

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Interim Condensed Consolidated

Financial Statements

(Unaudited)

and review report for the three-month
period ended 31 March 2025

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA COMPANY
(A SAUDI JOINT STOCK COMPANY)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The National Shipping Company of Saudi Arabia ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2025, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated 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 interim condensed consolidated 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 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.

Conclusion

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

Other Matter

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2024 were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed consolidated financial statements on 27 Shawwal 1445H (corresponding to 6 May 2024).

for Ernst & Young Professional Services


Waleed G. Tawfiq
Certified Public Accountant
License No. (437)




Riyadh: 15 Thul-Qi'dah 1446
13 May 2025

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of financial position
As at 31 March 2025
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

	Notes	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	18,155,856	16,616,175
Projects under construction	7	1,954,931	2,291,663
Right-of-use assets		804,615	948,623
Intangible assets		272,381	283,205
Equity accounted investees	8	2,340,480	2,175,143
Other non-current financial assets		49,615	49,346
TOTAL NON-CURRENT ASSETS		23,577,878	22,364,155
CURRENT ASSETS			
Inventories		491,388	468,063
Trade receivables and contract assets	9	1,351,525	1,273,381
Prepayments and other current assets		811,943	681,834
Cash and cash equivalents	10	2,619,073	1,821,500
TOTAL CURRENT ASSETS		5,273,929	4,244,778
TOTAL ASSETS		28,851,807	26,608,933
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	7,382,812	7,382,812
Share premium		1,489,103	1,489,103
Other reserves		6,944	37,793
Retained earnings		5,248,329	4,715,506
Equity attributable to equity holders of the Parent Company		14,127,188	13,625,214
Non-controlling interests		986,833	960,008
TOTAL EQUITY		15,114,021	14,585,222
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	11	10,139,412	8,288,484
Employees' end of service benefits		133,370	131,579
Lease liabilities		467,509	540,215
Derivative financial instruments		2,368	2,943
TOTAL NON-CURRENT LIABILITIES		10,742,659	8,963,221
CURRENT LIABILITIES			
Loans and borrowings	11	645,060	459,585
Lease liabilities		366,138	436,317
Trade and other payables	12	1,740,268	1,938,914
Provision for zakat and income tax	13	243,661	225,674
TOTAL CURRENT LIABILITIES		2,995,127	3,060,490
TOTAL LIABILITIES		13,737,786	12,023,711
TOTAL EQUITY AND LIABILITIES		28,851,807	26,608,933


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Interim condensed consolidated statement of profit or loss

For the three-month period ended 31 March 2025

(All amounts in thousands of Saudi Riyals - unless otherwise stated)

		For the three-month period ended 31 March	
	Notes	2025 (Unaudited)	2024 (Unaudited)
Revenue	5	2,166,635	2,313,078
Operating costs		(1,625,213)	(1,727,328)
Gross profit before bunker subsidy		541,422	585,750
Bunker subsidy		70,999	77,335
Gross profit		612,421	663,085
General and administrative expenses		(74,559)	(54,223)
Provision on trade receivables and contract assets	9	(4,787)	(5,758)
Other income		11,592	22,852
Total operating profit		544,667	625,956
Finance cost		(152,780)	(169,182)
Finance income	10	11,221	28,893
Share of results of equity accounted investees	8	192,903	39,826
Profit before zakat and income tax		596,011	525,493
Zakat and income tax	13	(36,363)	(24,475)
Profit for the period		559,648	501,018
Profit for the period attributable to:			
Equity holders of the Parent Company		532,823	452,932
Non-controlling interests		26,825	48,086
		559,648	501,018
Earnings per share (Saudi Riyal):			
Basic & diluted	14	0.72	0.61



Chief Financial Officer



Chief Executive Officer



Authorized Board Member

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THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of other comprehensive income
For the three-month period ended 31 March 2025
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

	For the three-month period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Profit for the period	559,648	501,018
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Change in the fair value of investment through OCI	2,089	-
Re-measurement loss on employees' end of service benefits	(214)	(281)
Items that are or may be reclassified subsequently to profit or loss:		
Equity accounted investees - share of OCI	(32,724)	374
Total comprehensive income for the period	528,799	501,111
Total comprehensive income attributable to:		
Equity holders of the Parent Company	501,974	453,025
Non-controlling interests	26,825	48,086
Total comprehensive income for the period	528,799	501,111


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

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THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of cash flows
For the three-month period ended 31 March 2025
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

