Template for discussion report and analysis of the board of directors of the listed public shareholding company

Date	07 November 2023
Name of the Listed Company	National Industries Group Holding K.P.S.C. (NIG)
The period of the financial statements covered by the report	Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2023.
Overview of the main results during the financial period	NIG reported a net profit of KD 16.7 million and EPS (Profit) of 7.4 fils for the nine months period ended 30 September 2023 as compared to net profit of KD 13.0 million and EPS (Profit) of 6.1 fils for the same period in 2022. Whereas NIG reported a net profit of KD 3.3 million and EPS (Profit) of 1.4 fils for the 3rd quarter ended 30 September 2023 as compared to net loss of KD 18.3 million and EPS (Loss) of 8.1 fils for the same period in 2022. NIG reported an increase in revenue from sales and contract with customers amounting to KD 111 million for the Nine months ended 30 September 2023 as compared to KD 89 million for the same period in 2022. Additionally, NIG reported an increase in gross profit amounting to KD 23.3 million for the nine months ended 30 September 2023 as compared to KD 17.6 million for the same period in 2022. Further, NIG reported share of results of associates amounting to KD 28.7 million for the nine months ended 30 September 2023 as compared to KD 22.9 million for the same period in 2022.
Securities issued during the financial period	N/A

Summary of the most important non-financial events and developments during the financial period	N/A
Summary of operational performance during the financial period	For the nine months ended 30 September 2023, NIG reported net operating income amounting to KD 65 million as compared to KD 42 million for the same period in 2022.
Summary of profit and loss during the financial period	NIG reported total revenue for the nine months ended 30 September 2023 amounting to KD 186.9 million as compared to KD 145.9 million for the same period in 2022. Group's investment division revenue amounted to KD 76 million for the nine months ended 30 September 2023 as compared to KD 56 million for the same period in 2022. Group's building material division revenue amounted to KD 36.1 million for the nine months ended 30 September 2023 as compared to KD 34.7 million for the same period in 2022. NIG's specialist engineering & chemical division revenue amounted to KD 64.9 million for the nine months ended 30 September 2023 as compared to KD 43.4 million for the same period in 2022.
Summary of financial position as at the end of the financial period	The Group's total assets as of 30 September 2023 amounted to KD 1.45 billion as compared to KD 1.38 billion as of 31 December 2022 and KD 1.40 billion as of 30 September 2022. The Group's investment in associates as of 30 September 2023 amounted to KD 349 million as compared to KD 354 million as of 31 December 2022 and KD 339 million as of 30 September 2022. NIG's total borrowings as of 30 September 2023 amounted to KD 698 million as compared to KD 652 million as of 31

	December 2022 and KD 674 million as of 30 September 2022. The equity attributable to the owners of the Parent Company amounted to KD 478 million as of 30 September 2023 as compared to KD 487 million as of 31 December 2022 and KD 486 million as of 30 September 2022.
Summary of cash flows during the financial period	The Group's net cash outflow from operating activities for the nine months ended 30 September 2023 amounted to KD 1.2 million as compared to an outflow of KD 0.7 million for the same period ended 30 September 2022. Cash inflow from dividends from financial assets at fair value through other comprehensive income received during the nine months ended 30 September 2023 amounted to KD 28 million as compared to KD 16 million for the same period in 2022. Net cash inflow from investing activities for the nine months ended 30 September 2023 amounted to KD 139.5 million as compared to cash outflow of KD 27.2 million for the same period in 2022. Net cash outflow from financing activities during the nine months ended 30 September 2023 amounted to KD 43.9 million as compared to a cash inflow of KD 100.2 million during the same period in 2022.
Main performance indicators	**Earnings Per Share:** 30 September 2023: EPS (Profit): 7.4 fils 30 September 2023: EPS (Profit): 6.1 fils **Net Debt to Equity ratio:** 30 September 2023: 79% 31 December 2022: 72% 30 September 2022: 75%
Expectations for the sector and the company's role in these expectations	Moderate growth of the investment sector is expected.

Expectations regarding the economy and its impact on the company and the sector	Moderate growth of the economy is expected as macroeconomic factors improve where the Group operates.
Future plans for growth and changes in operations in future periods	NIG in its business operations i.e., building materials, petrochemicals, oil & gas, specialist engineering, real estate, utility services, hotel & IT services and financial services are actively looking for new opportunities.
The size and impact of current and projected capital expenditures on the company	Property, plant, and equipment purchases during the period ended 30 September 2023 amounted to KD 6.6 million and we expect that future annual purchases of property, plant and equipment of the Company will range between KD 8 million to KD 10 million.
The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	N/A

The name of the authorized signatory	**Ahmed Mohammed Hassan** **Chief Executive Officer**
Signature	
Date	**07 November 2023**
Company's Seal	