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

Date	08 May 2024
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 Information for the period ended 31 March 2024.
Overview of the main results during the financial period	NIG reported a net profit of KD 29.5 million and EPS (Profit) of 13.07 fils for the period ended 31 March 2024 as compared to net profit of KD 15.9 million and EPS (Profit) of 7.03 fils for the period ended 31 March 2023. NIG reported revenue from sales and contract with customers amounting to KD 40.4 million for the period ended 31 March 2024 as compared to KD 39.3 million for the period ended 31 March 2023. Additionally, NIG reported an increase in gross profit amounting to KD 9.7 million for the period ended 31 March 2024 as compared to KD 8.7 million for the period ended 31 March 2023. Further, NIG reported share of results of associates amounting to KD 12.2 million for the period ended 31 March 2024 as compared to KD 7.4 million for the period ended 31 March 2023.
Securities issued during the financial period	N/A
Summary of the most important non-financial events and developments during the financial period	N/A

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Summary of operational performance during the financial period	For the period ended 31 March 2024, NIG reported net operating income amounting to KD 47.4 million as compared to KD 33.6 million for the period ended 31 March 2023.
Summary of profit and loss during the financial period	NIG reported total revenue for the period ended 31 March 2024 amounting to KD 89.2 million as compared to KD 78.5 million for the period ended 31 March 2023. Group's investment division revenue amounted to KD 48.8 million for the period ended 31 March 2024 as compared to KD 39.2 million for the period ended 31 March 2023. Group's building material division revenue amounted to KD 13 million for the period ended 31 March 2024 as compared to KD 13.3 million for the period ended 31 March 2023. NIG's specialist engineering & chemical division revenue amounted to KD 24.2 million for the period ended 31 March 2024 as compared to KD 22.2 million for the period ended 31 March 2023.
Summary of financial position as at the end of the financial period	The Group's total assets as of 31 March 2024 amounted to KD 1.55 billion as compared to KD 1.5 billion as of 31 December 2023 and KD 1.47 billion as of 31 March 2023. The Group's investment in associates as of 31 March 2024 amounted to KD 380 million as compared to KD 376 million as of 31 December 2023 and KD 339 million as of 31 March 2023. NIG's total borrowings as of 31 March 2024 amounted to KD 732 million as compared to KD 716 million as of 31 December 2023 and KD 708 million as of 31 March 2023. The equity attributable to the owners of the Parent Company amounted to KD 526 million as of 31 March 2024 as compared to KD 499 million as of 31 December 2023 and KD 492 million as of 31 March 2023.

Summary of cash flows during the financial period	The Group's net cash outflow from operating activities for the period ended 31 March 2024 amounted to KD 5.3 million as compared to KD 7.9 million for the period ended 31 March 2023. Cash inflow from dividends from financial assets at fair value through profit & loss and other comprehensive income received during the period ended 31 March 2024 amounted to KD 10 million as compared to KD 14.6 million for the period ended 31 March 2023. Net cash inflow from investing activities for the period ended 31 March 2024 amounted to KD 6.6 million as compared to KD 0.7 million for the period ended 31 March 2023. Net cash inflow from financing activities during the period ended 31 March 2024 amounted to KD 3.7 million as compared to a cash outflow of KD 0.6 million for the period ended 31 March 2023.
Main performance indicators	**Earnings Per Share:** 31 March 2024: EPS (Profit): 13.07 fils 31 March 2023: EPS (Profit): 7.03 fils **Net Debt to Equity ratio:** 31 March 2024: 76% 31 December 2023: 77% 31 March 2023: 79%
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 31 March 2024 amounted to KD 1.2 million and we expect that future annual purchases of property, plant and equipment of the Company will range between KD 5 million to KD 8 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	**May 08, 2024**
Company's Seal	

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NI Group

National Industries Group (Holding) (S.A.K.)