METHANOL CHEMICALS COMPANY
(A LISTED JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

METHANOL CHEMICALS COMPANY
(A LISTED JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED**)**
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30,2026

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF METHANOL CHEMICALS COMPANY
(A LISTED JOINT STOCK COMPANY)

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim financial statements of Methanol Chemicals Company (the "Parent Company") and its subsidiaries (the "Group") as of June 30, 2026 which comprises:

- The consolidated interim statement of financial position as of June 30, 2026;
- The consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended;
- The consolidated interim statement of changes in equity for the six-month period then ended;
- The consolidated interim statement of cash flows for the six-month period then ended; and
- The notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3 in the condensed consolidated interim financial statements, which indicates the Group's accumulated losses exceeded half of its share capital and Group's current liabilities exceeded its current assets by ⃁ 370.1 million. The Group has incurred a net loss of ⃁ 84.6 million for the six-month period ended June 30, 2026. In addition, the Group is involved in legal proceedings as described in note 3. These events or conditions, along with other matters as described in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The condensed consolidated interim financial statements have been prepared on a going concern basis. Our conclusion is not modified in respect of this matter.

PKF Al Bassam
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

TO THE SHAREHOLDERS OF METHANOL CHEMICALS COMPANY (A LISTED JOINT STOCK COMPANY)

OTHER MATTER

The consolidated financial statements for the year ended December 31, 2025 and the condensed consolidated interim financial statements of the Group for the three-month and six-month periods ended June 30, 2025 were audited and reviewed by another auditor, respectively, whose audit report dated June 30, 2026 and review report dated August 11, 2025 expressed an un-modified opinion and conclusion, respectively.

PKF Al-Bassam Chartered Accountants

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Khobar: Rabi Al Awwal 26, 1448H
Corresponding to: September 8, 2026

METHANOL CHEMICALS COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(All amounts in ⃁ unless otherwise stated)

	Notes	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		**855,628,569**	896,374,950
Right-of-use assets		**12,301,169**	12,961,725
Intangible assets		**2,490,969**	3,168,792
TOTAL NON-CURRENT ASSETS		**870,420,707**	912,505,467
CURRENT ASSETS			
Inventories		**123,130,347**	90,507,621
Trade receivables		**85,768,845**	118,870,541
Prepayments and other current assets		**35,914,807**	50,445,797
Short-term deposit	5.2	**2,317,500**	-
Bank balances and cash	5.1	**107,194,989**	111,113,418
TOTAL CURRENT ASSETS		**354,326,488**	370,937,377
TOTAL ASSETS		**1,224,747,195**	1,283,442,844
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	**674,508,630**	674,508,630
Share premium		**72,850,071**	72,850,071
Statutory reserve	7	**89,161,988**	89,161,988
Accumulated losses		**(632,922,125)**	(551,306,095)
Equity attributable to equity holders of the Parent Company		**203,598,564**	285,214,594
Non-controlling interests		**(81,573,262)**	(78,568,875)
TOTAL EQUITY		**122,025,302**	206,645,719
NON-CURRENT LIABILITIES			
Long-term borrowings	8	**269,796,264**	267,503,663
Lease liabilities		**29,202,532**	29,320,103
Employee benefit obligations		**79,275,034**	79,070,875
TOTAL NON-CURRENT LIABILITIES		**378,273,830**	375,894,641
CURRENT LIABILITIES			
Current portion of long-term borrowings	8	**72,512,400**	102,781,400
Trade payables		**103,640,539**	89,732,684
Accruals and other current liabilities	9	**544,875,507**	505,232,836
Current portion of lease liabilities		**3,031,071**	2,767,018
Zakat accrual	10	**388,546**	388,546
TOTAL CURRENT LIABILITIES		**724,448,063**	700,902,484
TOTAL LIABILITIES		**1,102,721,893**	1,076,797,125
TOTAL EQUITY AND LIABILITIES		**1,224,747,195**	1,283,442,844

