

NATIONAL GYPSUM COMPANY
A SAUDI JOINT STOCK COMPANY

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

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**Independent Auditor's Review Report
On the Interim Condensed Financial Statements**

To the Shareholders of National Gypsum Company
A Saudi Joint Stock Company

Introduction

We have reviewed the accompanying interim condensed statement of financial position of National Gypsum Company (A Saudi Joint Stock Company) (the "Company") as at 30 June 2026, and the interim condensed statements of profit or loss and other comprehensive income for the three and six month periods then ended, and the interim condensed statements of changes in equity and cash flows for the six month periods then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with 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 information 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 that are 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

As disclosed in note (4) to the interim condensed financial statements, the accumulated impairment losses on property, plant and equipment amounted to 46,689,289 as at 30 June 2026 and 31 December 2025. We were unable to obtain sufficient information to support the estimation of the recoverable amount of these assets and the appropriateness of the impairment losses recognized at those dates.

Accordingly, we were unable to determine whether any adjustments were required to the carrying amount of these assets and the accumulated impairment losses as at 30 June 2026 and 31 December 2025, and the related effects on the results of the periods presented and the related disclosures.

Qualified Conclusion

Except for the adjustments to the interim interim condensed financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

Other matter

The financial statements for the year ended 31 December 2025 were audited by another auditor who issued an unmodified opinion on those financial statements dated 20 Shawwal 1447H (corresponding to 8 April 2026). Additionally, the interim condensed financial statements for the three and six-month periods ended 30 June 2025 were reviewed by same auditor who expressed an unmodified conclusion dated 19 Safar 1447H (corresponding to 13 August 2025). Furthermore, the adjustments described in note (20) was applied to restate the financial position balances as of 31 December 2025 and 1 January 2025, and the interim condensed statement of profit or loss and other comprehensive income for six months ended 30 June 2025. We were not engaged to audit, review, or apply any procedures to the 2025 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2025 financial statements taken as a whole.

For Alzoman, Alfahad & Alhajaj Professional Services

Zaher Abdullah Alhajaj
Certified Public Accountant
License No (562)

Riyadh, Kingdom of Saudi Arabia

Date: 18 Rabi' al-Thani 1448H

Corresponding to: 29 September 2026



NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF INTERIM CONDENSED FINANCIAL POSITION

AS AT 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (﷼) UNLESS OTHERWISE STATED)

	Note	30 June 2026	31 December 2025	1 January 2025
		(unaudited)	Restated Note (20) (audited)	Restated Note (20) (audited)
Assets				
Non-Current Assets				
Property, plant and equipment	4	483,683,700	255,759,992	244,256,215
Investment in associate at equity method	5	30,787,862	32,904,642	33,321,921
Financial assets at fair value through other comprehensive income	6	14,909,348	13,568,839	19,325,741
Financial assets at fair value through profit or loss	7	1,760,171	3,440,779	26,887,389
Investment property	8	13,108,101	14,615,864	11,564,091
Right-of-use assets	9-1	5,447,487	5,745,227	6,340,708
Total non-current assets		549,696,669	326,035,343	341,696,065
Current Assets				
Inventory		16,002,436	14,235,260	17,618,139
Financial assets at fair value through profit or loss	7	20,075,478	20,070,802	-
Trade receivables	10	11,154,107	9,959,574	10,533,241
Due from a related party	13	2,226,082	-	-
Prepaid expenses and other debit balances	11	11,721,829	11,180,536	11,506,408
Cash and cash equivalents		4,916,152	2,102,287	3,622,917
Total current assets		66,096,084	57,548,459	43,280,705
Total assets		615,792,753	383,583,802	384,976,770
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	1	316,666,670	316,666,667	316,666,667
Statutory reserve	12	-	95,000,001	95,000,001
Fair value reserve for investments at fair value through other comprehensive income		(1,880,511)	(2,610,047)	2,158,780
Reserve for remeasurement of employees' defined benefit obligations		89,199	89,199	4,985
Revaluation reserve of property, plant and equipment	4-1	233,310,359	-	-
Accumulated losses		(699,494)	(88,812,576)	(57,940,605)
Total shareholder's equity		547,486,223	320,333,244	355,889,828
Non-current liabilities				
Employees' defined benefit obligation		5,310,567	5,429,935	4,843,586
Lease liabilities - non-current portion	9-2	5,152,530	5,391,206	5,869,686
Total non-current liabilities		10,463,097	10,821,141	10,713,272
Current liabilities				
Trade Payables		15,784,272	11,960,053	8,669,918
Islamic financing	14	32,996,780	31,784,245	-
Lease liabilities - current portion	9-2	515,702	478,480	463,374
Accrued expenses and other credit balances		8,493,601	8,100,483	8,315,538
Zakat provision	15	53,078	106,156	924,840
Total current liabilities		57,843,433	52,429,417	18,373,670
Total liabilities		68,306,530	63,250,558	29,086,942
Total shareholder's equity and liabilities		615,792,753	383,583,802	384,976,770

Chief Financial Officer

Emad Mohamed Said Abuall

Managing director

Mohammed Iqbal Radwan Daaboul

Chairman

Ahmed Abdullah Althenayan

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF INTERIM CONDENSED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

	Note	For the three-month period ended		For the six-month period ended	
		30 June 2026	30 June 2025	30 June 2026	30 June 2025
			Restated		Restated
		(unaudited)	Note (20) (unaudited)	(unaudited)	Note (20) (unaudited)
Revenues		23,624,224	16,173,303	43,081,979	32,926,488
Cost of revenue		(25,652,062)	(15,206,842)	(45,676,757)	(28,700,364)
Gross (loss) / profit		(2,027,838)	966,461	(2,594,778)	4,226,124
Selling and marketing expenses		(604,735)	(836,424)	(1,295,605)	(1,748,553)
General and administrative expenses		(2,067,562)	(1,681,169)	(3,860,765)	(3,538,303)
Operating loss		(4,700,135)	(1,551,132)	(7,751,148)	(1,060,732)
Share of results of investment in an associate	5	(137,291)	(38,350)	556,318	352,609
(Loss) / profit on remeasurement of investments in financial assets at fair value through profit or loss	7	(781)	22,076	(9,265)	4,798
Dividends income from investments	6, 7	515,098	573,749	1,039,780	1,142,821
Finance cost		(651,918)	(148,834)	(1,298,967)	(298,750)
Reversal of / (provision) for expected credit losses		1,138,698	(2,614,541)	2,179,849	(3,519,459)
Loss / (Profit) from the revaluation of investment properties	8	(104,698)	296,782	(1,507,763)	296,782
Other income		40,903	660,553	64,191	957,422
Loss for the period before Zakat		(3,900,124)	(2,799,697)	(6,727,005)	(2,124,509)
Zakat	15	(26,539)	(201,806)	(53,078)	(433,016)
Zakat adjustments for prior years	15	(106,833)	-	(106,833)	-
Net loss for the period		(4,033,496)	(3,001,503)	(6,886,916)	(2,557,525)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation gain on land	4	-	-	233,310,359	-
Share in other comprehensive income of investments in associate companies	5	(610,973)	239,619	(610,973)	239,619
Unrealized (losses) / profits of equity investments at fair value through other comprehensive income	6	(580,091)	(1,768,723)	1,340,509	(3,765,277)
(Other comprehensive loss)/ Income for the period		(1,191,064)	(1,529,104)	234,039,895	(3,525,658)
Total comprehensive (loss) / income for the period		(5,224,560)	(4,530,607)	227,152,979	(6,083,183)
Basic and diluted losses (ﷲ)	16	(0.13)	(0.09)	(0.22)	(0.08)

Chief Financial Officer

Emad Mohamed Said Abuali




Managing director

Mohammed Iqbal Radwan Daaboul



Chairman

Ahmed Abdullah AlThenayan



The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF INTERIM CONDENSED CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (R) UNLESS OTHERWISE STATED)

