

**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 2026

INDEX**PAGE**

Independent auditor's report on review of interim condensed consolidated financial statements	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of other comprehensive income	4
Interim condensed consolidated statement of cash flows	5
Interim condensed consolidated statement of changes in equity	6
Notes to the interim condensed consolidated financial statements	7-22



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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 2026, 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.

for Ernst & Young Professional Services

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



Riyadh: 19 Thul-Qi'dah 1447
6 May 2026

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of financial position
As at 31 March 2026
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

	Notes	31 March 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	20,276,256	20,600,428
Projects under construction	7	903,209	886,664
Right-of-use assets		270,257	523,118
Intangible assets		234,673	243,128
Equity accounted investees	8	2,599,788	2,475,425
Other financial assets		34,310	32,115
TOTAL NON-CURRENT ASSETS		24,318,493	24,760,878
CURRENT ASSETS			
Inventories		522,395	447,083
Trade receivables and contract assets	9	3,864,068	1,992,337
Prepayments and other current assets		886,196	875,174
Short term deposits	10	961,400	1,825,400
Cash and cash equivalents	10	3,031,852	1,082,871
TOTAL CURRENT ASSETS		9,265,911	6,222,865
TOTAL ASSETS		33,584,404	30,983,743
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	9,228,515	9,228,515
Share premium		1,489,103	1,489,103
Other reserves		(58,158)	(11,221)
Retained earnings		6,712,069	4,562,862
Equity attributable to equity holders of the Parent Company		17,371,529	15,269,259
Non-controlling interests		1,043,993	968,536
TOTAL EQUITY		18,415,522	16,237,795
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	11	10,517,815	10,671,269
Employees' end of service benefits		142,420	141,772
Lease liabilities		175,880	335,185
Other liabilities		10,214	26,324
TOTAL NON-CURRENT LIABILITIES		10,846,329	11,174,550
CURRENT LIABILITIES			
Loans and borrowings	11	1,013,998	1,028,571
Lease liabilities		93,287	209,970
Trade and other payables	12	2,991,610	2,138,874
Provision for zakat and income tax	13	223,658	193,983
TOTAL CURRENT LIABILITIES		4,322,553	3,571,398
TOTAL LIABILITIES		15,168,882	14,745,948
TOTAL EQUITY AND LIABILITIES		33,584,404	30,983,743


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

The accompanying notes 1 to 21 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 2026
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

	Notes	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Revenue	5	4,964,224	2,166,635
Operating costs		(2,738,130)	(1,589,804)
Gross profit before bunker subsidy		2,226,094	576,831
Bunker subsidy		76,323	70,999
Gross profit		2,302,417	647,830
General and administrative expenses		(113,454)	(105,398)
Marketing expenses		(9,279)	(4,570)
Reversal/ (provision) on trade receivables and contract assets	9	11,484	(4,787)
Other income		27,334	11,592
Operating profit		2,218,502	544,667
Finance cost		(169,937)	(152,780)
Finance income	10	32,995	11,221
Share of results of equity accounted investees	8	173,474	192,903
Profit before zakat and income tax		2,255,034	596,011
Zakat and income tax	13	(30,370)	(36,363)
Profit for the period		2,224,664	559,648
Profit for the period attributable to:			
Equity holders of the Parent Company		2,149,207	532,823
Non-controlling interests		75,457	26,825
		2,224,664	559,648
Earnings per share (Saudi Riyal):			
Basic & diluted	14	2.33	0.58


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

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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 2026
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Profit for the period	2,224,664	559,648
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of investments through OCI	2,089	2,089
Re-measurement of employees' end of service benefits	85	(214)
Items that are or may be reclassified to profit or loss in subsequent periods:		
Equity accounted investees share of OCI	(49,111)	(32,724)
Total comprehensive income for the period	2,177,727	528,799
Total comprehensive income attributable to:		
Equity holders of the Parent Company	2,102,270	501,974
Non-controlling interests	75,457	26,825
	2,177,727	528,799


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

The accompanying notes 1 to 21 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 cash flows
For the three-month period ended 31 March 2026
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

