مجموعة الصناعات الوطنية (القابضة) ش.م.ك.
NI Group
National Industries Group (Holding)

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Date: 23 July 2025

Ref: ٣٩٩-ح/٣/١٣/و.ص.م

Mr. Hamed Ahmed Ali

Chief Executive Officer - Dubai Financial Market

CC Securities Commodities Authority

Greetings,

Dear Sirs,

Subject: Disclosure on Credit Rating

With reference to the above, subject and the requirements of the Fourth Chapter (Disclosure of Material Information) from module Ten (Disclosure & Transparency) of the executive bylaws no.7 of 2010 as amended.

We would like to announce that Credit Rating Agency "Capital Intelligence Rating Ltd – (CI Ratings)" on 23 July 2026 announced that it has affirmed the issue rating of "BBB-" to the National Industries Group Holding's (NIGH) Kuwaiti Dinar 40 million Senior Unsecured Bond with a "Stable" outlook.

Please find enclosed disclosure form and the Capital Intelligence Credit Rating Announcement. Kindly note that the Arabic translation has been performed in-house.

Regards,

مجموعة الصناعات الوطنية (القابضة) ش.م.ك.
NI Group
National Industries Group (Holding)
(S.A.K.)

Ahmed Hassan
Chief Executive Officer

Credit Rating Disclosure Form

Date	23 July 2026
Name of the Listed Company	National Industries Group Holding K.P.S.C. ("Company")
Name of the Credit Rating Agency	Capital Intelligence Ratings Ltd. ("CI Ratings")
Credit Rating Classification Categories	Affirmed Issue rating of "BBB-" with a "stable" outlook assigned to the Kuwaiti Dinar 40 million senior unsecured bond issued by the Company.
A simple explanation of the Credit Rating Classification issued and its implications	The stable rating reflects the Company's established financial strength and its demonstrated ability to manage earnings volatility as well as both funding and liquidity risk. he rating is supported by satisfactory liquidity, including available committed bank facilities, and continued access to debt capital markets and long-term banking facilities despite regional geopolitical challenges. Additional support is derived from the diversified and high-quality asset base, resilient earnings streams, sound profitability of subsidiaries and associates, and steady dividend flows to the parent company. While elevated gross debt levels and low interest coverage remain key rating constraints, management's proactive approach to financial risk management and planned asset disposals to reduce leverage support the rating stability.

The expected financial impact of the Credit Rating Classification issued on the company's business and financial position	There is no impact of this rating on the Company's financial position.
Future outlook (as per the Credit Rating Agency) about the company	The outlook is "Stable".
Summary of the official statement issued by the company regarding the Classification of the Credit Rating	Attached

The Name of the Authorized Signatory	Ahmed M. Hassan
Designation	Chief Executive Officer
Signature and Date	23 July 2026
Company's Seal	مجموعة الصناعات الوطنية (القابضة) ش.م.ك NI Group National Industries Group (Holding) (S.A.K.)

Ref: KW02425CRA05-07

23 July 2026

National Industries Group Holding – KWD40mn Senior Unsecured Bond Rating Affirmed with a Stable Outlook

Capital Intelligence Ratings (CI Ratings or CI) has affirmed the Issue Rating of 'BBB-' assigned to the KWD40mn Senior Unsecured Bond maturing in 2027 issued by National Industries Group Holding (NIGH). The Outlook on the rating is Stable.

The issue rating on this senior unsecured bond is in line with CI Ratings' assessment of the financial strength of the issuer, NIGH. The rating balances negatives such as earnings volatility and, in particular, the high level of gross debt, with management's demonstrated ability to manage this volatility, as well as both funding and liquidity risk. While particular periods may show falls in profitability ratios, there has been no overall negative trend.

Satisfactory effective liquidity (which includes undrawn amounts under long-term committed bank facilities) and the continued ready access to both debt capital markets and new long-term banking facilities are crucial rating drivers. Both continue to be demonstrated, despite the geopolitical situation in the GCC region. The other main factors that support the bond rating are sound profitability at subsidiaries and associates, and the steady growth in dividends being paid to the parent company. Also supporting the rating are the diversified nature and high quality of the asset base and earnings streams (despite the volatility of the latter) – although the proportion of asset base encumbrance remains significant. The still high level of gross debt remains a rating constraint, as do the low interest coverage ratios. Although planned asset disposals next year are intended to allow reductions in gross debt, gross debt will rise slightly this year. Debt on both a gross and net basis rose in money terms in Q1 26, although the rise in the latter was small.