	Note	Share Capital	Statutory reserve	Revaluation reserve for investments at fair value through other comprehensive income	Revaluation reserve of property, plant and equipment	Revaluation reserve of employee defined benefit obligation	Accumulated losses	Total shareholder's equity
Balance as at 1 January 2026 (audited)		316,666,667	95,000,001	(2,610,047)	-	89,199	(97,609,138)	311,536,682
Change in accounting policy	20	-	-	-	-	-	13,499,845	13,499,845
Correction of prior period errors	20	-	-	-	-	-	(4,703,283)	(4,703,283)
Balance as at 1 January 2026 (restated note 20)		316,666,667	95,000,001	(2,610,047)	-	89,199	(88,812,576)	320,333,244
Net loss for the period		-	-	-	-	-	(6,886,916)	(6,886,916)
Other comprehensive income for the period		-	-	729,536	233,310,359	-	-	234,039,895
Total comprehensive income for the period		-	-	729,536	233,310,359	-	(6,886,916)	227,152,979
Closing of statutory reserve in accumulated losses	12	3	(95,000,001)	-	-	-	94,999,998	-
Balance as at 30 June 2026 (unaudited)		316,666,670	-	(1,880,511)	233,310,359	89,199	(699,494)	547,486,223
Balance as at 1 January 2025 (audited)		316,666,667	95,000,001	2,158,780	-	4,985	(66,807,349)	347,023,084
Change in accounting policy	20	-	-	-	-	-	10,448,072	10,448,072
Correction of prior period errors	20	-	-	-	-	-	(1,581,328)	(1,581,328)
Balance as at 1 January 2025 (restated note 20)		316,666,667	95,000,001	2,158,780	-	4,985	(57,940,605)	355,889,828
Adjusted net profit for the period		-	-	-	-	-	(2,557,525)	(2,557,525)
Other comprehensive loss for the period		-	-	(3,525,658)	-	-	-	(3,525,658)
Total comprehensive loss for the period		-	-	(3,525,658)	-	-	(2,557,525)	(6,083,183)
Balance as at 30 June 2025 (unaudited)		316,666,667	95,000,001	(1,366,878)	-	4,985	(60,498,130)	349,806,645

Chief Financial Officer

Emad Mohamed Said Abuali



Managing director

Mohammed Iqbal Radwan Daaboul

Chairman

Ahmed Abdullah AlThenayan

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF INTERIM CONDENSED CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

	Note	For the six month period ended	
		30 June 2026	30 June 2025
		(unaudited)	Restated Note (20) (unaudited)
Operating activities			
Net loss for the period before Zakat		(6,727,005)	(2,124,509)
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	4-1, 4-2	5,774,367	5,130,850
Utilized from strategic spare parts	4 - 2	199,744	254,316
Amortization of right-of-use assets	9-1	297,740	297,740
Employees' defined benefit obligations		485,719	445,828
Finance cost		1,298,967	298,750
(Reversal) / provision for expected credit losses	10 - 1	(2,179,849)	3,519,459
Company's share of results from investment in an associate	5	(556,318)	(352,609)
Loss / (profit) on revaluation of investment properties	8	1,507,763	(296,782)
Unrealized loss / (profit) on the revaluation of financial assets at fair value through profit or loss	7	9,265	(4,798)
		110,393	7,168,245
Changes in working capital:			
Inventory		(1,767,176)	(2,008,397)
Trade receivables		985,316	(3,356,783)
Prepaid expenses and other debit balances		(541,293)	(14,765,365)
Due from a related party		(163,957)	-
Trade Payables		3,824,219	(997,324)
Accrued expenses and other credit balances		393,118	(1,412,801)
Cash flows from / (used in) operations		2,840,620	(15,372,425)
Employees' defined benefit obligations paid		(605,087)	(134,420)
Zakat paid	15	(212,989)	(924,840)
Net cash flows generated from / (used in) operating activities		2,022,544	(16,431,685)
Investing activities			
Additions of property, plant and equipment	4-1, 4-2	(587,460)	(61,460)
Additions of projects under construction		-	(15,555,923)
Proceeds from investments in financial assets at fair value through profit or loss	7	1,666,667	1,666,666
Net cash flows generated from / (used in) investing activities		1,079,207	(13,950,717)
Financing activities			
Proceeds from Islamic loan		-	31,193,102
Lease liability - Settled	9 - 2	(287,886)	(287,888)
Net cash flows (used in) / generated from financing activities		(287,886)	30,905,214
Net change in cash and cash equivalents		2,813,865	522,812
Cash and cash equivalents at the beginning of the period		2,102,287	3,622,917
Cash and cash equivalents at the end of the period		4,916,152	4,145,729

Chief Financial Officer

Emad Mohamed Said Abuali

Managing director

Mohammed Iqbal Radwan Daaboul

Chairman

Ahmed Abdullah AlThenayan

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CASH FLOWS (CONTINUED)

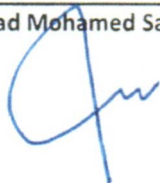
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

	Note	For the six month period ended	
		30 June 2026	30 June 2025
		(unaudited)	Restated Note (20) (unaudited)
Non-cash transactions			
Gain on the revaluation of land under the revaluation model.	4	233,310,359	-
Remeasurement of investments at fair value through other comprehensive income	6	1,340,509	(3,765,277)
Dividend from an associate and amounts due from a related party	13	2,062,125	-
Transfer of statutory reserve to share capital		3	-
Transfer of statutory reserve to accumulated losses	12	94,999,998	-
Company's share in other comprehensive income from investment in an associate	5	(610,973)	239,619
Interest capitalized on projects under construction		-	(1,014,090)
Projects under construction transferred to property, plant and equipment		-	(10,732,498)

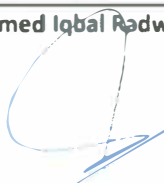
Chief Financial Officer

Emad Mohamed Said Abuali



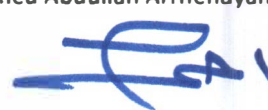

Managing director

Mohammed Iqbal Radwan Daaboul



Chairman

Ahmed Abdullah AlThenayan



The accompanying notes from 1 to 22 form an integral part of these interim condensed financial statements.

NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

1- COMPANY AND ITS ACTIVITY

National Gypsum Company (the "Company") is a Saudi Joint Stock Company, registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Registration No. 1010001487 dated 19 Shawwal 1378H (corresponding to 27 April 1959), Unified National Number: 7000211875.

The principal activity of the Company is the manufacturing and production of gypsum and its derivatives extracted from concession areas, trading in gypsum and its derivatives, producing various materials that can be extracted from gypsum mechanically and chemically, and carrying out all necessary operations to achieve its purpose and support the attainment thereof. The Company holds raw stone concession rights in three concession areas (quarries) located in Riyadh, Dammam, and Yanbu.

Company's Address:

The headquarters of the Company is located at Prince Mohammed Bin Abdulaziz Road - Al-Olaya District, P.O. Box 187, Postal Code 11411, Riyadh - Kingdom of Saudi Arabia.

Company's Share Capital:

The Company's share capital amounts to ﷲ 316,666,670, divided into 31,666,667 shares with a nominal value of ﷲ 10 per share (31 December 2025: ﷲ 316,666,667)

Company's Branches:

The Company has several registered branches as follows:

Branch	Date	CR No.
Jeddah	26 Muharram 1392H	4030007100
Dammam	6 Rajab 1395H	2050003512
Yanbu	18 Rabi' al-Awwal 1400H	4700000546
The National Factory for Gypsum Walls - Riyadh	10 Rabi' al-Akhir 1425H	1010198301
The National Gypsum Company Factory - Dammam	4 Jumada al-Akhirah 1426H	2050048707
National Gypsum Company - Dammam	3 Rabi' al-Awwal 1428H	2050053971

Geopolitical developments

During the first and second quarters of 2026, the Gulf region experienced geopolitical developments as a result of escalating regional tensions. Management has assessed the potential impact of these events on the Company's operations and financial position and has not identified any material impact on the Company's results of operations or cash flow during the period. Management continues to closely monitor these developments.

2- BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed financial statements for the three and six-month periods ended 30 June 2026, have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other explanatory notes.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2025. However, accounting policies and explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since its last annual financial statements.

The results for the three and six-month periods ending 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2-2 Basis of Measurement

The interim condensed financial statements have been prepared under the historical cost principle (except for land included in property, machinery and equipment measured at fair value according to the re-valuation model, investment property measured at fair value, financial instruments measured at fair value through other comprehensive income, financial investments measured at fair value through profit or loss, investments in associates accounted for using the equity method, and employee defined benefit plans which are measured at the present value of future obligations using the projected credit unit methods).

2.3 Functional and Presentation Currency

These interim condensed financial statements are presented in Saudi Riyals ("ﷲ"), which is the functional and presentation currency of the Company.

NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

2- BASIS OF PREPARATION (CONTINUED)

2-4 Critical Accounting Judgments, Estimates, and Assumptions

The preparation of interim condensed financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates, and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The significant judgments, estimates, and assumptions made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the annual financial statements as at 31 December 2025. Management will continue to monitor the situation, and any required changes will be reflected in future reporting periods.

2-4-1 Going Concern

The interim condensed financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its mandatory repayment terms for trade payables and Islamic financing as set out in the relevant notes.

For the period ended 30 June 2026, the Company incurred a net loss of SR 6,886,916 (June 30, 2025: SR 2,557,525). In addition, current liabilities included Islamic financing amounting to SR 32,996,780, and the Company believes it will not encounter any difficulty in renewing or obtaining loans.

These results are mainly attributable to operational challenges faced by the Company, including the impact of rising costs and lower profit margins due to competition, which materially affected operating results.

Management has expanded the customer base and enhanced distribution channels, in addition to improving product quality, increasing market competitiveness, and implementing a future business plan aimed at improving financial and operating performance during upcoming periods. Management assessed the going concern assumption based on its projected future cash flow forecasts, which demonstrated the Company's ability to generate positive cash flows in future periods according to the prepared study. These forecasts rely on key assumptions including revenue growth, improved profit margins, working capital management, and the refinancing or settlement of existing obligations.

The company aims to enhance operational efficiency, increase production capacity, and improve product quality, thereby supporting the Company's ability to generate positive cash flows in the future and strengthening its going concern capability. Furthermore, management believes that the improvement in operational performance in subsequent periods, alongside the outlined plans, will support the Company's ability to generate sufficient cash flows to meet its obligations.

2-5 New and Revised Standards, Interpretations and Effective Amendments during the Period:

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim condensed financial statements of the Company other than presentation and disclosures, except as stated otherwise.

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

Annual Improvements to IFRS Accounting Standards

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'

NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

2- BASIS OF PREPARATION (CONTINUED)

2-5 New and Revised Standards, Interpretations and Effective Amendments during the Period (Continued)

Amendments to IFRS 7 and IFRS 9 regarding power purchase arrangements

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.

New and revised standards, interpretations and amendments issued but not yet effective:

The following new and revised standards, interpretations and amendments are effective for periods beginning on or after 1 January 2027 and earlier application is permitted; however, the Company has not early adopted them in preparing these interim condensed financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS (18) "Presentation and Disclosure in Financial Statements" will replace IAS (1) "Presentation of Financial Statements" and is effective for annual reporting periods beginning on or after 1 January 2027. The Company has not early adopted this standard in the preparation of these interim condensed financial statements, although early adoption is permitted.

The Company is currently assessing the expected impact of the initial application of IFRS (18) on its financial statements. Based on the preliminary assessment and procedures performed up to the date of preparing these interim condensed financial statements, the Company does not expect the application of the standard to have an impact on net profit or loss or total equity, but it is expected to primarily affect the presentation and classification of certain items in the primary financial statements and the related disclosures. This assessment remains preliminary and may be subject to change as the implementation of the standard is completed prior to the mandatory application date.

A- The structure of the statement of profit or loss

IFRS 18 requires entities to classify income and expenses into operating, investing, financing, Zakat and income tax, and discontinued operations categories. The classification of income and expenses depends on the entity's main business activities.

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

The application of the standard will not change the net profit or loss or net assets, but it will require the Company to present new mandatory sub-totals, including "Operating profit" and "Profit or loss before financing and income taxes", which may differ in their components from the sub-totals currently presented.

Based on currently available information, the Company expects the following main changes to the current structure of the statement of profit or loss to arise:

- The share of results of associates is expected to be classified within the investing category.
- Gains or losses resulting from financial assets at fair value through profit or loss (FVTPL) and Murabaha investments are expected to be classified within the investing category, in accordance with the requirements of the standard and the nature of these items.
- Financing costs, including financing costs related to lease liabilities and the financing cost of employee defined benefit liabilities, will continue to be classified within the financing category, and the Company does not expect a material change in their classification.
- The Company continues to assess the appropriate classification of certain other revenue items according to their economic nature and the requirements of the standard.

B- Management-Defined Performance Measures

Management-defined performance measures represent sub-totals of income and expenses used in public communications outside the financial statements, reflecting management's view of an aspect of the entity's financial performance as a whole. The Company will be required to disclose specific information relating to management-defined performance measures within a single note in the financial statements.

The Company is currently working to identify the public communications that should be taken into account when determining management-defined performance measures. These measures relate to the same reporting period covered by the financial statements. Accordingly, the management-defined performance measures that the Company will disclose after the application of IFRS 18 will be determined based on public communications issued by the Company relating to the interim reporting period of 2027.

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(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

2- BASIS OF PREPARATION (CONTINUED)

2-5 New and Revised Standards, Interpretations and Effective Amendments during the Period (Continued)

C- Principles of Aggregation and Disaggregation

IFRS 18 provides enhanced principles on how to aggregate information in the financial statements (i.e., primary financial statements and notes). It also provides guidance on the labeling and description of items presented in the primary financial statements or disclosed in the notes.

The Company is currently evaluating the aggregation of items on the basis of shared and dissimilar characteristics. Based on this evaluation, the Company will present items in the primary financial statements that provide structured and useful summaries and will disclose additional material information in the notes.

The Company is also evaluating items currently classified under the heading "other", and will use clearer descriptions.

D- Consequential Amendments

IFRS 18 introduced consequential amendments to IAS 7, which require entities to use the new operating profit sub-total as the starting point for preparing the statement of cash flows when presenting cash flows from operating activities using the indirect method. The Company currently uses profit for the year/period as the starting point for reconciliation to cash flows generated from operating activities. As a result of the new starting point, certain reconciliation items included within this reconciliation will change.

The consequential amendments also provide specific guidance on the classification of cash flows relating to interest and dividends. According to this guidance, the Company will classify cash flows resulting from interest paid within financing activities instead of operating activities. As for cash flows resulting from interest received, dividends received, and dividends paid, they will continue to be classified within investing activities and financing activities, respectively.

3- MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the following amended policies:

3-1 Property, Plant and Equipment:

Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, which is initially recognized at cost and subsequently measured using the revaluation model. As at 1 January 2026, the Company changed its accounting policy to the revaluation model for measuring land, while continuing to apply the cost model for measuring other items of property, plant and equipment. The Company appointed two independent valuers licensed by the Saudi Authority for Accredited Valuers ("Taqeem") to value the land when preparing the interim condensed financial statements for the first quarter of 2026, with subsequent revaluations to be conducted annually in line with the requirements of the Capital Market Authority, and selected the lower of the two valuations. The change from the cost model to the revaluation model in recording land is treated as a change in accounting policy. However, effect of change in accounting policy has been accounted prospectively, as per IAS 16. Any resulting differences are recognized in other comprehensive income within the statement of profit or loss and other comprehensive income on the revaluation date (i.e., at the end of March 2026) and accumulated within equity under the revaluation surplus, with no impact on opening balances in accordance with International Accounting Standard (16).