The accompanying condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on September 7, 2026 and were signed on their behalf by:

Muhammad Mohsin Yousaf Chief Financial Officer (Acting)	Awadh Fahad Al Waridah Chief Executive Officer	Fahad Fozan Al Shaya Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

METHANOL CHEMICALS COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(All amounts in ⃁ unless otherwise stated)

	Notes	For the three-month period ended June 30 2026 (Unaudited)	2025 (Unaudited) Restated Note 20	For the six-month period ended June 30 2026 (Unaudited)	2025 (Unaudited) Restated Note 20
Revenue	12	**147,604,195**	150,015,775	**272,339,488**	315,610,549
Cost of revenue		**(131,503,280)**	(151,139,584)	**(254,040,355)**	(303,592,860)
Gross profit / (loss)		**16,100,915**	(1,123,809)	**18,299,133**	12,017,689
Selling and distribution expenses		**(26,802,739)**	(22,764,043)	**(44,157,585)**	(46,434,033)
General and administrative expenses		**(19,189,636)**	(22,410,101)	**(41,279,391)**	(42,081,608)
Other operating income / (expenses), net		**3,676,517**	(656,383)	**2,834,557**	(2,997,693)
Impairment loss on other non-current assets	13	**-**	(336,488,430)	**-**	(336,488,430)
Operating loss		**(26,214,943)**	(383,442,766)	**(64,303,286)**	(415,984,075)
Finance costs		**(10,671,365)**	(12,706,183)	**(21,201,938)**	(25,475,545)
Finance income		**522,446**	996,895	**884,807**	1,770,966
Finance costs, net		**(10,148,919)**	(11,709,288)	**(20,317,131)**	(23,704,579)
Loss before zakat		**(36,363,862)**	(395,152,054)	**(84,620,417)**	(439,688,654)
Zakat expense		**-**	(1,493,157)	**-**	(3,593,157)
Loss for the period		**(36,363,862)**	(396,645,211)	**(84,620,417)**	(443,281,811)
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive loss for the period		**(36,363,862)**	(396,645,211)	**(84,620,417)**	(443,281,811)
Total loss and comprehensive loss for the period attributable to:					
Equity holders of the Parent Company		**(35,252,733)**	(337,031,009)	**(81,616,030)**	(381,695,734)
Non-controlling interests		**(1,111,129)**	(59,614,202)	**(3,004,387)**	(61,586,077)
		(36,363,862)	(396,645,211)	**(84,620,417)**	(443,281,811)
Basic and diluted loss per share attributable to equity holders of the Parent Company	14	**(0.52)**	(5.00)	**(1.21)**	(5.66)

The accompanying condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on September 7, 2026 and were signed on their behalf by:

Muhammad Mohsin Yousaf Chief Financial Officer (Acting)	Awadh Fahad Al Waridah Chief Executive Officer	Fahad Fozan Al Shaya Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

METHANOL CHEMICALS COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(All amounts in ⃁ unless otherwise stated)

	Equity attributable to equity holders of the Parent Company						
	Share capital	**Share premium**	**Statutory reserve**	**Accumulated losses**	**Sub-total**	**Non-controlling interest**	**Total equity**
At January 1, 2025 *(As previously stated)*	674,508,630	72,850,071	89,161,988	(67,818,285)	768,702,404	(16,093,079)	752,609,325
Impact of correction of errors (Note 20)	-	-	-	(6,289,661)	(6,289,661)	-	(6,289,661)
Restated balance as at January 1, 2025	674,508,630	72,850,071	89,161,988	(74,107,946)	762,412,743	(16,093,079)	746,319,664
Loss for the period *(Restated)*	-	-	-	(381,695,734)	(381,695,734)	(61,586,077)	(443,281,811)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(381,695,734)	(381,695,734)	(61,586,077)	(443,281,811)
As at June 30, 2025 (Unaudited) *(Restated)*	674,508,630	72,850,071	89,161,988	(455,803,680)	380,717,009	(77,679,156)	303,037,853
At January 1, 2026	**674,508,630**	**72,850,071**	**89,161,988**	**(551,306,095)**	**285,214,594**	**(78,568,875)**	**206,645,719**
Loss for the period	-	-	-	**(81,616,030)**	**(81,616,030)**	**(3,004,387)**	**(84,620,417)**
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	**(81,616,030)**	**(81,616,030)**	**(3,004,387)**	**(84,620,417)**
As at June 30, 2026 (Unaudited)	**674,508,630**	**72,850,071**	**89,161,988**	**(632,922,125)**	**203,598,564**	**(81,573,262)**	**122,025,302**

