NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE THREE AND NINE MONTHS PERIOD
ENDED SEPTEMBER 30, 2026

NASEEJ INTERNATIONAL TRADING COMPANY
(A Saudi Joint Stock Company)
For the three and nine months period ended September 30, 2026

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

TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of NASEEJ INTERNATIONAL TRADING COMPANY (the "Company") as at September 30, 2026 and the related condensed interim consolidated statements of profit and loss and comprehensive income for the three-months and nine months periods ended September 30, 2026 and the condensed consolidated interim statements of changes in equity and condensed consolidated interim cash flows for the nine month period then ended and condensed consolidated interim notes, comprising a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

Basis for Qualified Conclusion

The Group's management believes that the share capital increase amounting to ﷼ 163.46 million through a rights issue as stated in Note (1), the repayment of a loan, for which the Group did not complied with certain covenants as stated in note (4.1), in addition, the generation of positive cash flows from operating activities and the continued implementation of the Group's plans to improve operating results, there by provide a suitable basis for the Group to continue its operations as a going concern.

- **Accumulated losses:** The Group's accumulated losses amounted to ﷼134.81 million as at September 30, 2026 (December 31, 2025: ﷼ 93.96 million), representing 49.48% of share capital. Accumulated losses fell below 50% of share capital solely as a result of the capital increase.

- **Gross losses:** The Group incurred a gross loss of ﷼ 12.71 million for the nine-month period (2025: ﷼ 0.99 million). Net sales declined by 82% to ﷼ 11.41 million (2025: ﷼ 63.32 million).

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El Sayed El Ayouty & Co.
Certified Public Accountants

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH – SAUDI ARABIA

REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

Basis for Qualified Conclusion (continued)

The Group's ability to continue as a going concern is significantly dependent upon management's successful implementation of its plans, including the deployment of the rights issue proceeds, restructuring of the assets portfolio, restoration of profitable operations, achievement of projected future cash flows for which we have not been provided with satisfying supporting evidence.

However, the condensed consolidated interim financial statements do not disclose the existence of this material uncertainty, the events and conditions described above, or management's plans to deal with them. Further, Note 9 states that management has not identified any material indicators that may adversely affect the Group's ability to continue as a going concern, which is inconsistent with the events and conditions described above.

Accordingly, the disclosures regarding the events and conditions that led to the existence of a material uncertainty, and management's plans to deal with it, are not sufficient to enable users of the condensed consolidated interim financial statements to understand the nature and extent of the material uncertainty related to the Group's ability to continue as a going concern.

Qualified conclusion

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

Emphasis of matter - noncompliance of loan covenant

We draw attention to Note 4.1 to the financial statements, which describes the non-compliance with a covenant related to outstanding loans and borrowings with a bank as at September 30, 2026. Management is in discussions with the financial institution to obtain a waiver and expects such waiver to be granted for future periods in accordance with the agreement. Our conclusion is not modified in respect of this matter.

FOR EL SAYED EL AYOUTY & CO.





Abdullah Ahmad Balamash
Certified Public Accountant
License No. (345)

Jeddah: November 05, 2026
Jumada Al - Awwal 25, 1448H.

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Statement of interim condensed consolidated financial position as at September 30, 2026

(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Notes	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment – net		**114,731**	122,052
Intangible assets – net		**50**	78
Investment in associate	8	**15,570**	15,027
Right to use assets - net	3	**8,431**	10,435
Total non-current assets		**138,782**	147,592
Current assets			
Inventories, net		**22,608**	29,048
Trade receivables, net		**23,234**	43,883
Prepayments and other receivables, net		**7,799**	8,292
Cash and cash equivalent		**155,674**	859
Total current assets		**209,315**	82,082
TOTAL ASSETS		**348,097**	229,674
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital		**272,432**	108,973
Accumulated (losses)		**(134,810)**	(93,963)
Total shareholders' equity		**137,622**	15,010
Non-current liabilities			
Loans and borrowings	4	**65,235**	81,533
Right to use obligations	3.2	**4,769**	6,230
Employees' defined benefit obligations		**17,326**	18,787
Total non-current liabilities		**87,330**	106,550
Current liabilities			
Loans and borrowings	4	**56,774**	41,202
Right to use liabilities	3.2	**2,714**	2,762
Trade payables		**21,229**	23,199
Due to related parties	7.3	**-**	4,076
Other payables		**23,828**	17,534
Provision for zakat		**18,600**	19,341
Total current liabilities		**123,145**	108,114
Total liabilities		**210,475**	214,664
TOTAL EQUITY AND LIABILITIES		**348,097**	229,674