Cost includes expenditures directly attributable to the acquisition of the asset. For self-constructed assets, the cost of the asset includes the cost of materials, direct labor, and any other direct costs incurred to bring the asset to the working condition and location for its intended use. The major or significant components of an item of property, plant and equipment that have different useful lives are accounted for as separate items (major components) within property, plant and equipment. Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the disposed item, and are recognized net within the statement of profit or loss and other comprehensive income in the period in which the disposal occurs. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Depreciation is a systematic allocation of the depreciable amount of an item of property, plant and equipment (cost of the asset less its residual value) over its useful life. Depreciation is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their estimated useful lives.

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)**3-1 Property, Plant and Equipment: Recognition and Measurement (continued)**

The estimated useful lives of items of property, plant and equipment are as follows:

Item	Useful life	Item	Useful life
Buildings	3% - 5%	Roads	10%
Machinery and equipment - Gypsum segment	Units of production method	Machinery and equipment - Gypsum Walls sector	3.3%
Machinery and equipment - Supplementary	3% - 25%	Water extensions	10%
Electricity extensions	7% - 10%	Vehicles	5% - 25%
Tools	5% - 25%	Furniture and fixtures	1% - 20%

The Company reviews depreciation methods, useful lives, and residual values of property, plant and equipment at the end of each financial year, and any differences are accounted for as changes in accounting estimates (in the year of the change and subsequent years).

3-2 Investment Property

Investment property is property held to earn rentals and/or for capital appreciation. Rental income and operating expenses from investment properties are recognized within revenues and cost of revenue. Investment properties are initially recognized at cost. Transaction costs are included in the initial measurement. Cost comprises costs incurred initially and costs incurred subsequently to add to, replace part of, or service a property. If the replacement cost is recognized in the carrying amount of an investment property item, the carrying amount of the replaced part is derecognized. Any gain or loss on disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss. As at 1 January 2026, the Company changed its accounting policy to the fair value model for measuring investment properties and appointed two independent valuers licensed by the Saudi Authority for Accredited Valuers ("Taqeem") to value the investment properties when preparing the interim condensed financial statements for the first quarter of 2026, with subsequent revaluations to be conducted at each reporting date in line with the requirements of the Capital Market Authority. The change in accounting policy has been accounted for retrospectively, consequently, the comparative included in these interim condensed financial statements have been restated to conform to the changed policy (Note 20).

4- PROPERTY, PLANT AND EQUIPMENT

	30 June 2026 (unaudited)	31 December 2025 (Audited) Restated (Note 20)	1 January 2025 (Audited) Restated (Note 20)
Property, plant and equipment (4- 1)	472,709,965	244,349,505	174,331,096
Strategic spare parts (4-2)	10,973,735	11,410,487	13,931,542
Capital work-in-progress	-	-	55,993,577
	483,683,700	255,759,992	244,256,215

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4- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

4-1 Property, Plant and Equipment

	<u>Lands **</u>	<u>Buildings *</u>	<u>Roads</u>	<u>Machinery and equipment</u>	<u>Water extensions</u>	<u>Electricity extensions</u>	<u>Vehicles</u>	<u>Tools</u>	<u>Furniture and fixtures</u>	<u>Total</u>
Cost:										
Balance as of 1 January 2025	22,211,718	124,823,066	14,150,239	490,504,782	3,056,929	8,346,011	14,927,508	1,397,058	10,544,626	689,961,937
Transferred to investment property (Note 20)	(1,116,018)	(4,541,507)	-	-	-	-	-	-	-	(5,657,525)
Balance as at 1 January 2025 (Restated note 20)	21,095,700	120,281,559	14,150,239	490,504,782	3,056,929	8,346,011	14,927,508	1,397,058	10,544,626	684,304,412
Additions during the year	174,934	77,190	-	2,619,235	-	-	426,000	1,217	95,272	3,393,848
Transferred from projects under construction	-	26,249,134	-	96,319,289	-	-	-	-	-	122,568,423
Balance as at 31 December 2025 (Restated note 20)	21,270,634	146,607,883	14,150,239	589,443,306	3,056,929	8,346,011	15,353,508	1,398,275	10,639,898	810,266,683
Additions during the period	-	33,957	-	380,984	-	-	-	-	70,447	485,388
Land revaluation gain	233,310,359	-	-	-	-	-	-	-	-	233,310,359
Balance as at 30 June 2026	254,580,993	146,641,840	14,150,239	589,824,290	3,056,929	8,346,011	15,353,508	1,398,275	10,710,345	1,044,062,430
Accumulated depreciation:										
Balance as of 1 January 2025	-	112,212,044	10,260,630	356,842,815	2,691,530	7,735,910	13,859,943	1,363,877	9,548,073	514,514,822
Transferred to investment property	-	(4,541,506)	-	-	-	-	-	-	-	(4,541,506)
Balance as at 1 January 2025 (Restated note 20)	-	107,670,538	10,260,630	356,842,815	2,691,530	7,735,910	13,859,943	1,363,877	9,548,073	509,973,316
Charge for the year	-	2,076,255	986,215	5,445,858	56,341	168,184	183,220	7,536	330,964	9,254,573
Impairment loss	-	7,196,000	-	39,493,289	-	-	-	-	-	46,689,289
Balance as at 31 December 2025 (Restated note 20)	-	116,942,793	11,246,845	401,781,962	2,747,871	7,904,094	14,043,163	1,371,413	9,879,037	565,917,178
Charge for the period	-	1,102,230	499,469	3,558,941	28,216	84,092	86,703	13,277	62,359	5,435,287
Balance as at 30 June 2026	-	118,045,023	11,746,314	405,340,903	2,776,087	7,988,186	14,129,866	1,384,690	9,941,396	571,352,465
Net Book Value:										
As at 30 June 2026	254,580,993	28,596,817	2,403,925	184,483,387	280,842	357,825	1,223,642	13,585	768,949	472,709,965
As at 31 December 2025 (restated- Note 20)	21,270,634	29,665,090	2,903,394	187,661,344	309,058	441,917	1,310,345	26,862	760,861	244,349,505

Property, plant and equipment include machinery with a net carrying amount of ﷲ 1,053,680 as at 30 June 2026 (31 December 2025: ﷲ 1,053,680). The Company did not recognize depreciation on this machinery during the period, as its estimated residual value of ﷲ 1,440,000 exceeds its net carrying amount.

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4- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**4-1 Property, plant and equipment (continued)**

* The land on which one of the Company's factories in Yanbu is built is leased from the Royal Commission for Jubail and Yanbu (Ministry of Energy) for a 10-year term starting from 2020. The annual rent amounts to ﷲ 287,888 and is accounted for under right-of-use assets and lease liabilities. Other buildings are constructed on land owned by the Company.

** The land item includes land valued at ﷲ 51,720,800 pledged as collateral against Islamic financing obtained from a local bank as at 30 June 2026.

Change in accounting policy

The Company changed its accounting policy from the cost model to the revaluation model for measuring land at fair value while continuing to apply the cost model for measuring other items of property, plant and equipment. The change in accounting policy is accounted for prospectively hence resulting differences were recognized in other comprehensive income within the statement of profit or loss and other comprehensive income on the date of change in accounting policy (i.e., at the end of March 2026) and accumulated within equity under the revaluation reserve, with no impact on opening balances in accordance with International Accounting Standard (16). The revaluation resulted in revaluation gain of ﷲ 233,310,359.

Movement in Impairment Loss on Property, Plant and Equipment is as follows:

	30 June 2026 (unaudited)	31 December 2025 (audited)
Balance at the beginning of the period / year	46,689,289	-
Impairment loss for the period / year *	-	20,467,623
Impairment loss transferred from Projects Under Construction	-	26,221,666
Balance as at the end of the period / year	46,689,289	46,689,289

* The management identified impairment indicators relating to capital projects in progress and recognized an impairment loss of ﷲ 26,221,666 as at 31 December 2025.

During 2025, the management performed a detailed impairment assessment of the property, plant and equipment of CGUs subject to impairment testing and determined the recoverable amount based on Fair Value Less Cost of Disposal (FVLCD) using the Depreciated Replacement Cost (DRC) method. As a result of such assessment, as at 31 December 2025, the recoverable amount of the property, plant and equipment of the CGUs subject to impairment was assessed to be lower than their respective carrying amounts, and a further impairment loss of ﷲ 20,467,623 relating to property, plant and equipment was recognized during the year ended 31 December 2025.