	Notes	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
OPERATING ACTIVITIES			
Profit before zakat and income tax		2,255,034	596,011
Adjustments for non-cash items:			
Depreciation of property and equipment	6	371,226	338,169
Depreciation of right-of-use assets		61,706	109,836
Amortization of intangible assets		11,831	11,724
Provision on trade receivables and contract assets	9	(11,484)	4,787
Finance cost		169,937	152,780
Finance income		(32,995)	(11,221)
Share of results of equity accounted investees	8	(173,474)	(192,903)
Loss/ (gain) on disposal of property and equipment		36	(7,465)
Employees' end of service benefits		2,681	5,008
		<u>2,654,498</u>	<u>1,006,726</u>
Changes in working capital:			
Inventories		(75,312)	(23,325)
Trade receivables and contract assets		(1,860,247)	(82,931)
Prepayments and other current assets		(25,454)	(130,929)
Trade and other payables		888,790	(21,045)
		<u>1,582,275</u>	<u>748,496</u>
Finance cost paid		(235,396)	(236,461)
Zakat and income tax paid	13	(695)	(18,376)
Employees' end of service benefits paid		(1,948)	(3,431)
Net cash flows generated from operating activities		<u>1,344,236</u>	<u>490,228</u>
INVESTING ACTIVITIES			
Additions of property and equipment	6	(33,352)	(69,721)
Additions of projects under construction	7	(31,208)	(1,617,647)
Additions of intangible assets		(3,376)	(900)
Proceeds from disposal of property and equipment		925	153,715
Short term investment	10	864,000	-
Proceeds from finance income		39,041	13,045
Net cash flows generated from/ (used in) investing activities		<u>836,030</u>	<u>(1,521,508)</u>
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	11	460,000	2,156,026
Repayment of loans and borrowings	11	(619,640)	(120,627)
Payment of lease liabilities		(71,645)	(206,546)
Net cash flows (used in)/ generated from financing activities		<u>(231,285)</u>	<u>1,828,853</u>
Net increase in cash and cash equivalents		1,948,981	797,573
Cash and cash equivalents at beginning of the period		1,082,871	1,821,500
Cash and cash equivalents at end of the period		<u>3,031,852</u>	<u>2,619,073</u>
Details of other non-cash transactions:			
Projects under construction transferred to property and equipment	6,7	14,663	1,954,379
Termination of right-of-use assets		(191,155)	(34,172)


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

The accompanying notes 1 to 21 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 2026
(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 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
Balance as at 1 January 2026 (audited)	9,228,515	1,489,103	(11,221)	4,562,862	15,269,259	968,536	16,237,795
Profit for the period	-	-	-	2,149,207	2,149,207	75,457	2,224,664
Other comprehensive loss	-	-	(46,937)	-	(46,937)	-	(46,937)
Total comprehensive income for the period	-	-	(46,937)	2,149,207	2,102,270	75,457	2,177,727
Balance as at 31 March 2026 (unaudited)	9,228,515	1,489,103	(58,158)	6,712,069	17,371,529	1,043,993	18,415,522


Authorized Board Member


Chief Executive Officer


Chief Financial Officer

The accompanying notes 1 to 21 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 2026

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 water desalination activities, 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 9,228,515,620 as at 31 March 2026 is divided into 922,851,562 shares (31 December 2025: SAR 9,228,515,620 divided into 922,851,562 shares) with a par value of SAR 10 each.

On 4 Muharram 1447H (corresponding to 29 June 2025), the Company’s shareholders approved a resolution at the Extraordinary General Assembly to increase the share capital from SAR 7,382,812 thousand to SAR 9,228,515 thousand by granting one bonus share for every four shares owned. The increase of SAR 1,845,703 thousand was effected through a transfer from “retained earnings” to “share capital”. This transaction did not result in any change to the total equity of the Company.