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid	Mr. Monther Mohammed Al Sorayai	Mr. Ibrahim Mohamed Khalifa
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Statement of interim condensed consolidated profit and loss and other comprehensive income
For the three months and nine months period ended September 30, 2026
(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Three month period		Nine month period	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
	Unaudited		***Unaudited***	
Continuing operations				
Sales – net	**2,948**	17,695	**11,409**	63,322
Cost of sales	**(6,765)**	(25,106)	**(24,117)**	(64,310)
Gross loss	**(3,817)**	(7,411)	**(12,708)**	(988)
Selling and distribution expenses	**(3,032)**	(4,886)	**(10,857)**	(14,521)
General and administration expenses	**(1,943)**	(2,968)	**(6,074)**	(7,777)
Provision for expected credit losses -net	**(1,747)**	-	**(2,622)**	(354)
Other income – net	**7,313**	1,413	**7,788**	22,474
Operating loss	**(3,226)**	(13,852)	**(24,473)**	(1,166)
Gain on investment in associate	**265**	-	**543**	-
Financial charges	**(1,751)**	(2,488)	**(6,180)**	(7,500)
Loss before zakat	**(4,712)**	(16,340)	**(30,110)**	(8,666)
Zakat expenses	**-**	-	**-**	-
Loss for the period	**(4,712)**	(16,340)	**(30,110)**	(8,666)
Other comprehensive (loss)/ income				
Items that will not be reclassified in subsequent date to profit or loss				
Loss on revaluation of employees defined benefit obligations.	**-**	-	**-**	-
Net income of items that will not be reclassified in subsequent date to profit or loss	**-**	-	**-**	-
Total comprehensive loss	**(4,712)**	(16,340)	**(30,110)**	(8,666)
Loss per share	**(0.27)**	(1.50)	**(2.32)**	(0.80)

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid	**Mr. Monther Mohammed Al Sorayai**	**Mr. Ibrahim Mohamed Khalifa**
Chairman of the Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**

Statement of changes in interim condensed consolidated equity as at September 30, 2026
(All amounts in Saudi Riyals Thousands unless otherwise stated)

	Share capital	Accumulated losses	Total shareholders' equity
As at January 01, 2025 - (audited)	108,973	(61,045)	47,928
Net loss for the period	-	(8,666)	(8,666)
As at September 30, 2025 - (unaudited)	108,973	(69,711)	39,262
As at January 01, 2026 - (audited)	**108,973**	**(93,963)**	**15,010**
Increase in share capital	**163,459**	**-**	**163,459**
Capital increase expenses	**-**	**(10,737)**	**(10,737)**
Net loss for the period	**-**	**(30,110)**	**(30,110)**
As at September 30, 2026 - (unaudited)	**272,432**	**(134,810)**	**137,622**

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid	Mr. Monther Mohammed Al Sorayai	Mr. Ibrahim Mohamed Khalifa
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

NASEEJ INTERNATIONAL TRADING COMPANY

(A Saudi Joint Stock Company)

Statement of interim condensed consolidated cash flows as at September 30, 2026
(All amounts in Saudi Riyals Thousands unless otherwise stated)