As of the reporting date, management did not perform an independent assessment of the impairment test for property, plant, and equipment across the relevant Cash-Generating Units (CGUs). Management has maintained that the existing impairment provision of ﷲ 46,689,289 as of 30 June 2026 is adequate.

4-2 Strategic Spare Parts

	30 June 2026 (unaudited)	31 December 2025 (audited)	1 January 2025 (audited)
Cost:			
Balance at the beginning of the period / year	15,098,521	16,860,840	17,063,921
Additions during the period / year	102,072	310,495	-
Utilized during the period / year	(199,744)	-	(203,081)
Impairment loss during the period / year	-	(2,072,814)	-
Balance at the end of the period / year	15,000,849	15,098,521	16,860,840
Accumulated depreciation:			
Balance at the beginning of the period / year	3,688,034	2,929,298	2,246,739
Charge for the period / year	339,080	758,736	682,559
Balance as at the end of the period / year	4,027,114	3,688,034	2,929,298
Net book value at the end of the period / year	10,973,735	11,410,487	13,931,542

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5- INVESTMENT IN ASSOCIATE AT EQUITY METHOD

The Company holds a 33.37% share as at 30 June 2026 (31 December 2025: 33.37%) in the Qatari Saudi Gypsum Industries Company, a limited liability company registered in the State of Qatar. The Company's share in the associate is accounted for using the equity method because the Company exercises significant influence over the associate.

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

	30 June 2026	31 December 2025
	(unaudited)	(audited)
Balance at the beginning of the period / year	32,904,642	33,321,921
Share of profit during the period / year	556,318	656,767
Dividends during the period / year	(2,062,125)	(2,062,121)
Share of other comprehensive income during the period / year	(610,973)	988,075
Balance as at the end of the period / year	30,787,862	32,904,642

6- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Name of Investee Company	Number of Shares as at 30 June 2026	Number of Shares as at 31 December 2025	30 June 2026	31 December 2025
			(unaudited)	(audited)
Saudi Arabian Oil Company (Aramco)	363,000	363,000	9,481,560	8,650,290
Saudi Kayan Petrochemical Company	500,000	500,000	2,600,000	2,365,000
Methanol Chemicals Company	249,770	249,770	2,215,460	1,845,800
Tabuk Cement Company	77,142	77,142	607,878	700,449
National Building and Marketing Co.	100	100	4,450	7,300
			14,909,348	13,568,839

The movement on investments during the period / year was as follows:

	30 June 2026	31 December 2025
	(unaudited)	(audited)
Balance at the beginning of the period / year	13,568,839	19,325,741
Gains / (losses) from change in fair value during the period / year	1,340,509	(5,756,902)
Balance at the end of the period / year	14,909,348	13,568,839

Dividends from investments in equity instruments at fair value through other comprehensive income for the period ended 30 June 2026 amounted to ﷲ 246,332 (30 June 2025: ﷲ 259,737).

7- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026	31 December 2025
	(unaudited)	(audited)
Balance at the beginning of the period / year	23,511,581	26,887,389
(Recoveries) during the period / year	(1,666,667)	(3,333,337)
(Losses) from change in fair value during the period / year	(9,265)	(42,471)
Balance at the end of the period / year	21,835,649	23,511,581
Non-current Portion	1,760,171	3,440,779
Current Portion	20,075,478	20,070,802
	21,835,649	23,511,581

Financial assets at fair value through profit or loss represent investments in funds managed by Riyadh Capital.

Dividends from investments in financial assets at fair value through profit or loss for the period ended 30 June 2026 amounted to ﷲ 793,448 (30 June 2025: ﷲ 883,085).

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8- INVESTMENT PROPERTY

	Lands	Buildings	Total
Cost:			
Net book value	-	1	1
Transferred from property, plant and equipment (Note 4)	1,116,018	-	1,116,018
Gains resulting from revaluation	9,745,808	702,264	10,448,072
Net book value as at 1 January 2025 (Restated- Note 20)	10,861,826	702,265	11,564,091
Gains / (losses) resulting from revaluation	3,168,817	(117,044)	3,051,773
Net book value as at 31 December 2025 (Restated - Note 20)	14,030,643	585,221	14,615,864
(Losses) resulting from revaluation	(1,507,763)	-	(1,507,763)
As at 30 June 2026	12,522,880	585,221	13,108,101

The following amounts relating to investment properties were recognized in profit or loss:

	30 June 2026	30 June 2025
Rental income from investment property	365,185	216,438

Investment properties primarily consist of a number of commercial properties in Al-Olaya Building that are leased to third parties. The fair value of investment properties as at 30 June 2026 amounted to ﷲ 13,108,101 (31 December 2025: ﷲ 14,615,864).

9- RIGHT OF USE ASSETS AND LEASE LIABILITY**9-1 Right of use assets**

	30 June 2026	31 December 2025	1 January 2025
	(unaudited)	Restated Note (20)	Restated Note (20)
		(audited)	(audited)
Cost:			
Balance at the beginning of the period / year	8,868,134	8,868,134	8,868,134
Balance at the end of the period / year	8,868,134	8,868,134	8,868,134
Accumulated Depreciation:			
Balance at the beginning of the period / year	3,122,907	2,527,426	1,931,942
Charged during the period / year	297,740	595,481	595,484
Balance at the end of the period / year	3,420,647	3,122,907	2,527,426
Right of Use Assets (Net)	5,447,487	5,745,227	6,340,708

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9- RIGHT OF USE ASSETS AND LEASE LIABILITY (CONTINUED)**9-2 Lease liability**

	30 June 2026	31 December 2025	1 January 2025
	(unaudited)	Restated Note (20) (audited)	Restated Note (20) (audited)
Balance at the beginning of the period / year	5,869,686	6,333,060	6,782,223
Interest charged for the period / year	86,432	184,514	198,725
Paid during the period / year	(287,886)	(647,888)	(647,888)
Balance at the end of the period / year	5,668,232	5,869,686	6,333,060
Lease liabilities - non-current portion	5,152,530	5,391,206	5,869,686
Lease liabilities - current portion	515,702	478,480	463,374
Balance at the end of the period / year	5,668,232	5,869,686	6,333,060

10- TRADE RECEIVABLES

	30 June 2026	31 December 2025	1 January 2025
	(unaudited)	Restated Note (20) (audited)	Restated Note (20) (audited)
Trade receivables	22,599,254	23,584,570	26,322,528
Provision for expected credit losses (Note 10-1)	(11,445,147)	(13,624,996)	(15,789,287)
Balance at the end of the period / year	11,154,107	9,959,574	10,533,241

10-1 The movement on the provision for expected credit losses during the period / year is as follows:

	30 June 2026	31 December 2025	1 January 2025
	(unaudited)	Restated Note (20) (audited)	Restated Note (20) (audited)
Balance at the beginning of the period / year	13,624,996	15,789,287	14,538,797
Provided during the period / year	-	2,978,306	1,250,490
Reversal during the period / year	(2,179,849)	-	-
Written off during the period	-	(5,142,597)	-
Balance at the end of the period / year	11,445,147	13,624,996	15,789,287

11- PREPAID EXPENSES AND OTHER DEBIT BALANCES

	30 June 2026	31 December 2025
	(unaudited)	(audited)
Advances to suppliers and contractors	6,769,851	5,487,624
Margins on letters of guarantee	2,385,000	2,385,000
Prepaid expenses	2,492,882	1,741,546
Employees' receivables and advances	895,265	823,444
Accrued income	-	1,564,091
	12,542,998	12,001,705
Provision for prepaid expenses and other debit balance	(821,169)	(821,169)
	11,721,829	11,180,536

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12- STATUTORY RESERVE

On 24 February 2026, the Extraordinary General Assembly of National Gypsum Company approved the transfer of the entire balance of the statutory reserve to offset the Company's accumulated losses.

