

Nass Corporation BSC
**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

30 September 2024

Nass Corporation BSC

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024**

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GENERAL INFORMATION

Commercial registration	60037
Head office	P.O. Box 669, Manama Kingdom of Bahrain
Chairman	Mr. Sameer Abdulla Nass
Deputy Chairman	Mr. Sami Abdulla Nass
Director	Mr. Adel Abdulla Nass
Director	Mr. Ghazi Abdulla Nass
Director	Mr. Fawzi Abdulla Nass
Director	Mr. Bashar Sameer Nass
Director	Mr. Hemant Joshi
Director	Mr. Abdulla Nooruddin
Director	Mr. Eyad Sater (Elected on 28 March 2024)
Director	Mr. Khalid Mattar (Elected on 28 March 2024)
Director	Mr. Jamal A Al Hazeem (Retired on 28 March 2024)
Director	Mr. Hisham Al Saie (Retired on 28 March 2024)
Bankers	HSBC Bank Middle East Bank of Bahrain and Kuwait Ahli United Bank Standard Chartered Bank BNP Paribas Bahrain Islamic Bank State Bank of India Arab Bank Kuwait Finance House Al Salam Bank
Chief Executive Officer	Mr. Mazen Mohamad Ahmed Matar
Chief Financial Officer	Mr. Bassam Awdi
Company Secretary	Mr. Srinath Prabhu
Corporate Governance Officer	Mr. Ramesh Panigrahi
Auditors	KPMG Fakhro



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Independent auditors' report on review of condensed consolidated interim financial information

To the Board of Directors

Nass Corporation BSC
Manama, Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial information of Nass Corporation BSC (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2024;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 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 30 September 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

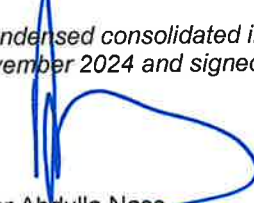
12 November 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2024

Bahraini Dinars '000

	Note	30 September 2024 (reviewed)	31 December 2023 (audited)
ASSETS			
Property, plant and equipment		24,726	23,580
Right-of-use assets		3,479	4,139
Equity accounted investees		991	1,080
Total non-current assets		29,196	28,799
Inventories		9,288	8,222
Trade receivables and other assets	7	66,237	68,886
Contract assets	8	25,110	26,478
Due from related parties	9	2,589	2,263
Deposits with banks		1,690	1,822
Cash and bank balances		8,879	7,572
Total current assets		113,793	115,243
Total assets		142,989	144,042
EQUITY			
Share capital		22,000	22,000
Treasury shares		(1,597)	(1,597)
Statutory reserve		9,146	9,146
Retained earnings		4,875	10,152
Donations and charity reserve		29	35
Equity attributable to owners of the Company		34,453	39,736
Non-controlling interest		815	1,222
Total equity		35,268	40,958
Liabilities			
Lease liabilities		2,680	3,204
Bank loans		1,599	2,089
Employee benefits		7,471	7,757
Total non-current liabilities		11,750	13,050
Trade payables and other liabilities	10	43,713	44,386
Lease liabilities		1,201	1,316
Contract liabilities		15,972	12,161
Employee benefits		4,244	4,269
Due to related parties	9	8,088	8,639
Bills payable		2,470	5,148
Bank loans		786	1,607
Bank overdrafts		19,497	12,508
Total current liabilities		95,971	90,034
Total liabilities		107,721	103,084
Total equity and liabilities		142,989	144,042

The condensed consolidated interim financial information was approved by the Board of Directors on 12 November 2024 and signed on its behalf by:


 Sameer Abdulla Nass
 Chairman


 Sami Abdulla Nass
 Deputy Chairman

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

for the nine months ended 30 September 2024

Bahraini Dinars'000

	Note	Nine months ended 30 September		Three months ended 30 September	
		2024 (reviewed)	2023 (reviewed)	2024 (reviewed)	2023 (reviewed)
Revenue	11	110,624	109,915	34,724	39,755
Cost of sales		(107,573)	(101,165)	(33,176)	(36,619)
Gross profit		3,051	8,750	1,548	3,136
Other operating income, net		328	582	73	174
General and administrative expenses	12	(8,055)	(8,107)	(2,617)	(2,775)
Impairment (charge)/ reversal on trade receivables and other assets and contract assets, net		(116)	533	(33)	(161)
Finance income		80	110	24	38
Finance costs		(900)	(1,030)	(282)	(338)
Share of profit from equity - accounted investees, net		5	98	20	56
(Loss)/ profit for the period		(5,607)	936	(1,267)	130
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(5,607)	936	(1,267)	130
Attributable to:					
Owners of the Company		(5,277)	1,385	(1,273)	271
Non-controlling interest		(330)	(449)	6	(141)
		(5,607)	936	(1,267)	130
Earnings per share					
Basic earnings per share (Fils)		(24.54)	6.44	(5.92)	1.26