	September 30, 2026 (Unaudited)	September 30, 2025 (Unaudited)
Operating activities		
Loss before zakat	**(30,110)**	(8,666)
Adjustments for:		
Depreciation	**4,469**	6,699
Amortization of intangibles	**28**	31
Amortization of right of use to assets	**2,004**	2,574
Provision for employees' defined benefit obligations	**1,280**	1,585
Interest in expense on lease liability	**593**	156
Interest / financing costs on borrowings	**6,773**	7,656
Impairment on current assets	**2,622**	354
Trade receivables written off	**(492)**	(402)
Reversal of impairment of inventory	**(1,110)**	(5,160)
Share of profit from an associate	**(543)**	-
Gain on disposal of property, plant and equipment	**(7,505)**	(22,401)
Operating loss before working capital changes	**(21,991)**	(17,574)
Working capital changes:		
Inventories - net	**7,550**	24,377
Trade receivables, prepayments and other receivables, net	**19,012**	27,357
Trade payables and other payables	**4,324**	(5,002)
Due to related parties	**(4,076)**	(1,647)
Cash flows from operating activities	**4,819**	27,511
Zakat paid	**(741)**	(9,416)
Employees' defined benefits paid	**(2,741)**	(3,486)
Net cash generated from operating activities	**1,337**	14,609
Investing activities		
Payment for purchase of property, plant and equipment	**(168)**	(3,930)
Proceeds from disposal of property, plant and equipment	**10,525**	29,988
Net cash generated from investing activities	**10,357**	26,058
Financing activities		
Interest element of lease payment	**(593)**	(156)
Principal element of lease payment	**(1,509)**	(1,895)
Loans and borrowings - net movement	**(726)**	(31,636)
Financial charges paid	**(6,773)**	(7,656)
Cost incurred to addition in share capital	**(10,737)**	-
Increase in share capital	**163,459**	-
Net cash flows generated from/ (used in) financing activities	**143,121**	(41,343)
Net increase/ (decrease) in cash and cash equivalents	**154,815**	(676)
Cash and cash equivalents as at January 01,	**859**	2,806
Cash and cash equivalents as at September 30,	**155,674**	2,130

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Dr. Wael Saad Al Rashid	Mr. Monther Mohammed Al Sorayai	Mr. Ibrahim Mohamed Khalifa
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

Notes to the interim condensed consolidated financial statements
For the three months and nine months period ended September 30, 2026
(All amounts in Saudi Riyals Thousands unless otherwise stated)

1. Corporate information

Naseej International Trading Company (the "Parent Company") is a Saudi Joint Stock Company was established in the Kingdom of Saudi Arabia in accordance with the Ministry of Commerce and Industry's resolution No.523/Q dated 21 Dhul-Hijja 1428H, corresponding to December 31, 2007.

During 2010, the Parent Company offered 9 million shares for public subscription representing 30% of its share capital. Thus, the Parent Company converted to a public joint stock company.

The company is engaged in the import, export, wholesale and retail trade in carpets and rugs, flooring, furniture and furnishings, antiques, office furniture, kitchens, blankets, bed sheets, curtain fabrics and accessories and manufacturing of carpets and tuft according to the Ministry of Industry and Electricity's resolution No 1566/S dated 20 Dhul-Hijja 1420H and manufacturing of industrial yarn from polypropylene, nylon, processed polypropylene treatment and processed nylon (polyamide) according to the Ministry of Commerce resolution No 1699/S issued on 27 Dhul-Hijja 1424H and commercial services. Additionally, the Company may invest in other companies. These activities are carried out through the main Commercial Registration No 4030133919 (unified No. 7018056049) issued on 5 Rabi-Al-Awal 1422 H corresponding to May 28, 2001. In the general assembly meeting held on May 22, 2012, the shareholders resolved to add activities which are to invest in real estate for investment purposes.

During 2012, the board of directors proposed to increase the Parent Company's share capital from ﷼300 million to ﷼375 million from the retained earnings by issuing right share i.e. one share for every four share owned by the shareholders. The shareholders approved the increase in share capital in their general assembly meeting held on April 01, 2013 and issued the shares on same date. The Parent company's share capital is ﷼375,000,000 divided into 37,500,000 shares of ﷼10 each.

During December 2017, shareholders' in their Extraordinary General Assembly Meeting held on December 28, 2017, decided to amortize the accumulated losses amounted to ﷼150 Million, as at September 30, 2017 by capital reduction, and the use of the entire statutory reserve and general reserve. This decision resulted in capital reduction from ﷼375 million to ﷼225 million and the company's commercial registration amended after capital deduction dated on 7 Jumada-Al-Awal 1439H corresponding to January 24, 2018.

During August 2019, shareholders' in their Extraordinary General Assembly Meeting held on August 28, 2019, decided to amortize the accumulated losses amounted to ﷼159.5 million as at June 30, 2019 by capital reduction. This decision resulted in capital reduction from ﷼225 million to ﷼65.5 million, representing reduction in number of shares from 22.5 million to 6.5 million. Accordingly, the company's commercial registration amended after capital reduction dated on 24 Safar 1441H corresponding to October 23, 2019.