13- RELATED PARTY TRANSACTIONS

A. Transactions with related parties mainly represent salaries, allowances, and remunerations for senior executives' staff. Senior management personnel are persons who have the power and authority to plan, direct, and control the activities of the Company, directly or indirectly, including members of the Board of Directors and shareholders (whether executive or otherwise).

Below is a statement of the total amounts included in the statement of profit or loss during the period:

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salaries and bonus for senior management staff	107,500	187,500	375,000	452,500
Company's committee attendance allowances	12,000	48,000	45,000	144,000
Board of directors' meeting attendance allowances	45,000	-	45,000	150,000

B. During the six-month periods ended June 30, 2026 and June 30, 2025, the Company entered into transactions with related parties. The following balances arising from these transactions remained outstanding as of the date of preparation of these condensed interim financial statements:

Due from related party

	Nature	30 June 2026	31 December 2025
		(Unaudited)	(audited)
Qatari Saudi Gypsum Industries Company	Associate	2,226,082	-
		<u>2,226,082</u>	<u>-</u>

C. The following are the significant transactions with related parties during the six-month periods ended June 30:

Related Party	Nature	Transaction Type	2026	2025
Qatari Saudi Gypsum Industries Company	Associate	Sales	993,957	-
		Collections	(830,000)	-
		Dividends	2,062,125	-

14- ISLAMIC FINANCING

	30 June 2026	31 December 2025
	(unaudited)	(audited)
Balance at the beginning of the period / year	31,784,245	31,500,000
Adjustment to the present value of the loan	-	(108,825)
Interest charged during the period / year	1,212,535	2,153,652
Paid during the period / year	-	(1,760,582)
	<u>32,996,780</u>	<u>31,784,245</u>

Financing from local banks: During the year 2025, the Company obtained short-term Islamic facilities (Sharia-compliant Islamic Murabaha) from Riyadh Bank amounting to ﷲ 31,500,000 to finance projects, working capital, and enhance liquidity. The Company has fully utilized the total Islamic banking facilities granted by the banks.

These facilities are subject to commission based on interbank offered rates in Saudi Arabia (Saibor) plus an agreed-upon margin.

These facilities are secured by land valued at ﷲ 51,720,800 pledged in favor of the bank as disclosed in (Note 4-1).

During 2025, the Company rescheduled the Islamic facilities so that the final installment is due on 23 August 2026.

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15- ZAKAT PROVISION

The movement in the Zakat provision was as follows:

	30 June 2026	31 December 2025
	(unaudited)	(audited)
Balance at the beginning of the period / year	106,156	924,840
Provision for the period / year	53,078	106,156
Adjustments for prior years	106,833	-
Paid during the period / year	(212,989)	(924,840)
Balance at the end of the period / year	53,078	106,156

Zakat Status: - The Company submitted its return for the year ended 31 December 2025, and no remarks regarding those assessments have been received up to the date of issuing the interim condensed financial statements. - The Company registered for Value Added Tax in the Kingdom of Saudi Arabia in compliance with the regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia, and submitted all its returns for the period ended 30 June 2026.

16- LOSS PER SHARE

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net loss for the period	(4,033,496)	(3,001,503)	(6,886,916)	(2,557,525)
Weighted average number of shares	31,666,667	31,666,667	31,666,667	31,666,667
Basic and diluted loss per share	(0.13)	(0.09)	(0.22)	(0.08)

17- SEGMENTAL INFORMATION

The following table presents revenue and profit / (loss) information for operating segments for the six-month period ended 30 June 2026 (unaudited):

30 June 2026	Riyadh	Yanbu	Dammam	Total
Net revenue	29,245,072	3,285,933	10,550,974	43,081,979
Gross profit / (loss)	1,202,438	(1,735,925)	(2,061,291)	(2,594,778)
Net (loss) before Zakat	(1,664,277)	(2,499,262)	(2,563,466)	(6,727,005)
Property, plant and equipment	270,481,701	36,907,586	176,294,413	483,683,700
30 June 2025	Riyadh	Yanbu	Dammam	Total
Net revenue	20,383,300	1,660,619	10,882,569	32,926,488
Gross profit	9,575,641	(3,144,444)	(2,205,073)	4,226,124
Net profit / (loss) before Zakat	2,191,950	(2,737,464)	(1,578,995)	(2,124,509)
Property, plant and equipment	74,316,174	33,111,752	149,190,615	256,618,541

18- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 June 2026, the Company has contingent liabilities represented by bank letters of guarantee issued to third parties amounting to ﷲ 1.7 million (31 December 2025: ﷲ 1.7 million). The Company also has capital commitments amounting to ﷲ 12.6 million (31 December 2025: ﷲ 13 million).

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19- FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It excludes fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2026 (Unaudited)	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income	14,909,348	14,909,348	-	-	14,909,348
Financial assets at fair value through profit or loss	21,835,649	-	21,835,649	-	21,835,649
	<u>36,744,997</u>	<u>14,909,349</u>	<u>21,835,649</u>	<u>-</u>	<u>36,744,997</u>

31 December 2025 (Audited)	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income	13,568,839	13,568,839	-	-	13,568,839
Financial assets at fair value through profit or loss	23,511,581	-	23,511,581	-	23,511,581
	<u>37,080,420</u>	<u>13,568,839</u>	<u>23,511,581</u>	<u>-</u>	<u>37,080,420</u>

20- RESTATEMENT OF COMPARATIVE FIGURES

During the period ended 31 March 2026, the Company amended its accounting policies relating to the measurement of certain asset classes in accordance with the Board of Directors' resolution dated 30 December 2025. Management decided to apply the following:

20-1 Change in Accounting Policy:

As at 1 January 2026, the Company changed its accounting policy to the fair value model for measuring investment properties and appointed two independent valuers licensed by the Saudi Authority for Accredited Valuers ("Taqeem") to value the investment properties when preparing the interim condensed financial statements for the first quarter of 2026, with subsequent revaluations to be conducted at each reporting date in line with the requirements of the Capital Market Authority. The change in accounting policy has been accounted for retrospectively resulting in gains of ﷲ 13,499,845 as at 31 December 2025 and ﷲ 10,448,072 as at 1 January 2025., consequently, the comparative included in these interim condensed financial statements have been restated to conform to the changed policy.

20-2 Correction of prior period errors:**1- Impact on Financial Position Items as at 1 January 2025, and 31 December 2025:**

- During prior years, the Company recognized an expected credit loss (ECL) provision for trade receivables. However, because certain relevant information and assumptions were not taken into consideration when determining expected loss rates, the provision was not calculated accurately. Consequently, the Company corrected the ECL provision calculation, which resulted in an increase in the expected credit loss provision and an increase in accumulated losses by ﷲ 1,250,490 as of 1 January 2025. As at 31 December 2025, this resulted in an increase in the expected credit loss provision and an increase in accumulated losses by ﷲ 4,224,996.
- During prior years, the Company accounted for lease contracts; however, due to differences in the calculation of right-of-use assets, lease liabilities, and related expenses, the Company corrected the lease accounting. As at 1 January 2025, this adjustment resulted in an increase in right-of-use assets by ﷲ 447,207 and an increase in lease liabilities by ﷲ 778,045, leading to an increase in accumulated losses by ﷲ 330,838. As at 31 December 2025, the recalculation resulted in an increase in right-of-use assets by ﷲ 395,258 and an increase in lease liabilities by ﷲ 873,545, with accumulated losses adjusted by the net impact of these modifications.

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20- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)**20-2 Correction of prior period errors: (Continued)**

- During the current period, management reclassified certain financial assets at fair value through profit or loss previously presented under non-current assets to current assets amounting to ﷲ 20,070,802 as at 31 December 2025, in order to align with their maturity within one year from the date of the financial position. This reclassification has no impact on prior periods' net income or equity, as it is strictly a reclassification between financial statement line items to ensure fair presentation.
- During the current period, management reclassified certain land previously included in property, plant and equipment to investment property, amounting to ﷲ 1,116,018 as at 31 December 2025 (1 January 2025: ﷲ 1,116,019).