The subsidiaries whose financial information is included in these interim condensed consolidated financial statements are as follows:

Subsidiary	Date of incorporation	Effective Ownership %		Principal activity	Location
		31 March 2026	31 December 2025		
National Chemical Carriers Company limited (“NCC”)	1990	80	80	Petrochemical transportation	KSA
NSCSA Inc. – USA	1991	100	100	Company's ship agent	USA
Bahri Ship Management DMCC	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 (a)	2024	100	100	Logistics services	UAE
Bahri Logistics Company (“SILZ”) LLC (a)	2024	100	100	Logistics services	KSA
Bahri Shipping Pte. Ltd.	2025	100	100	Company's ship agent	Singapore
Bahri High Seas	2025	100	100	Acquisition and operating of vessels	KSA
Bahri Dry Ship Management FZCO	2025	100	100	Ship Management and Operation	UAE
Bahri Chemical Ship Management FZCO	2025	100	100	Ship Management and Operation	UAE

- a) 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 NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Notes to interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2026

1. CORPORATE INFORMATION (continued)

The equity accounted investees whose 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 2026	31 December 2025		
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

- a) The Group share of Petreddec results for the financial period are recorded as per the latest financial information prepared by Petreddec. The difference between the latest financial information prepared by Petreddec 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 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 Company operates through the following branches:

Trade Name	Registration No.	Registration Date	City
The National Shipping Company of Saudi Arabia	1010026026	22/10/1979	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 2026, the Group operated 104 owned vessels and 3 under lease contract (31 December 2025: 104 owned vessels and 9 under lease contract) operating in the following sectors:

Oil transportation sector: Consists of 50 vessels (31 December 2025: 50 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 3 under lease contract (31 December 2025: owned 33 vessels and 9 under lease contract). Specialized tankers distributed as follows:

- 29 tankers operate in the spot market.
- 7 tankers are under charter agreements.

Logistics sector: This sector consists of 6 RoCon vessels and 2 MPP vessels (31 December 2025: 6 RoCon vessels and 2 MPP vessel) 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 2025: 13 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.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Notes to interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2026

1. CORPORATE INFORMATION (continued)

Geopolitical Developments

The Group continues to monitor the regional geopolitical developments and their potential impact on the region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have a positive impact on Group's financial statements for the period ended 31 March 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

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").

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 2025. 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.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)

Notes to interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2026

3. BASIS OF CONSOLIDATION (continued)

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 interim condensed consolidated statement of profit or loss.

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 2025.

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

The current geopolitical situation has not materially impacted the material accounting judgements, estimates and assumptions as at and for the period ended 31 March 2026 and management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)

Notes to interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2. Standards, interpretations and amendments adopted by the Group

4.2.1 New and amended standards and interpretations

Following are the standards and amendments effective on 1 January 2026 or after (unless otherwise stated) and do not have a material impact on the Group's financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standard, Amendment or Interpretation	Effective date
- Amendments to the Classification and Measurement of Financial Instruments - IFRS 9 and IFRS 7	1 January 2026
- Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

The amendments had no impact on the Group's financial statements.

4.2.2 New and amended standards and interpretations issued but not yet effective

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the Group and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date, except IFRS 18, which the Group is currently evaluating the impact of its adoption on the financial statements.

Standard, Amendment or Interpretation	Effective date
- IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027

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 2026

(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 2026 (Unaudited)	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Subtotal	Others	Total
Revenue	3,738,075	796,362	284,688	96,208	4,915,333	48,891	4,964,224
Operating costs	(1,930,603)	(464,825)	(241,357)	(72,816)	(2,709,601)	(28,529)	(2,738,130)
Bunker subsidy	65,058	8,289	2,129	847	76,323	-	76,323
Gross profit	1,872,530	339,826	45,460	24,239	2,282,055	20,362	2,302,417
General and administrative expenses	(8,783)	(8,830)	(22,682)	(4,400)	(44,695)	(68,759)	(113,454)
Marketing expenses	(61)	(99)	(1,382)	(4)	(1,546)	(7,733)	(9,279)
Reversal / (provision) on trade receivables and contract assets	(446)	21,722	(9,931)	139	11,484	-	11,484
Other income	2,991	23,609	(164)	886	27,322	12	27,334
Finance cost	(100,366)	(24,749)	(1,020)	(12,337)	(138,472)	(31,465)	(169,937)
Finance income	-	18,137	568	565	19,270	13,725	32,995
Share of results of equity accounted investees	-	-	-	-	-	173,474	173,474
Profit before zakat and income tax	1,765,865	369,616	10,849	9,088	2,155,418	99,616	2,255,034