		For the three-month period ended 31 March	
	Notes	2025 (Unaudited)	2024 (Unaudited)
OPERATING ACTIVITIES			
Profit before zakat and income tax		596,011	525,493
Adjustments for non-cash items:			
Depreciation of property and equipment	6	338,169	276,920
Depreciation of right-of-use assets		109,836	97,727
Amortization of intangible assets		11,724	11,004
Provision on trade receivables and contract assets	9	4,787	5,758
Finance cost		152,780	169,182
Finance income		(11,221)	(28,893)
Share of results of equity accounted investees	8	(192,903)	(39,826)
Gain on disposal of property and equipment		(7,465)	(21,653)
Employees' end of service benefits		5,008	2,751
		<u>1,006,726</u>	<u>998,463</u>
Changes in operating assets and liabilities:			
Inventories		(23,325)	(41,584)
Trade receivables and contract assets		(82,931)	(220,332)
Prepayments and other current assets		(130,929)	(112,547)
Trade and other payables		(21,045)	313,798
Cash from operating activities		<u>748,496</u>	<u>937,798</u>
Finance cost paid		(236,461)	(244,479)
Zakat and income tax paid	13	(18,376)	(2,826)
Employees' end of service benefits paid		(3,431)	(864)
Net cash flows generated from operating activities		<u>490,228</u>	<u>689,629</u>
INVESTING ACTIVITIES			
Additions of property and equipment	6	(69,721)	(34,921)
Additions of projects under construction	7	(1,617,647)	(717,941)
Additions of intangible assets		(900)	(1,199)
Proceeds from disposal of property and equipment		153,715	68,104
Proceeds from finance income		13,045	25,734
Other non-current financial assets		-	(627)
Net cash flows used in investing activities		<u>(1,521,508)</u>	<u>(660,850)</u>
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	11	2,156,026	585,827
Repayment of loans and borrowings	11	(120,627)	(1,050,149)
Payment of lease liabilities		(206,546)	(114,433)
Net cash flows from / (used in) financing activities		<u>1,828,853</u>	<u>(578,755)</u>
Net increase / (decrease) in cash and cash equivalents		797,573	(549,976)
Cash and cash equivalents at beginning of the period		1,821,500	2,913,117
Cash and cash equivalents at end of the period		<u>2,619,073</u>	<u>2,363,141</u>
Details of other non-cash transactions:			
Projects under construction transferred to property and equipment	6&7	1,954,379	140,002
(Termination)/ additions to right-of-use assets		(34,172)	448,758


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of changes in equity
For the three-month period ended 31 March 2025
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

	Attributable to equity holders of the Parent Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance as at 1 January 2024 (audited)	7,382,812	1,489,103	14,493	2,952,169	11,838,577	803,659	12,642,236
Profit for the period	-	-	-	452,932	452,932	48,086	501,018
Other comprehensive income	-	-	93	-	93	-	93
Total comprehensive income for the period	-	-	93	452,932	453,025	48,086	501,111
Balance as at 31 March 2024 (unaudited)	7,382,812	1,489,103	14,586	3,405,101	12,291,602	851,745	13,143,347
Balance as at 1 January 2025 (audited)	7,382,812	1,489,103	37,793	4,715,506	13,625,214	960,008	14,585,222
Profit for the period	-	-	-	532,823	532,823	26,825	559,648
Other comprehensive loss	-	-	(30,849)	-	(30,849)	-	(30,849)
Total comprehensive income for the period	-	-	(30,849)	532,823	501,974	26,825	528,799
Balance as at 31 March 2025 (unaudited)	7,382,812	1,489,103	6,944	5,248,329	14,127,188	986,833	15,114,021


Chief Financial Officer


Chief Executive Officer


Authorized Board Member

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements
For the three-month period ended 31 March 2025

1. CORPORATE INFORMATION

The National Shipping Company of Saudi Arabia (the “Company” or “Bahri” or “Parent Company”), a Saudi Joint Stock Company, was established under the Royal Decree No. M/5 dated 12 Safar 1398H (corresponding to 21 January 1978) and registered under Commercial Registration No. 1010026026 and Unified number 7000312574 dated 1 Dhul Hijjah 1399H (corresponding to 22 October 1979) issued in Riyadh. The Company’s head office is located in Olaya district, Olaya Towers (Tower B), Floors 12-15, P.O Box 5101, Riyadh, 1142, Kingdom of Saudi Arabia.