2- Impact on Statement of Profit or Loss Items for the Period Ended 30 June 2025:

- The Company corrected the calculation of the expected credit loss provision for the period ended 30 June 2025, which resulted in an increase in the expected credit loss expense by ﷲ 3,628,740 for the three-month period ended 30 June 2025 and ﷲ 4,533,658 for the six-month period ended 30 June 2025 compared to the amount previously recorded by the Company, with the impact arising from the recalculation recognized within the statement of profit or loss for the period ended on that date.
- The Company recalculated lease contracts in accordance with the requirements of IFRS 16 "Leases." For the three-month period ended 30 June 2025, this resulted in an adjustment of ﷲ 12,987 to right-of-use asset depreciation expense and a net adjustment of ﷲ 46,534 to finance costs. For the six-month period ended 30 June 2025, right-of-use asset depreciation expense was adjusted by SAR 25,974, finance costs by a net SAR 5,136, in addition to an increase in prepaid expenses by ﷲ 360,000, and the related items and balances were adjusted accordingly.

3- Impact on Statement of Profit or Loss Items for the Period Ended 31 March 2026:

- The Company corrected the calculation of the expected credit loss provision for the period ended 31 March 2026, which resulted in an increase in the expected credit loss provision by ﷲ 939,617 compared to the amount previously recorded by the Company, with the impact arising from the recalculation recognized within the statement of profit or loss for the period ended on that date.
- The Company recalculated lease contracts in accordance with the requirements of IFRS 16 "Leases." For the period ended 31 March 2026, this resulted in an adjustment to the amortization expense of right-of-use assets by ﷲ 12,992, an adjustment to finance costs by a net amount of ﷲ 61,162, and the related items and balances were adjusted accordingly.

4- Impact of adjustments and prior period error corrections on total equity:

	<u>31 December 2025</u>	<u>1 January 2025</u>
Total accumulated losses as previously disclosed	(97,609,138)	(66,807,349)
Impact of remeasuring investment properties at fair value	13,499,845	10,448,072
Impact of correcting expected credit loss provision	(4,224,996)	(1,250,490)
Impact of correcting lease contracts	(478,287)	(330,838)
Total accumulated losses restated	<u>(88,812,576)</u>	<u>(57,940,605)</u>

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20- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

The effect of the aforementioned amendment on the statement of financial position as at 31 December 2025:

	Note	31 December 2025 (as previously presented)	Change in accounting policy	Correction of prior period errors	31 December 2025 (Restated)
Assets					
Non-Current Assets					
Property, plant and equipment	20-2	256,876,010	-	(1,116,018)	255,759,992
Investments in associates at equity method		32,904,642	-	-	32,904,642
Financial assets at fair value through other comprehensive income		13,568,839	-	-	13,568,839
Financial assets at fair value through profit or loss	20-2	23,511,581	-	(20,070,802)	3,440,779
Investment property	20-1 ,20-2	1	13,499,845	1,116,018	14,615,864
Right-of-use assets	20-2	5,349,969	-	395,258	5,745,227
Total non-current assets		332,211,042	13,499,845	(19,675,544)	326,035,343
Current Assets					
Inventory		14,235,260	-	-	14,235,260
Financial assets at fair value through profit or loss	20-2	-	-	20,070,802	20,070,802
Trade receivables	20-2	14,184,570	-	(4,224,996)	9,959,574
Prepaid expenses and other debit balances		11,180,536	-	-	11,180,536
Cash and cash equivalents		2,102,287	-	-	2,102,287
Total current assets		41,702,653	-	15,845,806	57,548,459
Total assets		373,913,695	13,499,845	(3,829,738)	383,583,802
Equity and liabilities					
Equity					
Share Capital		316,666,667	-	-	316,666,667
Statutory reserve		95,000,001	-	-	95,000,001
Fair value reserve for investments at fair value through other comprehensive income		(2,610,047)	-	-	(2,610,047)
Reserve for remeasurement of employees' defined benefit obligations		89,199	-	-	89,199
Accumulated losses		(97,609,138)	13,499,845	(4,703,283)	(88,812,576)
Total equity		311,536,682	13,499,845	(4,703,283)	320,333,244
Non-current liabilities					
Lease liabilities - non-current portion	20-2	4,453,546	-	937,660	5,391,206
Employees' benefits obligations		5,429,935	-	-	5,429,935
Total non-current liabilities		9,883,481	-	937,660	10,821,141
Current liabilities					
Trade Payables		11,960,053	-	-	11,960,053
Islamic loan		31,784,245	-	-	31,784,245
Accrued expenses and other credit balances		8,100,483	-	-	8,100,483
Lease liabilities— current portion	20-2	542,595	-	(64,115)	478,480
Zakat provision		106,156	-	-	106,156
Total current liabilities		52,493,532	-	(64,115)	52,429,417
Total liabilities		62,377,013	-	873,545	63,250,558
Total equity and liabilities		373,913,695	13,499,845	(3,829,738)	383,583,802

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20- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

The effect of the aforementioned amendment on the statement of financial position as at 1 January 2025:

	Note	1 January 2025 (as previously presented)	Change in accounting policy	Correction of prior period errors	1 January 2025 (Restated)
Assets					
Non-Current Assets					
Property, plant and equipment	20-2	245,372,234	-	(1,116,019)	244,256,215
Investments in associates at equity method		33,321,921	-	-	33,321,921
Financial assets at fair value through other comprehensive income		19,325,741	-	-	19,325,741
Financial assets at fair value through profit or loss		26,887,389	-	-	26,887,389
Investment property	20-1 ,20-2	-	10,448,072	1,116,019	11,564,091
Right-of-use assets	20-2	5,893,501	-	447,207	6,340,708
Total non-current assets		330,800,786	10,448,072	447,207	341,696,065
Current Assets					
Inventory		17,618,139	-	-	17,618,139
Trade receivables	20-2	11,783,731	-	(1,250,490)	10,533,241
Prepaid expenses and other debit balances		11,506,408	-	-	11,506,408
Cash and cash equivalents		3,622,917	-	-	3,622,917
Total current assets		44,531,195	-	(1,250,490)	43,280,705
Total assets		375,331,981	10,448,072	(803,283)	384,976,770
Equity and liabilities					
Equity					
Share Capital		316,666,667	-	-	316,666,667
Statutory reserve		95,000,001	-	-	95,000,001
Fair value reserve for investments at fair value through other comprehensive income		2,158,780	-	-	2,158,780
Reserve for remeasurement of employees' defined benefit obligations		4,985	-	-	4,985
Accumulated losses	20-2	(66,807,349)	10,448,072	(1,581,328)	(57,940,605)
Total equity		347,023,084	10,448,072	(1,581,328)	355,889,828
Non-current liabilities					
Lease liabilities - non-current portion	20-2	4,962,106	-	907,580	5,869,686
Employees' benefits obligations		4,843,586	-	-	4,843,586
Total non-current liabilities		9,805,692	-	907,580	10,713,272
Current liabilities					
Trade Payables		8,669,918	-	-	8,669,918
Accrued expenses and other credit balances		8,315,538	-	-	8,315,538
Lease liabilities— current portion	20-2	592,909	-	(129,535)	463,374
Zakat provision		924,840	-	-	924,840
Total current liabilities		18,503,205	-	(129,535)	18,373,670
Total liabilities		28,308,897	-	778,045	29,086,942
Total equity and liabilities		375,331,981	10,448,072	(803,283)	384,976,770

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20- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

Impact of restatements on the interim condensed statement of profit or loss for the three-month period ended 30 June 2025:

		For the six-month period ended			
	Note	30 June 2025 (As previously presented) (unaudited)	Change in accounting policy	Correction of prior period errors	30 June 2025 (Restated) (unaudited)
Revenues		16,173,303	-	-	16,173,303
Cost of revenue	20-2	(15,193,855)	-	(12,987)	(15,206,842)
Gross profit		979,448	-	(12,987)	966,461
Selling and marketing expenses		(836,424)	-	-	(836,424)
General and administrative expenses		(1,681,169)	-	-	(1,681,169)
Operating loss		(1,538,145)	-	(12,987)	(1,551,132)
Share of profit of investment in an associate		(38,350)	-	-	(38,350)
Gain on remeasurement of investments in financial assets at fair value through profit or loss		22,076	-	-	22,076
Dividends income from investments		573,749	-	-	573,749
Finance cost	20-2	(102,300)	-	(46,534)	(148,834)
Expected credit losses	20-2	1,014,199	-	(3,628,740)	(2,614,541)
Profit from the revaluation of investment properties	20-1	-	296,782	-	296,782
Other income		660,553	-	-	660,553
Profit / (Loss) for the period before Zakat		591,782	296,782	(3,688,261)	(2,799,697)
Zakat		(201,806)	-	-	(201,806)
Net profit / (loss) for the period		389,976	296,782	(3,688,261)	(3,001,503)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Share in other comprehensive income of investments in associate companies		239,619	-	-	239,619
Unrealized (losses) of equity investments at fair value through other comprehensive income		(1,768,723)	-	-	(1,768,723)
Other comprehensive loss for the period		(1,529,104)	-	-	(1,529,104)
Total comprehensive loss for the period		(1,139,128)	296,782	(3,688,261)	(4,530,607)
Basic and diluted (¢)		0.03	-	(0.12)	(0.09)

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20- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

Impact of restatements on the interim condensed statement of profit or loss for the six-month period ended 30 June 2025:

	Note	For the six-month period ended			30 June 2025 (Restated) (unaudited)
		30 June 2025 (As previously presented) (unaudited)	Change in accounting policy	Correction of prior period errors	
Revenues		32,926,488	-	-	32,926,488
Cost of revenue	20-2	(28,674,390)	-	(25,974)	(28,700,364)
Gross profit		4,252,098	-	(25,974)	4,226,124
Selling and marketing expenses		(1,748,553)	-	-	(1,748,553)
General and administrative expenses		(3,538,303)	-	-	(3,538,303)
Operating loss		(1,034,758)	-	(25,974)	(1,060,732)
Share of profit of investment in an associate		352,609	-	-	352,609
Gain on remeasurement of investments in financial assets at fair value through profit or loss		4,798	-	-	4,798
Dividends income from investments		1,142,821	-	-	1,142,821
Finance cost	20-2	(293,614)	-	(5,136)	(298,750)
Expected credit losses	20-2	1,014,199	-	(4,533,658)	(3,519,459)
profit from the revaluation of investment properties	20-1	-	296,782	-	296,782
Other income		957,422	-	-	957,422
Profit / (Loss) for the period before Zakat		2,143,477	296,782	(4,564,768)	(2,124,509)
Zakat		(433,016)	-	-	(433,016)
Net profit / (loss) for the period		1,710,461	296,782	(4,564,768)	(2,557,525)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Share in other comprehensive income of investments in associate companies		239,619	-	-	239,619
Unrealized (losses) of equity investments at fair value through other comprehensive income		(3,765,277)	-	-	(3,765,277)
Other comprehensive loss for the period		(3,525,658)	-	-	(3,525,658)
Total comprehensive loss for the period		(1,815,197)	296,782	(4,564,768)	(6,083,183)
Basic and diluted (ﷲ)		0.05	-	(0.13)	(0.08)

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20- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

Impact of restatements on the interim condensed statement of profit or loss for the three-month period ended 31 March 2026:

		For the three-month period ended		
		31 March 2026 (As previously presented) (unaudited)	Correction of prior period errors	31 March 2026 (Restated) (unaudited)
	Note			
Revenues		19,457,755	-	19,457,755
Cost of revenue	20-2	(20,011,703)	(12,992)	(20,024,695)
Gross loss		(553,948)	(12,992)	(566,940)
Selling and marketing expenses		(690,870)	-	(690,870)
General and administrative expenses		(1,793,203)	-	(1,793,203)
Operating loss		(3,038,021)	(12,992)	(3,051,013)
Share of results of investment in an associate		693,609	-	693,609
loss on remeasurement of investments in financial assets at fair value through profit or loss		(8,484)	-	(8,484)
Dividends income from investments		524,682	-	524,682
Finance cost	20-2	(708,209)	61,162	(647,047)
Expected credit losses	20-2	101,534	939,617	1,041,151
Loss from the revaluation of investment properties		(1,403,065)	-	(1,403,065)
Other income		23,286	-	23,286
Loss for the period before Zakat		(3,814,668)	987,787	(2,826,881)
Zakat		(26,539)	-	(26,539)
Net loss for the period		(3,841,207)	987,787	(2,853,420)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized profit of equity investments at fair value through other comprehensive income		1,920,600	-	1,920,600
Profit from the revaluation of investment properties		233,310,359	-	233,310,359
Other comprehensive income for the period		235,230,959	-	235,230,959
Total comprehensive income for the period		1,389,75223	987,787	232,377,539
Basic and diluted (ﷲ)		(0.12)	0.03	(0.09)

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20- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

Impact of restatements on the Interim condensed statement of cash flows for the six-month period ended 30 June 2025:

	For the six month period ended			
	30 June 2025 (As previously presented) (unaudited)	Change in accounting policy	Correction of prior period errors	30 June 2025 (Restated) (unaudited)
Operating activities				
Net profit / (loss) for the period before Zakat	2,143,477	(4,564,768)	296,782	(2,124,509)
Adjustments for non-cash items:				
Depreciation of property, plant and equipment	5,130,850	-	-	5,130,850
Utilized from strategic spare parts	254,316	-	-	254,316
Depreciation of right-of-use assets	271,766	25,974	-	297,740
Employees' defined benefit obligations	445,828	-	-	445,828
Finance cost	293,614	5,136	-	298,750
Expected credit losses	(1,014,199)	4,533,658	-	3,519,459
Company's share of results from investment in an associate	(352,609)	-	-	(352,609)
profit from the revaluation of investment properties	-	-	(296,782)	(296,782)
Unrealized profit on the revaluation of investments in equity instruments at fair value through profit or loss	(4,798)	-	-	(4,798)
	7,168,245	-	-	7,168,245
Changes in working capital:				
Inventory	(2,008,397)	-	-	(2,008,397)
Trade receivables	(3,356,783)	-	-	(3,356,783)
Prepaid expenses and other debit balances	(14,405,365)	(360,000)	-	(14,765,365)
Trade Payables	(997,324)	-	-	(997,324)
Accrued expenses and other credit balances	(1,412,801)	-	-	(1,412,801)
Cash flows from operations	(15,012,425)	(360,000)	-	(15,372,425)
Employees' defined benefit obligations paid	(134,420)	-	-	(134,420)
Zakat paid	(924,840)	-	-	(924,840)
Net cash flows (used in) operating activities	(16,071,685)	(360,000)	-	(16,431,685)
Investing activities				
Additions of property, plant and equipment	(61,460)	-	-	(61,460)
Additions of projects under construction	(15,555,923)	-	-	(15,555,923)
Proceeds from investments in equity instruments at fair value through profit or loss	1,666,666	-	-	1,666,666
Net cash flows (used in) investing activities	(13,950,717)	-	-	(13,950,717)
Financing activities				
Proceeds from Islamic loan	31,193,102	-	-	31,193,102
Lease liability - Settled	(647,888)	360,000	-	(287,888)
Net cash flows generated from financing activities	30,545,214	360,000	-	30,905,214
Net change in cash and cash equivalents	522,812	-	-	522,812
Cash and cash equivalents at the beginning of the period	3,622,917	-	-	3,622,917
Cash and cash equivalents at the end of the period	4,145,729	-	-	4,145,729

NATIONAL GYPSUM COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

21- SUBSEQUENT EVENTS

The management of the Company believes that there are no significant subsequent events since the end of the period that would require adjustments or disclosures in these interim condensed financial statements.

22- APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The accompanying interim condensed financial statements were approved by the Company's Board of Directors on 13 Rabi' al-Thani 1448H (corresponding to 24 September 2026).