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 2026

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

5. OPERATING SEGMENTS (continued)

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	(781,922)	(505,371)	(213,761)	(82,335)	(1,583,389)	(6,415)	(1,589,804)
Bunker subsidy	61,368	3,654	5,635	342	70,999	-	70,999
Gross profit	374,527	193,875	57,574	12,138	638,114	9,716	647,830
General and administrative expenses	(7,256)	(7,596)	(23,027)	(3,854)	(41,733)	(63,665)	(105,398)
Marketing expenses	(69)	(56)	(525)	(10)	(660)	(3,910)	(4,570)
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 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 2026

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

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 2026 (Unaudited)	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Others	Total
Property and equipment	13,499,231	3,381,042	1,183,258	1,283,303	929,422	20,276,256
Other assets	3,792,522	2,671,467	899,977	168,683	5,775,499	13,308,148
Total assets	17,291,753	6,052,509	2,083,235	1,451,986	6,704,921	33,584,404
Total liabilities	8,848,552	2,165,571	458,690	785,472	2,910,597	15,168,882
31 December 2025 (Audited)	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Others	Total
Property and equipment	13,693,632	3,459,669	1,206,025	1,301,763	939,339	20,600,428
Other assets	2,126,308	2,493,080	878,284	144,280	4,741,363	10,383,315
Total assets	15,819,940	5,952,749	2,084,309	1,446,043	5,680,702	30,983,743
Total liabilities	8,094,192	2,426,173	450,819	787,991	2,986,773	14,745,948

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 2026

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

6. PROPERTY AND EQUIPMENT

31 March 2026 (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 2026	41,000	30,808,415	6,730	11,092	1,387	2,785	27,845	7,731	30,906,985
Additions*	197	45,726	101	168	-	-	1,298	525	48,015
Disposals	(695)	-	(317)	(640)	(382)	(2,396)	(364)	(2,126)	(6,920)
At 31 March 2026	40,502	30,854,141	6,514	10,620	1,005	389	28,779	6,130	30,948,080
Accumulated depreciation:									
At 1 January 2026	26,091	10,241,993	5,721	6,382	1,307	2,724	16,328	6,011	10,306,557
Charge for the period	951	368,596	134	193	13	13	1,234	92	371,226
Disposals	(643)	-	(215)	(508)	(382)	(2,396)	(215)	(1,600)	(5,959)
At 31 March 2026	26,399	10,610,589	5,640	6,067	938	341	17,347	4,503	10,671,824
Net book value:									
At 31 March 2026	14,103	20,243,552	874	4,553	67	48	11,432	1,627	20,276,256

* During 2026, the Group completed projects with a total capitalized amount of 14 million which transferred from project under construction (refer note 7). In addition, the Group disposed assets with net book value of SAR 961 thousand (31 December 2025: SAR 156 million) and this has resulted in a loss of SAR 36 thousand (31 December 2025: SAR 5.8 million gain).

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 2026

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

6. PROPERTY AND EQUIPMENT (continued)

31 December 2025 (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 2025	38,377	25,632,013	6,210	9,842	1,380	3,067	23,933	7,731	25,722,553
Additions*	3,100	5,635,370	596	1,783	7	-	6,922	-	5,647,778
Disposals	(477)	(458,968)	(76)	(533)	-	(282)	(3,010)	-	(463,346)
At 31 December 2025	41,000	30,808,415	6,730	11,092	1,387	2,785	27,845	7,731	30,906,985
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 year	3,733	1,498,008	542	824	57	52	3,993	362	1,507,571
Disposals	(28)	(304,245)	(60)	(331)	-	(282)	(2,446)	-	(307,392)
At 31 December 2025	26,091	10,241,993	5,721	6,382	1,307	2,724	16,328	6,011	10,306,557
Net book value:									
At 31 December 2025	14,909	20,566,422	1,009	4,710	80	61	11,517	1,720	20,600,428

* During 2025, 12 new vessels were received, and other projects were completed with total capitalized amount SAR 5,354 million which was transferred from projects under construction (refer note 7).

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 2026

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

7. PROJECTS UNDER CONSTRUCTION

The movement in projects under construction is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Beginning balance	886,664	2,291,663
Additions	31,208	3,948,938
Transferred to property and equipment (note 6)	(14,663)	(5,353,937)
Ending balance	903,209	886,664

Projects under construction include SAR 3.9 million of borrowing costs capitalized during the period (31 December 2025: SAR 23 million).