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2024

Bahraini Dinars '000

2024 (reviewed)

	Attributable to owners of the Company					Non-controlling interest	Total equity	
	Share capital	Treasury shares	Statutory reserve	Retained earnings	Donations and charity reserve			Total
At 1 January 2024	22,000	(1,597)	9,146	10,152	35	39,736	1,222	40,958
Loss and total comprehensive income for the period	-	-	-	(5,277)	-	(5,277)	(330)	(5,607)
Dividend declared for 2023	-	-	-	-	-	-	(77)	(77)
Utilization of donation and charity reserve	-	-	-	-	(6)	(6)	-	(6)
At 30 September 2024	22,000	(1,597)	9,146	4,875	29	34,453	815	35,268

2023 (reviewed)

	Attributable to owners of the Company					Non-controlling interest	Total equity	
	Share capital	Treasury shares	Statutory reserve	Retained earnings	Donations and charity reserve			Total
At 1 January 2023	22,000	(1,597)	8,826	7,267	42	36,538	1,721	38,259
Profit/ (loss) and total comprehensive income for the period	-	-	-	1,385	-	1,385	(449)	936
Dividend declared for 2022	-	-	-	-	-	-	(23)	(23)
Utilization of donation and charity reserve	-	-	-	-	(4)	(4)	-	(4)
At 30 September 2023	22,000	(1,597)	8,826	8,652	38	37,919	1,249	39,168

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2024

Bahraini Dinars '000

	Nine months ended 30 September 2024 (reviewed)	Nine months ended 30 September 2023 (reviewed)
Operating activities		
(Loss)/ profit for the period	(5,607)	936
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	2,717	2,454
Impairment on property, plant and equipment, net	66	-
Amortisation on right-of-use assets	1,101	1,139
Impairment charge/ (reversal) on trade receivables and other assets, net	74	(582)
Impairment charge on contract assets, net	1	-
Impairment (reversal) / allowance on bank balances, net	(1)	3
Impairment allowance on related parties, net	41	46
Gain on disposal of property, plant and equipment	(67)	(143)
Share of profit from equity accounted investments, net	(5)	(98)
Employee benefits	2,172	2,074
<i>Changes in:</i>		
Inventories	(1,066)	(401)
Trade receivables and other assets	2,575	(5,101)
Contract assets	1,367	333
Due from related parties	(367)	(488)
Trade payables and other liabilities	(769)	6,817
Contract liabilities	3,811	(7,361)
Employee benefits paid	(2,483)	(1,537)
Due to related parties	(551)	317
Bills payable	(2,678)	(833)
Net cash from/ (used in) operating activities	331	(2,425)
Investing activities		
Purchase of property, plant and equipment	(4,250)	(2,529)
Proceeds from sale of property, plant and equipment	388	168
Dividend from equity accounted investees	94	-
Movement on deposits with banks	132	(1,174)
Net cash used in investing activities	(3,636)	(3,535)
Financing activities		
Proceeds from bank loans	100	-
Repayment of bank loans	(1,411)	(2,047)
Payment of lease liabilities	(984)	(1,135)
Dividends paid to non-controlling shareholders	(77)	(23)
Donations paid	(6)	(4)
Net cash used in financing activities	(2,378)	(3,209)
Net decrease in cash and cash equivalents	(5,683)	(9,169)
Cash and cash equivalents at 1 January	(4,929)	1,142
Cash and cash equivalents at 30 September	(10,612)	(8,027)
<i>Cash and cash equivalents comprise of:</i>		
Cash and bank balances (*)	8,885	8,253
Bank overdrafts	(19,497)	(16,280)
	(10,612)	(8,027)

(*) Cash and bank balances including short-term bank deposits maturing within 90 days is gross of impairment of BD 6 (2023: BD 12).