Based on the decision of the extraordinary general assembly meeting, held on January 22, 2020, the shareholders decided to increase the capital from ﷼65.5 million to ﷼178.6 million. Such value of capital increase amounting to ﷼112.66 million will be used, as a strategic direction for the group to raise the solvency of the group through the restructuring and the implementation of an action plan focusing on its main activities. On February 16, 2020, the share capital increase procedures were completed, the results of the offering period were announced, regulatory procedures were completed, and the commercial registration was amended with the value of the new capital on February 24, 2020.

The shareholders decided, based on the decision of the extraordinary general assembly, held on 3 Ramadan 1441 H, corresponding to April 26, 2020, agreed to change the name of the company from Al-Sorayai Trading and Industrial Group Company to Naseej International Trading Company. The commercial registration was amended with the new name on May 14, 2020.

The shareholders' in their extra ordinary general assembly meeting, held on December 20, 2020, approved the reduction in share capital from ﷼178.6 million to ﷼61.6 million by canceling 11.6 million shares representing ﷼116.5 million. The reduction of ﷼116.5 million was amortized against accumulated losses of the Group. The percentage change in share capital, after the share capital reduction ratio was 65.4%, therefore the reduction rate per share is 1.529 shares.

The shareholders' in their extra ordinary general assembly meeting, held on November 04, 2021, approved the increase in share capital from ﷼61.6 million to ﷼211.6 million by issuing 15 million shares representing ﷼150 million. The percentage change in share capital 243.3%, therefore the increase in rate per share is 2.43 per shares.

Notes to the interim condensed consolidated financial statements
For the three months and nine months period ended September 30, 2026
(All amounts in Saudi Riyals Thousands unless otherwise stated)

1. Corporate information (continued)

The Board of Directors decided on March 30, 2022 to recommend to the Extraordinary General Assembly to reduce the company's capital amounting to ﷼102.6 million for the purpose of amortization of accumulated losses.

The shareholders in their extra ordinary general assembly meeting, held on July 18, 2022, approved the reduction in share capital from ﷼211.6 million to ﷼108.9 million by canceling 10.3 million shares representing ﷼102.6 million. The reduction of ﷼102.6 million was amortized against accumulated losses of the Group. The percentage change in share capital, after the share capital reduction ratio was 48.51%, therefore the reduction rate per share is 1.485 shares.

The shareholders in their extra ordinary general assembly meeting, held on August 26, 2026, approved the increase in share capital from ﷼ 108.9 million to ﷼ 272.4 million by issuing 16.3 million shares representing ﷼ 163.5 million. The percentage change in share capital is 150.1%, therefore the increase in rate per share is 1.5 per share.

The main branch is located in Industrial Area 1, Jeddah, Kingdom of Saudi Arabia.

There are two main registered branches for the factories as mentioned below:

Name of the branch	Commercial registration	National Unified Number
Jeddah Industrial Thread Factory	4030115974	7014741388
Al - Sorayai Carpet Factory	4030131014	7006372531

In addition to main branch and two factories, these condensed consolidated interim financial statements includes results, assets and liabilities of 10 other branches

New Companies Law

"The Ministry of Commerce began implementing the new Companies Law on 26 Jumada Al-Akhira 1444H (corresponding to January 19, 2023) (""Implementation Date""), The new Companies Law will replace the old Companies Law issued by Royal Decree No, M/3 dated 28 Muharram 1437H and will nullify any provisions conflicting with it, Accordingly, all existing companies as of the Implementation Date must make the necessary amendments to their Articles of Association to comply with the new Companies Law within two years of the Implementation Date,
The company's management made the necessary amendments to the company's articles of association in accordance with the requirements of the new law,"

2. Material accounting policies

2.1. Statements of compliance

The condensed consolidated interim financial statements for the three months and nine months ended September 30, 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted in the Kingdom of Saudi Arabia as well as other standards and announcements endorsed by Saudi Organization for Chartered and Professional Accountant (SOCPA).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2025.

2.2. Basis of preparation

These interim condensed consolidated financial statements have been prepared on the historic cost basis except for the following material items in the condensed consolidated statement of financial position.

- The employees' defined benefit obligation is recognised at the present value of future obligations using the Projected Unit Credit Method.