8. EQUITY ACCOUNTED INVESTEEES

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

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Petreddec group limited	2,599,788	2,475,425

Liabilities associated with equity accounted investees

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
International Maritime Industries Company ("IMI")	128,124	128,124

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

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Share of profit in Petreddec group limited	173,474	199,142
Share of loss in IMI	-	(3,648)
Share of loss in NGC	-	(2,591)
	173,474	192,903

9. TRADE RECEIVABLES AND CONTRACT ASSETS

Trade receivables and contract assets include the following items:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	1,057,981	807,072
Due from related parties (note 17)	2,741,664	992,683
	3,799,645	1,799,755
Contract assets	261,551	401,327
	4,061,196	2,201,082
Less: Provision on trade receivables and contract assets (note a)	(197,128)	(208,745)
Trade receivables and contract assets	3,864,068	1,992,337

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 2026

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

9. TRADE RECEIVABLES AND CONTRACT ASSETS (continued)

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

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Opening balance	208,745	182,825
(Reversal)/ charge for the period / year	(11,484)	27,777
Write-off	(133)	(1,857)
Ending balance	197,128	208,745

10. CASH AND SHORT-TERM DEPOSITS

10.1 Cash and cash equivalents

Cash and cash equivalents represent bank balances, cash, investments in Murabaha and short-term deposits for a period of less than 3 months, as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Bank balances and cash	1,246,852	868,871
Murabaha deposits	1,785,000	214,000
Cash and cash equivalents	3,031,852	1,082,871

Murabaha deposits yield finance income at prevailing market rates and maturity date of less than three months. The finance income on Murabaha deposits during the period amounted to SAR 10.3 million (31 March 2025: SAR 11 million).

10.2 Short Term deposits

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Short term deposits	961,400	1,825,400

The Group invests part of its excess cash in short-term deposits that have maturity of more than three months but less than a year with local banks. The finance income on short-term deposits during the period amounted to SAR 22.6 million (31 March 2025: SAR nil).

11. LOANS AND BORROWINGS

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Sukuk	11.1	3,900,000	3,900,000
Murabaha loans	11.2	7,651,499	7,811,139
Total loans and borrowings		11,551,499	11,711,139
Less: total current portion		(1,013,998)	(1,028,571)
Non-current loans and borrowings		10,537,501	10,682,568
Less: prepaid financing		(19,686)	(11,299)
Net non-current loans and borrowings		10,517,815	10,671,269
Current portion		1,013,998	1,028,571
Non-current portion		10,517,815	10,671,269
		11,531,813	11,699,840

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 2026

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

11. LOANS AND BORROWINGS (continued)

11.1 Sukuk

On 6 Dhul-Hajjah 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 23 Safar 1451H (corresponding to 5 July 2029). The balance in the prepaid financing account related to Sukuk as at 31 March 2026 is SAR 3.8 million (31 December 2025: SAR 4.1 million).

11.2 Murabaha loans

The Group obtained Murabaha long term loans during the period ended 31 March 2026 for a total of SAR 460 million (31 December 2025: SAR 4,944 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 620 million was made during the period ended 31 March 2026 (31 December 2025: SAR 2,002 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 2026 is SAR 5,943 million (31 December 2025: 5,885 million) and the balance of loans against which profit is to be paid based on SIBOR as at 31 March 2026 totaled to SAR 1,708 million (31 December 2025: SAR 1,927 million). The balance in the prepaid financing account related to Murabaha loans as at 31 March 2026 is SAR 15.9 million (31 December 2025: SAR 7.2 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 2026, the Group was in compliance with all applicable loan covenants.

12. TRADE AND OTHER PAYABLES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Accrued expenses	1,617,997	890,081
Trade payables	576,590	408,700
Due to related parties (note 17)	390,558	355,897
Accrued finance cost	146,782	212,135
Liabilities associated with equity accounted investees (note 8)	128,124	128,124
Dividends payables	65,305	65,305
Others	66,254	78,632
	2,991,610	2,138,874

13. ZAKAT AND INCOME TAX

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

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Opening balance	193,983	225,674
Charge for the period/ year	30,370	92,166
Payments during the period/ year	(695)	(123,857)
Ending balance	223,658	193,983

The Company's Zakat is based on the financial statements of the Company and its wholly owned subsidiaries (excluding Bahri Logistics Company, which submit its Zakat return separately), in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Partially owned subsidiaries submit their Zakat and tax returns separately.