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2024**

Bahraini Dinars '000

1. REPORTING ENTITY

Nass Corporation BSC (the "Company") is a public shareholding Company listed on the Bahrain Bourse incorporated and registered in Bahrain on 9 March 2006 under commercial registration number 60037.

The Company and its subsidiaries (together the "Group") are mainly engaged in civil engineering, mechanical and electrical contracting, manufacture and supply of manpower to related contracting activities. It is also involved in the sale of ready mixed concrete, ice blocks, spare parts, foodstuff, and general trading and undertakes contracts relating to precast concrete and water supply.

The condensed consolidated interim financial information ("interim financial information") as at and for the nine-month period ended 30 September 2024 includes the results of the Company and its subsidiaries (together referred to as the "Group").

2. BASIS OF PREPARATION**a) Statement of compliance**

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 – '*Interim Financial Reporting*', which allows the condensed consolidated interim financial information to be prepared in condensed form. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's consolidated financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2023.

Comparative information

The condensed consolidated interim financial information is reviewed, not audited. The corresponding figures for the condensed consolidated statement of financial position have been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2023 and the corresponding figures for the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows have been extracted from the Group's 30 September 2023 reviewed condensed consolidated interim financial information.

b) Judgments and estimates

The preparation of condensed consolidated interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Group as at and for the year ended 31 December 2023.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation for accounting estimates applied by the Group in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the last audited consolidated financial statements of the Group for the year ended 31 December 2023, except for the adoption of relevant new standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2024. The adoption of these new standards or amendments did not have a significant impact on the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2024**

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4. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2023.

5. SEASONALITY OF OPERATIONS

Due to the nature of the Group's operations, the results reported in the condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

6. APPROPRIATIONS

Appropriations for the current year if any, will be made at the year end. At the Annual General Meeting (AGM) for the year 2023 held on 28 March 2024, no appropriations were made.

7. TRADE RECEIVABLES AND OTHER ASSETS

	30 September 2024 (reviewed)	31 December 2023 (audited)
Trade receivables	39,221	42,905
Retention receivables	25,781	23,375
Advances to suppliers and sub-contractors	7,306	9,933
Prepaid expenses	310	167
Other assets	2,715	1,817
	75,333	78,197
Allowance for impairment losses	(9,096)	(9,311)
	66,237	68,886

Movement on impairment allowance is as follows:

	2024 (reviewed)	2023 (audited)
At beginning of the period	9,311	10,561
Charge/ (reversal) for the period, net	74	(693)
Write off during the period	(289)	(557)
At the end of the period	9,096	9,311

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2024**

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8. CONTRACT ASSETS

	30 September 2024 (reviewed)	31 December 2023 (audited)
Cost incurred plus attributable profits on contracts-in-progress	378,012	317,145
Progress billings made towards contracts-in-progress	(352,585)	(290,351)
	25,427	26,794
Allowance for impairment losses	(317)	(316)
	25,110	26,478

Movement on impairment allowance is as follows:

	2024 (reviewed)	2023 (audited)
At beginning of the period	316	821
Charge for the period, net	1	98
Write off during the period	-	(603)
At end of the period	317	316

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024**

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9. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

Related party	Sales/ revenues		Purchase and operating expenses		Due from related parties		Due to related parties	
	Nine months ended				30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2024 (reviewed)	31 December 2023 (audited)
	30 September 2024 (reviewed)	30 September 2023 (reviewed)	30 September 2024 (reviewed)	30 September 2023 (reviewed)				
A.A. Nass & Sons WLL and its related parties (entities under common control)	988	945	5,864	6,099	2,023	1,648	7,893	8,447
Joint ventures	590	789	-	-	566	615	195	192
Total	1,578	1,734	5,864	6,099	2,589	2,263	8,088	8,639

Amount due from A.A. Nass & Sons WLL and its related parties is net of impairment of BD 2,664 (31 December 2023: BD 2,623).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel comprise members of the Board of Directors, the Divisional Managers, the General Managers and their compensation is as follows:

	Nine months ended 30 September	
	2024 (reviewed)	2023 (reviewed)
Short-term benefits	2,416	2,439
Termination benefits	39	39
	2,455	2,478

The short-term compensation includes management fee of BD 1,170 (2023: BD 1,170) due to A. A. Nass & Sons Co. W.L.L. by the Group, board committee attendance fees of BD 122 (2023: BD 160) and provision for directors' remuneration of BD 69 (2023: BD 69).