2. Material accounting policies (continued)

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, and require management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of the interim condensed consolidated financial statements. These significant estimates and assumptions have been disclosed in the annual consolidated financial statements for the year ended December 31, 2025.

The Group's condensed consolidated interim financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The condensed consolidated interim financial statements are presented in Saudi riyals, which is the functional and presentation currency. The numbers were rounded to the nearest thousand riyals, unless otherwise stated.

2.3. Basis of consolidation

These condensed consolidated interim financial statements includes the financial statement of the Parent company and the following subsidiaries (herein after referred to as "Group").

		Ownership holding	
Name	**Main activity**	**2026**	2025
The Home Style Company LLC	Retail trade in carpets, rugs, floors, furniture, blankets, curtain fabrics and accessories	100%	100%
Al Sorayai Company for Operations and Maintenance Ltd.	Maintenance services for factories, governmental and private institutions	100%	100%
Al Sorayai for Projects Company LLC (The activity is suspended)	Government and private project services for furniture, rugs and carpets	100%	100%

Control is achieved when the Company has:

- The ability to control the investee
- The emergence of the company's right to variable returns as a result of its association with the investee
- The ability to use its control to influence investment returns

The company re-evaluates whether it controls any of the investees or not, if the facts and circumstances indicate changes to one or more of the control elements referred to above.

When the voting rights of the company, in any of the investees, are less than the majority of the voting rights in them, the company has control over that investee. When the voting rights are sufficient to give it practical ability to direct the activities related to the investee with a separate manner. The company takes into account all relevant facts and conditions when assessing whether the company has voting rights in the investee to grant it control. These facts and circumstances include:

- The amount of voting rights the group owns in relation to the size and extent of ownership of other voting rights holders
- Potential voting rights owned by the company and other voting rights holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that may indicate that the company has, or does not have, the current ability to direct relevant activities when needed to make decisions, including how to vote at previous shareholders meetings.

2. Material accounting policies (continued)

The consolidated process of the subsidiary starts when the company can control the subsidiary, while that process is discontinued when the company loses the control over the subsidiary. In particular, revenue and expenses of the acquired or disposed of subsidiary are included during the period in the statement of consolidated profit or loss and the comprehensive income from the date of the control until the date of expiry of control of the company over the subsidiary.

Statement of consolidated profit or loss and all elements of the other comprehensive income are distributed to the shareholders of the company. The total other comprehensive income of the subsidiary is also distributed to the shareholders.

If necessary, adjustments would be made to the financial statements of the subsidiary so as its accounting policies to be in conformity with those used by the group.

All transactions and balances, including assets, liabilities, equity, revenue, expenses and cash flows arising from transactions between the companies of the group upon consolidation are eliminated.

Changes in the group's equity in existing subsidiaries

Changes in the group's ownership in subsidiaries that do not lead to a loss of control are accounted for as equity transactions. The reported values of the group's equity and the non-controlling interests are adjusted to reflect changes in their ownership in the subsidiaries. Any difference between the value of the amendment of non-controlling interests and the fair value of the consideration paid or received is directly included in the equity and is attributable to the shareholders of the company.

When the group loses control of the subsidiary, any profit or loss is recognized in the consolidated income statement and calculated based on the difference between

1. the total fair value of the amount received and the fair value of any retained interest and,

2. the previously recorded book value of the assets (including goodwill), the liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income related to that subsidiary are accounted for as if the group had directly disposed of the assets or liabilities of the subsidiary (i.e. reclassification to profit, loss, or transfer to another classification in equity as specified/permitted) in accordance with international standards for financial reporting.

The fair value of the percentages that are retained from the investment in the previous subsidiary at the date of loss of control is considered as a fair value for the remaining investment upon initial recognition in subsequent periods and is in accordance with IFRS 9, and in the event the company becomes an associate or a joint venture, the fair value is considered as cost for initial recognition of investment in an associate or a joint venture.

2.4. New Standards, Amendments to Standards and Interpretations

2.5.1 IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board issued IFRS 18, ‘Presentation and Disclosure in Financial Statements’, which will replace IAS 1, ‘Presentation of Financial Statements’. The new standard is effective for annual reporting periods beginning on or after 1 January 2027 and also applies to comparative information; early application is permitted. The Group has not applied the new standard early in preparing these interim financial statements.