The Company has filed its zakat returns up to 2025 and obtained the zakat certificate for the year 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 2026
(All amounts in thousands of Saudi Riyals - unless otherwise stated)

13. ZAKAT AND INCOME TAX (continued)

The Company has cleared and settled all zakat assessments issued by ZATCA up to 2023.

The Company did not receive the zakat assessment for the year 2024 and 2025 from ZATCA.

14. EARNINGS PER SHARE

	For the three-month period ended 31 March	
	2026	2025
Profit for the period	2,149,207	532,823
Average number of shares outstanding during the period	922,852	922,852
Earnings per share - Basic and Diluted (Saudi Riyals)	2.33	0.58

The basic and diluted earnings per share are calculated by dividing the profit of the period attributable to ordinary shareholders of the Parent company by the weighted average number of ordinary shares outstanding during the period. The calculation of basic and diluted earnings per share for the three-month period ended 31 March 2025 has been restated to reflect the impact of bonus shares issued during the year ended 31 December 2025, which resulted in an increase in the Company's share capital to 922,852 thousand shares (note 1).

15. FINANCIAL INSTRUMENTS

Fair values of financial instruments

	31 March 2026 (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	24,371	-	-	24,371
Financial instruments measured at FVTPL				
CAP commission option				
Assets	-	9,843	-	9,843
	31 December 2025 (Audited)			
	Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
FVOCI – equity instrument:				
Quoted equity shares	22,282	-	-	22,282
Financial instruments measured at FVTPL				
CAP commission option				
Assets	-	9,737	-	9,737

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 2026

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

15. FINANCIAL INSTRUMENTS (continued)

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 are approximate to their carrying values.

16. DIVIDENDS

The Board of Directors, in its meeting held on 21 Ramadan 1447H (corresponding to 10 March 2026) recommended to the General Assembly to distribute cash dividends of SAR 923 million to the shareholders for the financial year ended 31 December 2025 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	
		2026 (Unaudited)	2025 (Unaudited)
ARAMCO and its subsidiaries – shareholder	Revenue	3,369,111	1,077,072
ARAMCO and its subsidiaries – shareholder	Bunker purchase	134,586	171,937
SABIC and its subsidiaries - government related entities	Revenue	11,285	10,317
International Maritime Industries ("IMI") – associate	Revenue	3,129	776

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

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
ARAMCO and its subsidiaries	2,726,244	976,608
International Maritime Industries ("IMI")	9,427	9,839
SABIC and its subsidiaries	5,993	6,236
	<u>2,741,664</u>	<u>992,683</u>

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 2026

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

17. RELATED PARTIES (continued)

Payables due to related parties (note 12) are as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
ARAMCO and its subsidiaries	384,187	355,897
SABIC and its subsidiaries	6,371	-
	390,558	355,897

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 925 million as at 31 March 2026 (31 December 2025: SAR 915 million).

Contingencies

The Group has outstanding bank letters of guarantee for SAR 365 million as at 31 March 2026 (31 December 2025: SAR 363 million) issued for the Group's normal course of business.

19. COMPARATIVE FIGURES

Certain figures have been reclassified to conform with the classification used for the period ended 31 March 2026 and have no impact on previously reported net profit or retained earnings. The main reclassifications are as follows:

Interim condensed consolidated statement of profit or loss for the period ended 31 March 2025:

	As previously reported	Amount of reclassification	Amount after reclassification
Operating costs	(1,625,213)	35,409	(1,589,804)
General and administrative expenses	(74,559)	(30,839)	(105,398)
Marketing expenses	-	(4,570)	(4,570)

20. SUBSEQUENT EVENTS

In the opinion of management there have been no significant subsequent events for the period ended 31 March 2026 that would have material impact on the financial position of the Group as reflected in these interim condensed consolidated interim financial statements.

21. DATE OF AUTHORIZATION

These interim condensed consolidated financial statements were authorized for issuance on 12 Dhul-Qidah 1447AH (corresponding to 29 April 2026).