Profitability is also a credit challenge, as highlighted by the KWD10mn net loss posted for Q1 26. As an IHC, NIGH revenues are dependent on income from investments plus share of results of associates, while expenses are dominated by finance costs – which are high in the case of NIGH. Other forms of regular income are limited to rental income and interest earned on deposits. While NIGH also sees revenue contributions from disposal gains, these are irregular. When markets are down (as they were in Q1 due to the regional conflict), NIGH tends to post large unrealised losses. Subsequent periods normally show unrealised gains as markets recover. For NIGH, management is expecting Q2 to show unrealised gains, again at both the consolidated and parent-only level. There will also be a non-cash gain of KWD5.5mn following derecognition of the National Industries Company as a subsidiary. As a result, net profit for H1 26 is likely to normalise.

The management structure is stable, and senior managers are experienced and capable; most have been with NIGH for many years. The strategy for future investments to be made aims to maintain a balance between private equity (PE) opportunities (including into real estate developments) that offer high eventual longer-term gains and more liquid, dividend-paying investments that can provide a predictable flow of cash to meet debt service obligations. With a number of the older PE investments moving towards a profitable exit, management expects to be able to achieve and then maintain a gently declining trend in net debt beginning at the end of 2026.

Liquidity and Short-Term Debt Repayment Capacity

Effective liquidity is satisfactory, supported by large holdings of readily marketable securities and by still high cash balances; as at end-Q1 26, the latter were equivalent to 46% of the sum of ST debt and the current portion of LT debt. Of total debt at end-Q1 26, 45% was ST. However, almost all of the latter is provided under very longstanding bank lines from a diversified panel of banks; most have been renewed annually for many years. While the high proportion of ST borrowings still constitutes a potential funding vulnerability, CI believes ST debt repayment capacity to remain satisfactory, especially given liquid resources of KWD946mn as at the same date.

Rating Outlook

The Stable Outlook on the issue rating indicates that no change is expected over the next 12 months. This outlook assumes that management will continue to be able to successfully manage the ST portion of the funding base and the level of liquid resources, while at the same time also continue to maintain stability in the level of gross debt.

Rating Dynamics: Upside Scenario

The most likely upside scenario for the issue rating would be an upgrade of the Outlook to Positive. However, this would require significant improvements in debt-related ratios, including a significant declining trend in both gross and net debt and a resulting improvement in interest coverage metrics. Achieving this would likely require both good earnings (and earnings retention) and the successful execution of planned in asset disposals in 2027.

Rating Dynamics: Downside Scenario

The most likely downside scenario would be a lowering of the Outlook on the issue rating to Negative. The nature of the business model is such that volatility in TCI is to be expected, and this in turn means deterioration in debt-equity ratios. However, the experience to date has been one where such (sometimes quite sharp) swings are reversed after one or two quarters, returning ratios to an equilibrium. Such volatility would, therefore, not on its own trigger a lowering of the outlook; this would require a more broadly based deterioration in financial metrics that appeared likely to be prolonged.

Ratings

	Series/ Tranche	Coupon	Maturity Date	Seniority/ Security	Long-Term	Outlook
KWD40mn Bond	-	-	8/9/27	Senior Unsecured	BBB-	Stable

Contact

Primary Analyst: Rory Keelan, Senior Credit Analyst; E-mail: rory.keelan@ciratings.com
Secondary Analyst: Darren Stubing, Senior Credit Analyst
Committee Chairman: Morris Helal, Senior Credit Analyst

About the Ratings

The credit ratings have been issued by Capital Intelligence Ratings Ltd, P.O. Box 53585, Limassol 3303, Cyprus.

The information sources used to prepare the credit ratings are as follows: public information and information provided by the rated entity. Financial data and metrics have been derived by CI from the rated entity's financial statements for FY2022-25 and Q1 26. CI may also have relied upon non-public financial information provided by the rated entity and may also have used financial information from credible, independent third-party data providers.

CI considers the quality of information available on the rated entity to be satisfactory for the purposes of assigning and maintaining credit ratings. CI does not audit or independently verify information received during the rating process.

The principal methodologies used to determine the ratings are the Corporate Rating Methodology, dated 3 May 2023; the Bond Rating Methodology; and the Parent / Subsidiary Criteria, dated 27 April 2022. For the methodology and our definition of default see https://ciratings.com/policies-procedures/methodologies-criteria/current-criteria-guidance. Information on rating scales and definitions and the time horizon of rating outlooks can be found at https://ciratings.com/policies-procedures/rating-scales-definitions. Historical performance data, including default rates, are available from a central repository established by ESMA (CEREP) at https://registers.esma.europa.eu/cerep-publication

This rating action follows an annual review of the issue. Ratings on the issue were first released in July 2022. The ratings were last updated in July 2025. The rating and rating outlook were disclosed to the rated entity prior to publication and were not amended following that disclosure. The ratings have been assigned or maintained at the request of the rated entity or a related third party.

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