Directors' interest in the shares of the Company was as follows:

	30 September 2024 (reviewed)	31 December 2023 (audited)
Total number of shares held by Directors*	107,779,431	106,134,859
As a percentage of the total number of shares outstanding	50.11	49.35

* The shares held by Directors are in their individual capacity.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024

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10. TRADE PAYABLES AND OTHER LIABILITIES

	30 September 2024 (reviewed)	31 December 2023 (audited)
Trade payables	12,616	15,857
Accrued expenses	20,301	19,853
Retention payables	8,664	6,205
Other liabilities	2,132	2,471
	43,713	44,386

11. REVENUE

	Nine months ended 30 September	
	2024 (reviewed)	2023 (reviewed)
Contract income	79,271	78,271
Sales of goods	22,073	22,507
Hire income	9,280	9,137
	110,624	109,915

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Nine months ended 30 September	
	2024 (reviewed)	2023 (reviewed)
Salaries of administrative staff	4,552	4,553
Management fees (note 9)	1,170	1,170
Depreciation and amortisation	612	546
Vehicle expenses	267	250
Professional fees	219	553
Directors' sitting fee and remuneration (note 9)	191	229
Commission paid	174	186
Rent, electricity and water	115	105
Communication	89	85
Impairment of property, plant and equipment, net	66	-
Other expenses	600	430
	8,055	8,107

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2024**

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13. OPERATING SEGMENTS

The Group is organised into two operating divisions - Construction and Allied Activities and Trading Activities.

The construction and allied activities are civil engineering works, mechanical fabrication and maintenance contracts, scaffolding and formwork, ready-mix concrete, precast, floor and roof slabs, electrical and instrumentation contracting.

The trading activities are supply of washed sand, sweet water, import and wholesaler of frozen foods, agents for equipment and material manufacturers.

	Construction and allied activities		Trading activities		Eliminations		Consolidated	
	2024 (reviewed)	2023 (reviewed)	2024 (reviewed)	2023 (reviewed)	2024 (reviewed)	2023 (reviewed)	2024 (reviewed)	2023 (reviewed)
Nine months ended 30 September								
Revenue								
External sales	96,690	97,290	13,934	12,625	-	-	110,624	109,915
Inter-segment sales	11,032	11,710	4,708	2,495	(15,740)	(14,205)	-	-
Total revenue	107,722	109,000	18,642	15,120	(15,740)	(14,205)	110,624	109,915
Segment result	(5,226)	1,716	1,104	305	(337)	(61)	(4,459)	1,960
Other gains or losses	379	732	34	58	-	-	413	790
Unallocated corporate expenses	-	-	-	-	-	-	(1,561)	(1,814)
(Loss)/ profit for the period							(5,607)	936

Other information

	Construction & allied activities		Trading activities		Consolidated	
	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2024 (reviewed)	31 December 2023 (audited)	30 September 2024 (reviewed)	31 December 2023 (audited)
Capital expenditure	4,084	3,303	166	472	4,250	3,775
Depreciation and impairment on property, plant and equipment and amortisation of right-of-use assets	3,284	4,160	600	687	3,884	4,847
Total assets	128,299	129,137	14,690	14,905	142,989	144,042
Total liabilities	102,309	97,422	5,412	5,662	107,721	103,084
Total net assets	25,990	31,715	9,278	9,243	35,268	40,958

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the nine months ended 30 September 2024**

Bahraini Dinars '000

14. COMMITMENTS AND CONTINGENCIES

	30 September 2024 (reviewed)	31 December 2023 (audited)
Guarantees	87,679	86,185
Letters of credit	3,630	2,506
Capital commitments	372	276

The banks have provided guarantees (performance, retention, financial and others related to contracting activities) amounting to BD 79,830 (31 December 2023: BD 80,235) and the Company has provided corporate guarantee to customers amounting to BD 7,849 (31 December 2023: BD 5,950) for the various divisions and subsidiaries of the Group.

15. COMPARATIVES

The comparative figures have been regrouped, where necessary, in order to conform to the current period's presentation. Such regrouping did not affect the previously reported profit and total comprehensive income for the period or total equity.