The accompanying condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on September 7, 2026 and were signed on their behalf by:

Muhammad Mohsin Yousaf Chief Financial Officer (Acting)	Awadh Fahad Al Waridah Chief Executive Officer	Fahad Fozan Al Shaya Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

METHANOL CHEMICALS COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(All amounts in ⃁ unless otherwise stated)

	For the six-month period ended June 30	
	2026	2025
	(Unaudited)	*(Unaudited) Restated Note 20*
OPERATING ACTIVITIES		
Loss before zakat	**(84,620,417)**	(439,688,654)
Adjustments for non-cash items:		
Depreciation on property, plant and equipment	**45,331,972**	52,770,304
Impairment of property, plant and equipment	-	317,380,623
Impairment of intangible assets	-	10,036,786
Impairment of right-of-use assets	-	9,071,021
Loss on scrap sales of property and equipment	-	274,154
Depreciation of right-of-use assets	**660,556**	838,418
Amortization of intangible assets	**677,823**	1,260,454
Finance costs	**21,201,938**	25,475,545
Finance income	**(884,807)**	(1,770,966)
Provision for slow-moving inventories	**2,599,205**	2,303,730
Allowance for expected credit losses	**3,850,626**	844,795
Provision for employee benefit obligations	**5,287,496**	5,744,512
	(5,895,608)	(15,459,278)
Changes in working capital:		
Inventories	**(35,221,931)**	6,441,910
Trade receivables	**29,251,070**	8,075,307
Prepayments and other current assets	**14,824,554**	(85,738,280)
Trade payables	**13,907,855**	17,375,732
Accruals and other current liabilities	**22,472,406**	108,067,044
Cash generated from operations	**39,338,346**	38,762,435
Finance costs paid	**(9,529,388)**	(13,165,335)
Zakat paid	-	(7,706,732)
Employee benefit obligations paid	**(5,083,337)**	(1,510,945)
Net cash flows generated from operating activities	**24,725,621**	16,379,423
INVESTING ACTIVITIES		
Addition of short-term deposit, net	**(2,317,500)**	(30,000,000)
Additions to property, plant and equipment	**(4,585,591)**	(8,871,498)
Finance income received on short-term deposits	**591,243**	1,816,480
Net movement in restricted cash balances	**36,265,692**	(506,736)
Net cash flows generated from / (used in) investing activities	**29,953,844**	(37,561,754)
FINANCING ACTIVITIES		
Repayment of long-term borrowings	**(21,526,400)**	(10,747,976)
Repayment of short-term borrowings	-	(31,080,457)
Payment of lease liabilities	**(805,802)**	(1,569,718)
Net cash flows used in financing activities	**(22,332,202)**	(43,398,151)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**32,347,263**	(64,580,482)
Cash and cash equivalents at beginning of the period	**61,649,364**	145,428,570
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (note 5.1)	**93,996,627**	80,848,088
SIGNIFICANT NON-CASH TRANSACTIONS:		
Long-term borrowings settled by former shareholders reclassified to other current liabilities	**7,438,269**	-

The accompanying condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on September 7, 2026 and were signed on their behalf by:

Muhammad Mohsin Yousaf	Awadh Fahad Al Waridah	Fahad Fozan Al Shaya
Chief Financial Officer (Acting)	Chief Executive Officer	Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements

1. CORPORATE INFORMATION

Methanol Chemicals Company (the "Parent Company") is a listed joint stock company registered in the Kingdom of Saudi Arabia and operating under unified number 7001342679 having Commercial Registration (CR) number 2055001870 issued in Jubail on 28 Dhu al-Hijjah 1409H (August 1, 1989). These condensed consolidated interim financial statements include the financial information of the Parent Company, its branch registered in Riyadh under CR No. 2050057828 dated 30 Dhu al-Hijjah 1428H (January 9, 2008), and subsidiaries. The registered address of the Parent Company is P.O. Box 2101, Jubail 31951, Kingdom of Saudi Arabia.

These condensed consolidated interim financial statements cover the Parent Company and the following subsidiaries (together, the "Group"):

		Shareholding (%)	
Name of subsidiaries	***Country of incorporation***	***June 30, 2026***	***December 31, 2025***
Addar Chemicals Company	Kingdom of Saudi Arabia	**84**	84
Global Company of Chemical Industries	Kingdom of Saudi Arabia	**80**	80
Mdarat Al-Dhara Chemicals Company	Kingdom of Saudi Arabia	**60**	60

Addar Chemicals Company is a limited liability company ("subsidiary" or "ACC"), registered in the Kingdom of Saudi Arabia and operating under unified number 7001808620 having Commercial Registration no. 1010394736 dated 15 Moharram 1435H (corresponding to December 2, 2013) issued in the city of Riyadh, Kingdom of Saudi Arabia.

Global Company of Chemical Industries is a limited liability company ("subsidiary" or "GCI"), registered in the Kingdom of Saudi Arabia and operating under unified number 7009411617 having Commercial Registration no. 1010436268 dated 21 Shawwal 1436H (corresponding to August 6, 2015) issued in the city of Riyadh, Kingdom of Saudi Arabia.

Mdarat Al-Dhara Chemicals Company is a limited liability company ("subsidiary"), registered under Commercial Registration no. 2055139917 dated 23 Jumada Al-Ula 1445H (corresponding to December 7, 2023) issued in the city of Al Jubail, Kingdom of Saudi Arabia. On March 10, 2024, Chemanol paid its share of the capital and acquired control of the subsidiary.

GROUP ACTIVITIES

Methanol Chemicals Company (the "Parent Company") along with its subsidiaries (together the "Group") is engaged in the production of Formaldehyde liquid and Urea Formaldehyde liquid or their mixture with different concentrations, Paraformaldehyde, liquid and powder Formaldehyde resins, Hexane Methylene Tetramine, Phenol Formaldehyde resins, concrete improvers, Methanol, Carbon monoxide, Di-methylamine, Mono-methylamine, Trimon-methylamine, Di-methyl Formamide, Di-methyl carbon, Penta Aritheretol, Sodium Formate and Acetaldehyde.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1. Basis of preparation

These condensed consolidated interim financial statements for the six-month period ended June 30, 2026 have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") ("IAS 34").

These condensed consolidated interim financial statements are presented in ⃁ which is both the functional and presentation currency of the Group.

These condensed consolidated interim financial statements are prepared using historical cost convention, except, where IFRS requires other measurement basis.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, these condensed consolidated interim financial statements are to be read in conjunction with the annual financial statements for the year ended December 31, 2025. An interim period is considered an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full-year operations.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.1. Basis of preparation (Continued)

The Group has prepared the condensed consolidated interim financial statements on the basis that it will continue to operate as a going concern. The management considers that there are material uncertainties that may cast doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and not less than 12 months from the end of the reporting period (Note 3).

2.2. Summary of material accounting policies

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2025, and the notes attached thereto, except for the below accounting policy of "net investment in sublease" which is applicable during the six-months period ended June 30, 2026 as the Group entered into such transactions in the said period.