The Company and its subsidiaries listed below (the “Group”) are primarily engaged in purchasing, selling and operating vessels for the coordination of transport & storage on board vessels, transportation of cargo, cargo clearance, agencies for maritime shipping companies and all marine transport activities. The Group performs its operations through four distinct segments which are crude oil transportation, chemicals transportation, logistics and dry bulk transportation. The Group is also engaged in the ownership of land, properties inside or outside the Kingdom, ownership of shares in other existing companies or merging with them and participating with others in establishing companies with similar activities or complementary activities.

The Company’s share capital amounting to SAR 7,382,812,500 as at 31 March 2025 is divided into 738,281,250 shares (31 December 2024: SAR 7,382,812,500 divided into 738,218,250 shares) with a par value of SAR 10 each.

The Board of Directors in their meeting held on 18 Ramadan 1446H (corresponding to 18 March 2025) recommended to the General Assembly of the Company, an increase in share capital from SAR 7,382 million to SAR 9,228 million through the transfer of SAR 1,846 million from retained earnings. This increase in share capital aligns with the Company’s strategy to strengthen its capital base, support growth and expansion prospects, and create long-term value through investments in available opportunities. These interim condensed consolidated financial statements do not reflect the impact of this increase, as it remains subject to the approval of the General Assembly.

The subsidiaries whose financial information are incorporated into these interim condensed consolidated financial statements are as follows:

Subsidiary	Date of incorporation	Effective Ownership %		Principal Activity	Location
		31 March 2025	31 December 2024		
National Chemical Carriers Company limited (“NCC”)	1990	80	80	Petrochemical transportation	KSA
NSCSA Inc. – USA	1991	100	100	Company's ship agent	USA
Mideast Ship Management Limited (“JLT”)	2010	100	100	Ships technical management	UAE
Bahri Dry Bulk Company (“BDB”)	2010	60	60	Dry bulk transportation	KSA
Bahri Logistics Company	2017	100	100	Logistics services	KSA
Bahri Logistics Company DWC-LLC*	2024	100	100	Logistics services	UAE
Bahri Logistics Company (“SILZ”) LLC*	2024	100	100	Logistics services	KSA
Bahri Shipping Pte. Ltd.	2025	100	-	Company's ship agent	Singapore

*The Group holds an effective equity ownership interest of 100% in Bahri Logistics Company DWC-LLC and Bahri Logistics Company (“SILZ”) LLC through its shareholding in Bahri Logistics Company. The legal formalities for the establishment of Bahri Logistics Company (“SILZ”) LLC are currently in progress.

The equity accounted investee companies’ financial information incorporated in these interim condensed consolidated financial statements are as follows:

Equity accounted investees	Nature of relationship	Date of incorporation	Effective Ownership %		Principal Activity	Location
			31 March 2025	31 December 2024		
Petreddec’ group limited (note a)	Joint Venture	2012	40.08	40.08	Liquefied petroleum gas transportation	BVI
International Maritime Industries Company (note b)	Associate	2017	19.9	19.9	Maritime industries	KSA
National Grain Company (note c)	Joint Venture	2021	50	50	Packing and storage of grain	KSA

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2025

1. CORPORATE INFORMATION (continued)

- a) The Group share of Petredec results for the financial period are recorded as per the latest financial statements prepared by Petredec. The difference between the latest financial statements prepared by Petredec and the Group interim condensed consolidated financial statements is two months.
- b) International Maritime Industries Company (IMI) was established in KSA with capital of SAR 1,107 million between the Company, ARAMCO, Maritime Offshore Limited (Lamprell), and Korea Shipbuilding & Offshore Engineering Company Ltd.
- c) During August 2020, the Company entered into a joint venture (“JV”) agreement to establish the National Grain Company with United Farmers Investment Company (“UFIC”). The JV aims to build and establish a terminal for handling grains at Yanbu Commercial Port, to meet the future needs of the Kingdom of Saudi Arabia for major crops and cereals. The legal formalities were finalized, and the commercial register was issued on 18 Shaaban 1442H (equivalent to 31 March 2021). During Q4 2024, the project was inaugurated, marking the commencement of commercial production.