2. Material accounting policies (Continued)

IFRS 18 does not change the recognition or measurement of items in the financial statements; its impact is limited to presentation and disclosure. Accordingly, the Group's reported profit and net assets will not change on adoption. The standard will, however, change the structure of the statement of profit or loss, require disclosure of management-defined performance measures and introduce new principles for the aggregation and disaggregation of information, with consequential amendments to other standards, most notably IAS 7, 'Statement of Cash Flows'.

The Group is currently assessing the detailed implications of applying the new standard on its consolidated financial statements. The expected effects set out below reflect the Group's preliminary assessment based on the information currently available, and may change as implementation progresses and until the Group presents its first financial statements applying IFRS 18.

The new standard at a glance

Effective date Annual periods beginning on or after 1 January 2027 (retrospective, with restated comparatives). Early application is permitted.

Effective date	Annual periods beginning on or after 1 January 2027 (retrospective, with restated comparatives). Early application is permitted.
What changes	Income statement structure (five categories and two new required subtotals), disclosure of management-defined performance measures, enhanced aggregation and disaggregation, and consequential amendments to IAS 7, IAS 33 and IAS 34.
What does not change	Recognition and measurement. Neither the Group's net profit nor net assets are affected.

2. Material accounting policies (Continued)
2.5 New Standards, Amendments to Standards and Interpretations (continued)
2.5.1 IFRS 18 Presentation and Disclosure in Financial Statements (continued)

a) Structure of the statement of profit or loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss — namely operating, investing, financing, zakat and income taxes and discontinued operations. Classification of income and expenses depends on the main business activities of the entity.

The Group has determined that it does not have a specified main business activity of investing in assets or providing financing to customers.

The Group will present two new defined subtotals in the statement of profit or loss: 'operating profit' and 'profit or loss before financing and income taxes'. Operating profit as newly defined is expected to differ from the operating profit subtotal currently presented by the Group. Based on the assessment performed to date, the Group expects the principal changes to the structure of its statement of profit or loss to be the following.

Under IFRS 18, operating expenses are classified and presented by nature, by function or on a mixed basis. The Group has determined that classification and presentation on a mixed basis will provide the most useful structured summary of its operating expenses.

- Interest / commission income - currently finance income within "Financial charges". Under IFRS 18 this will be classified in the investing category.

- Interest / financing costs on borrowings - currently finance costs within "Financial charges". Under IFRS 18 this will be classified in the financing category.

- Interest on employee-benefit obligations - currently within employee / staff costs (operating). Under IFRS 18 this will be classified in the financing category. The interest (unwinding) component is reclassified from employee costs to finance costs.

- Interest expense on lease liabilities - currently finance costs. Under IFRS 18 this will be classified in the financing category. Remains a financing expense.

- Share of results of associates / JVs (equity method) - currently below operating / various. Under IFRS 18 this will be classified in the investing category. Presented in the investing category, within profit before financing and income taxes.

- Zakat and income tax - currently below profit before zakat/tax. Under IFRS 18 this will be classified in the income taxes category. Presented in the income taxes category.

b) Management-defined performance measures
Management-defined performance measures (MPMs) are subtotals of income and expenses, not specified by IFRS Accounting Standards, that are used in public communications outside the financial statements to communicate management's view of an aspect of the financial performance of the entity as a whole. Such measures might not be comparable with measures sharing similar labels or descriptions used by other entities. The Group will be required to disclose specified information about its MPMs in a single note in the financial statements, including how each measure is calculated, why it provides useful information, and a reconciliation to the most directly comparable subtotal specified by IFRS Accounting Standards, together with the income tax and non-controlling-interests effect of each reconciling item. MPMs will form part of the audited financial statements.

The Group does not currently expect to disclose any management-defined performance measures; it is confirming that no subtotals used in its public communications meet the definition of an MPM.

