in foreign exchange rates. The Group are exposed to fluctuations in foreign exchange rates in the ordinary course of its business. The Group conducted significant transactions, and has significant monetary assets and liabilities in Saudi riyals and US dollars. Given that the Saudi Riyal currently has a fixed exchange rate against the US Dollar, management believes that the Group are not exposed to any significant currency risk. The Group has conducted transactions in other currencies such as the Euro, UAE Dirham, Egyptian Pound and Indian Rupee. The Group manages currency risk by carefully monitoring exchange rates in other currencies. As of the date of the consolidated financial statements, the risks to which the Group are exposed as a result of foreign exchange changes in its financial liabilities are considered insignificant.

### Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate as a result of changes in market interest rates. The Group does not have exposure to significant interest-bearing financial instruments. Accordingly, the Group is not exposed to interest rate risk.

### Capital Risk Management

The Board of Directors' policy is to maintain an adequate capital base to maintain investor, creditor, and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed and the level of dividends distributed to shareholders.

### The Company's objectives when managing capital are to:

- Protect the entity's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders.
- Provide an adequate return to shareholders.

The following is an analysis of the Group's adjusted net debt to shareholders' equity ratios at the end of the financial year:

	<b>Dec. 31, 2025</b>	Dec. 31, 2024
Total liabilities	<b>11,714,012</b>	8,811,967
Less: Cash and cash equivalent	<b>(74,226,411)</b>	(13,328,776)
<b>(Surplus cash and cash equivalent over liabilities)</b>	<b>(62,512,399)</b>	(4,516,809)
Total equity	<b>100,023,061</b>	124,940,491
<b>Debt ratio as at December 31,</b>	<b>---</b>	<b>---</b>

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## 29. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation in order to provide a better presentation in line with the current year, as follows: -

Item	Note	Before reclassification	Reclassification	After reclassification
Murabaha Sukuk – Non-current portion	(29.1)	---	3,965,735	3,965,735
Term bank deposits – Non-current portion	(29.1)	3,965,735	(3,965,735)	---
General and administrative expenses	(29.2)	17,187,223	(65,776)	17,121,447
Net (loss) from discontinued operations	(29.2)	---	65,776	65,776

**29.1** During the prior year, the Company classified Murabaha sukuk within the bank deposits line item. Due to the difference in nature between Murabaha sukuk and bank deposits, the Company reclassified them as a separate line item under Murabaha sukuk, in order to more appropriately reflect the nature of this investment instrument, which is compliant with Islamic Shariah principles.

**29.2** During the current year, the Company classified its investment in its subsidiary, Saudi Industrial Exports Company – Africa, Kingdom of Morocco, as a discontinued operation (Note 1.10). Accordingly, the comparative figures for the year ended December 31, 2024, have been restated to reflect this classification, whereby the expenses of that subsidiary were reclassified and presented separately within the results of discontinued operations. This reclassification had no impact on net profit or shareholders' equity and was limited solely to the presentation of certain items in the statement of profit or loss.

## 30. Subsequent events

- On January 15, 2026, new Board members were elected to complete the Board following the cessation of the Board's authority and most of the Group's powers, due to the resignation of most Board members and the reduction of the Board's membership below the minimum required threshold since November 18, 2025.
- On February 24, 2026, the Group received the full subscription amount of the FAD Industrial Fund, which had previously been transferred to its investment account on December 09, 2025 (Note 1.6). On March 04, 2026, following the feasibility study and due diligence, it was found that the results did not meet the Group's expectations and direction; accordingly, it was decided to withdraw from this investment.
- On March 04, 2026, the Group decided to cancel the non-binding Memorandum of Understanding entered with Industrial Production Services Company (a closed joint stock company), related to the acquisition of the capital of Advanced Energy Trading and Contracting Company (a single-person company), which is its subsidiary. This decision was taken after completing the review of feasibility studies and due diligence procedures, which indicated that the results did not align with the Group's expectations and strategic direction. Accordingly, the Board resolved not to proceed with the investment and to terminate the related agreements.
- On March 09, 2026, the Group signed a non-binding Memorandum of Understanding with Global Tronics for cooperation and partnership regarding the supply and implementation of single-phase and three-phase smart electricity meters in the Syrian Arab Republic.

Except as stated in the paragraph above, there were no other significant subsequent events since the year-end that would require disclosure or adjustment in these financial statements. However, the Middle East region has experienced accelerated geopolitical and security developments, contributing to increased uncertainty in certain regional markets.

Management has evaluated these developments in accordance with the requirements of International Accounting Standard (IAS) 10, "Events after the Reporting Period." Based on this assessment, these events have been classified as non-adjusting subsequent events, as they arose from conditions that did not exist at the reporting date. Accordingly, no adjustments to the balances or disclosures in the financial statements for the year ended 31 December 2025 are required.

Based on the information available up to the date of approval of the financial statements, management has not identified any material indicators that may adversely affect the Company's ability to continue as a going concern. Management will continue to monitor relevant developments and take appropriate actions when necessary

## 31. Approval of the consolidated financial statements

The consolidated financial statements for the year ending December 31, 2025, were approved by the Group's board of directors on DhuAl-Qa'Dah 09, 1447H (corresponding to April 26, 2026).