The Company operates through the following branches:

Trade Name	Registration No.	Registration Date	City
The National Shipping Company of Saudi Arabia	1010026026	23/10/1979	Riyadh
The National Shipping Company of Saudi Arabia	4030033402	21/2/1982	Jeddah
The National Shipping Company of Saudi Arabia	2050013881	30/7/1983	Dammam
The National Shipping Company of Saudi Arabia	2055001309	25/7/1984	Jubail
The National Shipping Company of Saudi Arabia	JLT-65807	06/12/2010	Dubai
The National Shipping Company of Saudi Arabia	F06135	26/08/2016	New Delhi

Group Fleet:

As at 31 March 2025, the Group operated 97 owned vessels and 14 under lease contract (31 December 2024: 93 owned vessels and 16 under lease contract) operating in the following sectors:

Oil transportation sector: Consists of 44 vessels (31 December 2024: 41 vessels) all of which are very large crude carriers (VLCCs) operating in the spot market.

Chemicals transportation sector: This sector is fully operated by NCC. It owns 33 vessels and 14 under lease contract (31 December 2024: owned 33 vessels and 16 under lease contract). Specialized tankers distributed as follows:

- 38 tankers operate in the spot market.
- 9 tankers are under charter agreements.

Logistics sector: This sector consists of 7 RoCon vessels (31 December 2024: 7 RoCon vessels) operating on commercial lines between North America, Europe, Middle East, the Indian Subcontinent and Asia.

Dry bulk transportation sector: This sector is fully operated by BDB and it owns 13 vessels (31 December 2024: 12 vessels) specialized in transporting dry bulk cargo. 5 of them are chartered to the Arabian Agricultural Services Company (“ARASCO”) and 8 vessels are operating in the spot market.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

These interim condensed consolidated financial statements for the Group have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) Interim Financial Reporting as endorsed in the Kingdom of Saudi Arabia (“KSA”).

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2025

2. BASIS OF PREPARATION (continued)

2.2. Preparation of interim condensed consolidated financial statements

The interim condensed consolidated financial statements do not include all of the information and disclosures required in a full set of annual consolidated financial statements and should be read in conjunction with the last annual consolidated financial statements as at 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group financial position and performance since the last annual consolidated financial statements. The interim results may not be an indicator of the annual results of the Group.

(i) Historical cost convention

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for:

- Derivative financial instruments and quoted equity shares which are measured at fair value.
- Employees' end of service benefits are recognized at the present value of future obligations using the projected unit credit method.

(ii) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyal ("SAR"), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

3. BASIS OF CONSOLIDATION

The Company and its subsidiaries are referred to collectively as the "Group". Subsidiaries are entities controlled by the Group. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement in the investee;
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in these interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the interim condensed consolidated financial statements to bring the accounting policies of the subsidiaries in line with the Group accounting policies. All intra-group assets and liabilities, income and expenses and cash flows relating to transactions are eliminated in full on consolidation.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- De-recognizes the assets and liabilities of the subsidiary;
- De-recognizes the carrying amount of any non-controlling interest;
- De-recognizes the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained; and
- Recognizes any surplus or deficit in the condensed consolidated statement of profit or loss;

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2024.

4.1. Material accounting judgments, estimates and assumptions

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Therefore, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments, which are significant to the interim condensed consolidated financial statements:

- Impairment assessment of vessels;
- Measurement of defined benefit obligations; key actuarial assumptions; and
- Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted average loss rate.
- Useful life of property and equipment
- Incremental borrowing rate on leases

4.2. New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective. Those standards and interpretation or amendments are not disclosed in these interim condensed consolidation financial statements as the management did not consider these relevant to the group's operation or will have a material impact on the financial statements of the group in future periods.

Amendment applicable for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.:

Summary of the amended standards:

- Lack of exchangeability – Amendments to IAS 21 (effective on or after 1 January 2025).

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2025

(All amounts in thousands of Saudi Riyals - unless otherwise stated)

5. OPERATING SEGMENTS

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

a) The following schedule illustrates the Group's activities according to the operating segments for the period:

31 March 2025 (Unaudited)	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Subtotal	Others	Total
Revenue	1,095,081	695,592	265,700	94,131	2,150,504	16,131	2,166,635
Operating costs	(785,495)	(508,715)	(230,297)	(80,833)	(1,605,340)	(19,873)	(1,625,213)
Bunker subsidy	61,368	3,654	5,635	342	70,999	-	70,999
Gross profit / (loss)	370,954	190,531	41,038	13,640	616,163	(3,742)	612,421
General and administrative expenses	(3,752)	(4,308)	(7,016)	(5,366)	(20,442)	(54,117)	(74,559)
Reversal/ (provision) on trade receivables and contract assets	1,305	(9,109)	2,260	757	(4,787)	-	(4,787)
Other income	7,728	50	419	320	8,517	3,075	11,592
Finance cost	(81,727)	(31,655)	(1,480)	(11,083)	(125,945)	(26,835)	(152,780)
Finance income	23	6,350	209	-	6,582	4,639	11,221
Share of results of equity accounted investees	-	-	-	-	-	192,903	192,903
Profit / (loss) before Zakat and income tax	294,531	151,859	35,430	(1,732)	480,088	115,923	596,011

The Group's vessels are deployed throughout the world and are not concentrated in certain geographical areas. The Group's management does not consider the geographical distribution of the group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed.