2. Material accounting policies (Continued)
2.5 New Standards, Amendments to Standards and Interpretations (continued)
2.5.1. IFRS 18 Presentation and Disclosure in Financial Statements (continued)

c) Principles of aggregation and disaggregation

IFRS 18 contains expanded guidance on providing a useful structured summary in the primary financial statements and on meaningful and informative labelling. To provide a useful structured summary of income, expenses, assets, liabilities, equity and cash flows, and to provide additional material information in the notes, the Group will make judgements on how items are aggregated and disaggregated in the primary financial statements and the notes: items will be aggregated based on shared characteristics and disaggregated based on characteristics that are not shared.
On that basis, the Group is considering the labelling of certain financial statement line items and expects to identify more appropriate labels for those that currently contain the word 'other' (such as other general and administrative expenses, other cost of goods sold expenses, other income

As operating expenses will be presented wholly or partly by function in the statement of profit or loss, the Group will disclose in a single note the total amounts of depreciation, amortisation, employee benefits, impairment losses and reversals, and write-downs and reversals of inventories, together with the amounts included in each line item in the operating category.

d) Statement of cash flows (consequential amendments to IAS 7)

IFRS 18 also amends IAS 7, 'Statement of Cash Flows'. The Group presents its statement of cash flows using the indirect method: the starting point for the indirect-method reconciliation will be operating profit, which differs from the starting point of profit/loss before Zakat used in previous reporting periods. As a result, the non-cash adjusting items presented in the reconciliation will change. For example, the Group's share of results of equity-accounted investees will no longer be an adjusting item, as this amount is not included in the operating profit starting point; cash distributions from these investees will be included in cash flows from investing activities.

The amendments to IAS 7 also address the classification of interest and dividends paid and received, removing the previous classification options. The Group will classify cash flows from interest paid as financing activities under this guidance. Cash flows from interest and dividends received will be classified as investing activities, and cash flows from dividends paid will be classified as financing activities.

e) Transition

IFRS 18 applies retrospectively in accordance with IAS 8, with restatement of all comparative periods presented. In the annual financial statements for the first year of application, the Group will disclose, for the comparative period immediately preceding the first period of application, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented under IFRS 18 and the amounts previously presented under IAS 1.

In addition, the Group's condensed interim financial statements during the first year of application will present the new headings and subtotals with restated comparative information, together with the same line-item reconciliations for the comparative periods and will include the disclosures required for management-defined performance measures.

Notes to the interim condensed consolidated financial statements
For the three months and nine months period ended September 30, 2026
(All amounts in Saudi Riyals Thousands unless otherwise stated)

3. Right to use assets and liabilities

Right to use assets and lease obligations arising from leases represent the following:

3.1 Right of use assets	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
As at 1 January	**33,834**	29,766
Additions during the year	**-**	6,023
Terminations during the year	**-**	(1,955)
As at September 30, / December 31,	**33,834**	33,834
Depreciation (note 3.1.1)	**(25,403)**	(23,399)
Right of use asset – net	**8,431**	10,435

3.1.1 Depreciation of right of use assets

Accumulated depreciation as at January 01,	**23,399**	19,460
Depreciation during the year	**2,004**	3,939
Accumulated depreciation as at September 30, / December 31,	**25,403**	23,399

3.2 Right to use liabilities

As at 1 January	**8,992**	7,163
Additions during the year	**-**	5,131
Lease modifications during the year	**-**	125
Disposals during the year	**-**	(358)
Finance charges accrued	**593**	895
Rent paid during the year	**(2,102)**	(3,964)
As at September 30, / December 31,	**7,483**	8,992
Current portion	**(2,714)**	(2,762)
Non-current portion	**4,769**	6,230

4. Loans and borrowings

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Saudi National Bank – SNB	**9,346**	10,096
Al Rajhi Bank	**5,987**	8,680
Riyadh Bank	**95,177**	92,460
Ministry of Finance	**11,499**	11,499
Loan and borrowing – total	**122,009**	122,735
Loans and borrowings – current	**(56,774)**	(41,202)
Loans and borrowings – non - current	**65,235**	81,533

4 Loans and borrowings (continued)

4.1 Saudi National Bank - SNB

During the period ended September 30, 2026, there has been non-compliance of certain covenants on outstanding loans and borrowings with Saidi National Bank - SNB. The whole loan has been paid during the subsequent period.

4.2 Bank wise financing facilities terms, conditions, purpose, covenants and guarantees have been disclosed in the Group Annual Consolidated Financial Statements for the year ended December 31, 2025.