All operating segment results are reviewed regularly by the Group's management to make decisions about resources to be allocated to the segment and assess the performance of segments for which discrete financial information is available.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2025

(All amounts in thousands of Saudi Riyals - unless otherwise stated)

5. OPERATING SEGMENTS (continued)

31 March 2024 (Unaudited)	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Subtotal	Others	Total
Revenue	1,234,238	800,545	192,880	83,304	2,310,967	2,111	2,313,078
Operating costs	(911,759)	(516,700)	(223,765)	(66,130)	(1,718,354)	(8,974)	(1,727,328)
Bunker subsidy	66,783	3,747	6,805	-	77,335	-	77,335
Gross profit / (loss)	389,262	287,592	(24,080)	17,174	669,948	(6,863)	663,085
General and administrative expenses	(3,094)	(3,588)	(6,277)	(4,082)	(17,041)	(37,182)	(54,223)
Reversal/ (provision) on trade receivables and contract assets	6,461	(1,988)	(9,342)	(889)	(5,758)	-	(5,758)
Other income	21,749	137	415	44	22,345	507	22,852
Finance cost	(88,395)	(36,474)	(3,293)	(7,745)	(135,907)	(33,275)	(169,182)
Finance income	-	4,515	-	591	5,106	23,787	28,893
Share of results of equity accounted Investees	-	-	-	-	-	39,826	39,826
Profit / (loss) before Zakat and income tax	325,983	250,194	(42,577)	5,093	538,693	(13,200)	525,493

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5. OPERATING SEGMENTS (continued)

b) The following schedule illustrates the distribution of the Group's assets and liabilities according to the operating segments:

31 March 2025 (Unaudited)	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Others	Total
Property and equipment	11,388,819	3,681,044	1,137,453	1,329,900	618,640	18,155,856
Other assets	2,938,543	2,452,602	674,484	124,974	4,505,348	10,695,951
Total assets	14,327,362	6,133,646	1,811,937	1,454,874	5,123,988	28,851,807
Total liabilities	7,316,727	2,473,170	407,978	817,253	2,722,658	13,737,786
31 December 2024 (Audited)	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Others	Total
Property and equipment	9,885,804	3,742,526	1,153,105	1,208,141	626,599	16,616,175
Other assets	3,089,735	2,187,020	753,198	418,851	3,543,954	9,992,758
Total assets	12,975,539	5,929,546	1,906,303	1,626,992	4,170,553	26,608,933
Total liabilities	5,505,475	2,410,344	484,456	986,572	2,636,864	12,023,711

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6. PROPERTY AND EQUIPMENT

31 March 2025 (Unaudited)	Buildings and improvements	Fleet and equipment	Containers and trailers	Furniture and fixtures	Tools and office equipment	Motor vehicles	Computer equipment	Container yards - equipment	Total
Cost:									
At 1 January 2025	38,377	25,632,013	6,210	9,842	1,380	3,067	23,933	7,731	25,722,553
Additions*	1,361	2,022,072	-	271	7	-	389	-	2,024,100
Disposals	-	(449,671)	(76)	-	-	-	(61)	-	(449,808)
At 31 March 2025	39,738	27,204,414	6,134	10,113	1,387	3,067	24,261	7,731	27,296,845
Accumulated depreciation:									
At 1 January 2025	22,386	9,048,230	5,239	5,889	1,250	2,954	14,781	5,649	9,106,378
Charge for the period	809	336,038	123	236	14	13	847	89	338,169
Disposals	-	(303,440)	(60)	-	-	-	(58)	-	(303,558)
At 31 March 2025	23,195	9,080,828	5,302	6,125	1,264	2,967	15,570	5,738	9,140,989
Net book value:									
At 31 March 2025	16,543	18,123,586	832	3,988	123	100	8,691	1,993	18,155,856

* During 2025, 5 vessels were received, and other projects were completed with total capitalized amount SAR 1,954 million which was transferred from projects under construction (refer note 7).

During 2025, the Group have disposed vessel and equipment at net book value of SAR 146 million (31 December 2024: SAR 308 million) and this has resulted in a gain of SAR 7.5 million (31 December 2024: SAR 216 million).

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6. PROPERTY AND EQUIPMENT (continued)

31 December 2024 (Audited)	Buildings and improvements	Fleet and equipment	Containers and trailers	Furniture and fixtures	Tools and office equipment	Motor vehicles	Computer equipment	Container yards - equipment	Total
Cost:									
At 1 January 2024	29,030	22,854,930	7,962	7,775	1,376	3,067	20,295	5,954	22,930,389
Additions*	9,347	4,064,962	5	2,181	9	-	6,176	20	4,082,700
Disposals	-	(1,287,879)	-	(114)	(5)	-	(2,538)	-	(1,290,536)
Transfer	-	-	(1,757)	-	-	-	-	1,757	-
At 31 December 2024	38,377	25,632,013	6,210	9,842	1,380	3,067	23,933	7,731	25,722,553
Accumulated depreciation:									
At 1 January 2024	19,865	8,867,425	4,133	5,040	1,135	2,902	14,515	5,886	8,920,901
Charge for the year	2,521	1,160,437	507	953	120	52	2,804	362	1,167,756
Disposals	-	(979,632)	-	(104)	(5)	-	(2,538)	-	(982,279)
Transfer	-	-	599	-	-	-	-	(599)	-
At 31 December 2024	22,386	9,048,230	5,239	5,889	1,250	2,954	14,781	5,649	9,106,378
Net book value:									
At 31 December 2024	15,991	16,583,783	971	3,953	130	113	9,152	2,082	16,616,175

* During 2024, 11 new vessels were received, and other projects were completed with total capitalized amount SAR 3,837 million which was transferred from projects under construction (refer note 7).

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7. PROJECTS UNDER CONSTRUCTION

The movement in projects under construction is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Beginning balance	2,291,663	905,035
Additions	1,617,647	5,223,356
Transferred to property and equipment (note 6)	(1,954,379)	(3,836,728)
Ending balance	1,954,931	2,291,663

During 2019, the Company signed an agreement with The Saudi Water Authority ("SWA") ("Arrows project") for supplying desalinated water from floating mobile stations for a period of 20 years. In this respect, the Company engaged an Engineering, Procurement, and Construction ("EPC") contractor for the purposes of constructing 3 floating stations for water desalination with a total cost of SAR 760 million. The construction commenced in January 2020, one station commences operations and capitalized during Q2 2024 and the second one during Q4 2024, the remaining station will be completed during current year.

On 19 August 2024, the Company signed an agreement to acquire nine second hand Very Large Crude Carriers (VLCCs) from Capital Maritime and Trading Corporation for an approximate amount of SAR 3.75 billion (USD 1 billion). The VLCCs will be delivered to Bahri in multiple batches before the end of Q2-2025. As for the payment schedule, it was agreed that Bahri will pay 10% of the total transaction amount upon signing the purchase agreement, while the remaining 90% to be paid upon delivery of the vessels.

Projects under construction include SAR 9.5 million of borrowing costs capitalized during the period (31 December 2024: SAR 85 million).

8. EQUITY ACCOUNTED INVESTEEES

The balance of equity accounted investees contains investments in the following companies:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Petreddec group limited	2,306,130	2,138,202
International Maritime Industries Company ("IMI")	-	-
National Grain Company ("NGC")	34,350	36,941
	2,340,480	2,175,143

Liabilities associated with equity accounted investees

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
International Maritime Industries Company ("IMI")	12	128,126	122,966

The share of results of equity accounted investees is as follows:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Share of profit in Petreddec group limited	199,142	85,264
Share of loss in IMI	(3,648)	(42,994)
Share of loss in NGC	(2,591)	(2,444)
	192,903	39,826

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9. TRADE RECEIVABLES AND CONTRACT ASSETS

Trade receivables and contract assets include the following items:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	630,646	648,272
Due from related parties (note 17)	590,190	505,259
	1,220,836	1,153,531
Contract assets	318,301	302,675
	1,539,137	1,456,206
Less: Provision on trade receivables and contract assets (note a)	(187,612)	(182,825)
Trade receivables and contract assets, net	1,351,525	1,273,381

a- The movement of provision on trade receivables and contract assets is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	182,825	163,626
Charge for the period / year	4,787	20,390
Write-off	-	(1,191)
Ending balance	187,612	182,825

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent bank balances, cash, investments in Murabaha and short-term deposits. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Bank balances and cash	2,317,483	889,711
Murabaha and short-term deposits*	301,590	931,789
Cash and cash equivalents	2,619,073	1,821,500

* Represent deposits placed with banks for a period of less than 3 months and the Group has earned a Murabaha income amounting to SAR 11 million (31 March 2024: SAR 29 million).