The Company has financing facilities with various banks and financial institutions, including letters of credit, foreign exchange contracts, and Shariah-compliant financing arrangements under deferred Murabaha and Tawarruq structures. These facilities are subject to the terms and conditions set out in the respective financing agreements and are secured by promissory notes issued in favor of the financing institutions.

5 Loss per share

Loss per share is calculated by dividing net loss over the weighted average to the existing number of shares during the period.

6. Business sector information

As per management's view, the Group's activities are divided into two main activities as follows:

	For three months period ended			**For the nine months period ended**		
	September 30, 2026			**September 30, 2026**		
	Sales	**Cost of sales**	**Total loss**	**Sales**	**Cost of sales**	**Total loss**
Flooring	**2,694**	**(6,127)**	**(3,433)**	**9,756**	**(20,870)**	**(11,114)**
Non – flooring	**254**	**(638)**	**(384)**	**1,653**	**(3,247)**	**(1,594)**
	2,948	**(6,765)**	**(3,817)**	**11,409**	**(24,117)**	**(12,708)**

	For the three months period ended			For the nine months period ended		
	September 30, 2025			September 30, 2025		
	Sales	Cost of sales	Total loss	Sales	Cost of sales	Total loss
Flooring	12,609	(18,555)	(5,946)	51,605	(53,396)	(1,791)
Non – flooring	5,086	(6,551)	(1,465)	11,717	(10,914)	803
	17,695	(25,106)	(7,411)	63,322	(64,310)	(988)

Notes to the interim condensed consolidated financial statements
For the three months and nine months period ended September 30, 2026
(All amounts in Saudi Riyals Thousands unless otherwise stated)

7. Related party transactions and balances

7.1. Nature of relationship

The Company has undertaken transactions with the following related parties during the period/year.

Name of the related parties	Relationship
Saudi Company for Manufacturing Carpet Materials	Affiliate
Arabian Calcium Carbonate Company Limited	Affiliate
Others	Shareholders

7.2. Significant transactions

	September 30, 2026 (Unaudited)	September 30, 2025 (Unaudited)
Purchases	**-**	2,086
Management benefits paid	**2,086**	1,612
BOD remuneration and executive committees	**1,075**	573
Accruals payments	**(4,076)**	-

7.3. Due to related parties

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Saudi Company for Manufacturing Carpet Materials	**-**	4,076

8. Investment in associates

Arabian Calcium Carbonate Production Company	**September 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Capital	**5,000**	5,000
Long term payment	**16,472**	16,472
Group share of result as at Jan 01,	**(6,445)**	(5,280)
Current period / year share of gain / (loss)	**543**	(1,165)
Group share of result	**(5,902)**	(6,445)
Balance at September 30, / December 31,	**15,570**	15,027

*The Group owned 52% of the Arabian Calcium Carbonate Production Company (a limited liability Company) was established in Saudi Arabia, with commercial registration number 4030259768 dated 23 Muharram 1435H corresponding to December 6, 2012 and issued from Jeddah. According to the decision of the Extraordinary General Assembly Meeting on January 16, 2017, corresponding to 17 Rabi-Al-Thani 1438H the shareholders have agreed to reduce the percentage contribution of the company from 52% to 25% by entering the company's new shareholder capital increase and therefore the company loses control of the subsidiary. The Article of Association was amended on Rabi-Al-Thani 8, 1441H corresponding to December 5, 2019, and the commercial registration was amended on Rabi-Al-Thani 14, 1441H corresponding to December 12, 2019.

The investment, in Arabian Calcium Carbonate Production Company – 25% shareholding, has been accounted for using equity method of accounting based on management financial statements (un–audited) for the period ended September 30, 2026.

Notes to the interim condensed consolidated financial statements
For the three months and nine months period ended September 30, 2026
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9. Subsequent event

There have been no significant subsequent events since the period-end that would require disclosure or adjustments in these consolidated financial statements except for The Middle East region has witnessed accelerated geopolitical and security developments that have led to an increased level of instability 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 determined to be 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 presented in the financial statements for the period ended September 30, 2026 are required.

The Company has paid all the loan of Saudi National Bank subsequently to the period end.(note 4.1).

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 will take appropriate actions if necessary.

10. Approval of financial statements

The Board of Directors of the Group approved the interim unaudited condensed consolidated financial statements on November 05, 2026 (corresponding to Jumada Al - Awwal 25, 1448H).