11. LOANS AND BORROWINGS

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Sukuk	11.1	3,900,000	3,900,000
Murabaha loans	11.2	6,904,967	4,869,569
Total loans and borrowings		10,804,967	8,769,569
Less: total current portion		(645,060)	(459,585)
Non-current loans and borrowings		10,159,907	8,309,984
Less: prepaid financing		(20,495)	(21,500)
Net non-current loans and borrowings		10,139,412	8,288,484
Current portion		645,060	459,585
Non-current portion		10,139,412	8,288,484
		10,784,472	8,748,069

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11. LOANS AND BORROWINGS (continued)

11.1 Sukuk

On 6 Dhul-Hijjah 1443H (corresponding to 5 July 2022), the Company completed the issuance and offering of a local Sukuk denominated in Saudi Riyal for public offering with nominal value amounting to SAR 3,900 million, and a nominal value of SAR 1 million for each Sukuk. The Sukuk issuance bears a variable rate of return at SIBOR plus a predetermined margin, payable semi-annually. The Sukuk is due to mature at par value on its expiry date of 27 Safar 1451H (corresponding to 5 July 2029). The balance in the prepaid financing account related to Sukuk as at 31 March 2025 is SAR 5 million (31 December 2024: SAR 5.2 million).

11.2 Murabaha loans

The Group obtained Murabaha long term loans during the period ended 31 March 2025 for a total of SAR 2,156 million (31 December 2024: SAR 2,527 million). Loans are secured by promissory notes and mortgages against vessels. These loans are repayable over 10 years on a quarterly or semi-annual basis and a repayment of SAR 121 million was made during the period ended 31 March 2025 (31 December 2024: SAR 1,460 million). The loans carry commission at normal commercial rates. The balance of loans against which profit is to be paid based on SOFR as of 31 March 2025 is SAR 4,044 million (31 December 2024: 1,919) and the balance of loans against which profit is to be paid based on SIBOR as at 31 March 2025 totaled to SAR 2,861 million (31 December 2024: SAR 2,950 million). The balance in the prepaid financing account related to Murabaha loans as at 31 March 2025 is SAR 15.5 million (31 December 2024: SAR 16.3 million).

11.3 Covenants

Borrowing agreements include covenants mainly related to maintaining certain ratios of leverage and debt to equity ratio. Under the terms of these agreements, lenders are entitled to demand immediate repayment of loans if these covenants are not met. As at 31 March 2025, one of the subsidiaries was not in compliance with certain loan covenants. However, as at 31 December 2024, management has obtained a waiver of covenant from the bank that the loan will not be called due to breach of the covenant as required annually in line with the agreement.

12. TRADE AND OTHER PAYABLES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Accrued expenses	522,979	565,837
Trade payables	460,207	488,434
Due to related parties (note 17)	362,760	387,057
Accrued finance cost	129,821	215,323
Liabilities associated with equity accounted investees (note 8)	128,126	122,966
Dividends payables	65,579	65,592
Others	70,796	93,705
	<u>1,740,268</u>	<u>1,938,914</u>

13. ZAKAT AND INCOME TAX

The movement in the provision for zakat and income tax is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	225,674	250,989
Charge for the period / year	36,363	115,180
Payments during the period/ year	(18,376)	(140,495)
Ending balance	<u>243,661</u>	<u>225,674</u>

The Company's zakat is based on the financial statements of the Company and its wholly owned subsidiaries (except Bahri logistics Company filled separately), in accordance with the Zakat, Tax and Customs Authority ("ZATCA") regulations. The Company and its other subsidiaries file their zakat and tax returns separately.

The Company has filed its Zakat returns up to 2024 and obtained the zakat certificate for the year 2024.

The Company has cleared and settled all zakat assessments issued by ZATCA up to 2022.

Management believes that adequate provisions have been made against any potential zakat and tax liabilities.

The Company did not receive the zakat assessment for the year 2023 from ZATCA.

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14. EARNINGS PER SHARE

	For the three-month period ended 31 March	
	2025	2024
Profit for the period	532,823	452,932
Average number of share outstanding during the period	738,281	738,281
Earnings per share - Basic and Diluted (Saudi Riyals)	0.72	0.61

The basic and diluted earnings per share is calculated by dividing the profit of the period for ordinary shareholders of the Parent company by the weighted average number of ordinary shares in place during the period.

15. FINANCIAL INSTRUMENTS

Fair values of financial instruments

	31 March 2025 (Unaudited)			Total
	Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	
FVOCI – equity instrument:				
Quoted equity shares	28,550	-	-	28,550
Financial instruments measured at FVTPL				
CAP commission option				
Assets	-	20,982	-	20,982
Liabilities	-	2,368	-	2,368
	31 December 2024 (Audited)			Total
	Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	
FVOCI – equity instrument:				
Quoted equity shares	26,461	-	-	26,461
Financial instruments measured at FVTPL				
CAP commission option				
Assets	-	22,802	-	22,802
Liabilities	-	2,943	-	2,943

There was a transfer from Level 3 to Level 1 during 2024 for the investment made in Arbian United Float Glass Company since the investee Company became listed on the parallel market “Nomu” on 18 September 2024.

Derivative financial instruments include interest rate cap and floor. These derivatives are valued using widely recognized valuation models. The Group relies on the counterparty for the valuation of these derivatives. The valuation techniques applied by the counterparties include the use of standard models using present value calculations and mid-market valuations. Where applicable, these models project future cash flows and discount the future amounts to present value using market-based observable inputs including cap/floor volatility, interest rate curves, credit spreads, foreign exchange rates, and forward and spot prices.

Management believes that the fair value of other assets and liabilities approximate to their carrying values.

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16. DIVIDENDS

The Board of Directors decided in its meeting held on 18 March 2024 to recommend to the General Assembly of the Company the distribution of cash dividends of SAR 406 million to the shareholders for the financial year ended 31 December 2023 amounting to SAR 0.55 per share. The General Assembly approved the recommendation in its meeting held on 4 June 2024. These dividends were paid on 1 July 2024.

The Board of Directors in their meeting held on 18 March 2025 recommended to the General Assembly to distribute cash dividends of SAR 738 million amounting to SAR 1 per share.

17. RELATED PARTIES

Related parties represent major shareholders, government related entities, directors and key management personnel of the Group, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. The Group has claimed exemption from the requirements of para 18 of IAS 24 ("Related Party Disclosure").

A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by a government. The Group's majority shareholder, PIF and Aramco, are fully/majorly owned by the Government of the Kingdom of Saudi Arabia. PIF and Aramco exercise significant influence over the Group.

Trading transactions and balances with related parties

The Group transacts with related parties in the ordinary course of its activities, as many of the Group's transactions and arrangements are based on signed agreements between the Group and those companies. The balances are unsecured, interest-free, and repayable on demand unless otherwise stated.

The transactions with related parties during the period were as follows:

Related parties	Nature of the transaction	For the three-month period ended 31 March	
		2025 (Unaudited)	2024 (Unaudited)
ARAMCO and its subsidiaries – shareholder	Revenue	1,077,072	1,088,725
ARAMCO and its subsidiaries – shareholder	Bunker purchase	171,937	274,488
SABIC and its subsidiaries - government related entities	Revenue	10,317	99,138
International Maritime Industries ("IMI") – associate	Revenue	776	1,469

Related party balances included in trade receivables and contract assets (note 9) are as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ARAMCO and its subsidiaries	587,308	495,237
International Maritime Industries ("IMI")	2,015	4,063
SABIC and its subsidiaries	867	5,959
	590,190	505,259

Payables due to related parties are as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ARAMCO and its subsidiaries (note 12)	362,760	387,057

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18. CAPITAL COMMITMENTS AND CONTINGENCIES

Capital Commitments

The Group's capital commitment related to projects under construction and the purchase of property and equipment was SAR 1.4 billion as at 31 March 2025 (31 December 2024: SAR 3 billion).

Contingencies

The Group has outstanding bank letters of guarantee for SAR 352 million as at 31 March 2025 (31 December 2024: SAR 345 million) issued for the Group's normal course of business.

19. SUBSEQUENT EVENTS

In the opinion of management, there have been no significant subsequent event occurred subsequent to the reporting date and before the issuance of these interim condensed consolidated financial statements which require adjustment or disclosure in these interim condensed consolidated financial statements.

20. DATE OF AUTHORIZATION

These interim condensed consolidated financial statements were authorized for issuance on 9 Thul-Qi'dah 1446H (corresponding to 7 May 2025).