2.3 New and amended standards and interpretations:
2.3.1 Standards and amendments effective in the current period:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management impact
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7.	The amendments have been adopted during the current period. The adoption did not have a material impact on the Group's condensed consolidated interim financial statements, as the Group's financial instruments and settlement arrangements were not significantly affected.
	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	The amendments have been adopted during the current period. The adoption did not have a material impact on the Group's condensed consolidated interim financial statements, as the nature of the Group's operations and contractual arrangements did not result in any significant exposure to such contracts.

2.3.2 Standards and amendments issued but not yet effective:

The following standards and amendments have been issued but are not yet effective for the reporting period ended June 30, 2026, and have not been early adopted by the Group:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Group's consolidated interim financial position, consolidated financial performance or cash flows.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued**)**

2.3.2 Standards and amendments issued but not yet effective: (Continued)

IFRS 18 PRESENTATION AND DISCLOSURE

IFRS 18 Presentation and Disclosures in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after January 1, 2027. The Group has not early adopted the new accounting standard in preparing these condensed consolidated interim financial statements; however earlier application is permitted.

The assessment remains in progress and, accordingly, the actual impact of the adoption of IFRS 18 may differ from the Group's current preliminary assessment on condensed consolidated interim financial statements. Below are the results of the preliminary assessment:

a) Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify all income and expenses into categories in the consolidated interim statement of profit or loss – namely operating, investing, financing, zakat and income tax and discontinued operations. Classification of income and expenses depends on the main business activities of the entity. Based on the preliminary assessment of management the Group does not have a specified main business activity of providing finance to customers.

Neither net profit, nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present one newly defined subtotal, which is profit or loss before financing and income taxes. However, as the operating profit subtotal differs from the subtotal currently presented, the Group is currently performing a gap analysis to assess the impact of the new presentation requirements.

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the condensed consolidated interim financial statements that communicate to users of management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the condensed consolidated interim financial statements.

The Group is in the process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the consolidated financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the condensed consolidated interim financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary condensed consolidated interim financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' and will use more informative labels, if required.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the consolidated interim statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses loss for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

3. GOING CONCERN BASIS OF ACCOUNTING

The Group reported a net loss of ⃁ 84.6 million for the six-month period ended June 30, 2026 (June 30, 2025: ⃁ 439.7 million), with current liabilities exceeding current assets and accumulated losses of the Parent Company exceeding half of its capital as at the reporting date. The Saudi Arabian Companies' Law requires in such situations where accumulated losses exceed half of the Company's capital, the Board of Directors should disclose this matter and shall call for an Extraordinary General Assembly meeting at which the shareholders to consider the continuation of the Parent Company while taking any necessary measures to remedy or settle such losses. Additionally, during the year 2025, the Group did not repaid certain loan instalments due by its subsidiaries, which are also non-compliant with specific loan covenants. As a result of this non-compliance, the full amount of loans of subsidiaries have been classified as current liabilities in the prior year consolidated statement of financial position as at June 30, 2026 amounting to ⃁ 51.1 million (December 31, 2025 ⃁ 56.2 million). Further, during 2025, the former shareholders of the subsidiaries have filed legal cases against the Parent Company for the settlement of purchase consideration, guarantor payments for bank facilities and reimbursements of cash injections with total amount of ⃁ 341.2 million (Note 15). Furthermore, the Group's products have experienced demand and price declines consistent with industry trends and during to the reporting period, in view of the geopolitical tensions in parts of the Middle East, the Group has assessed that it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods. These events and conditions indicate that material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

In order to mitigate the material uncertainties, the Board of Directors and the Group management have continued to take necessary actions to comply with the requirements of the Regulation for Companies and to remedy accumulated losses situation as follows:

(i) The Board of Directors continued to support right issuance of ⃁ 350 million (Note 6). The objectives of the proposed rights issue include supporting the Group's expansion and investment plans and strengthening the Group's liquidity and financial position, reducing reliance on borrowings and associated finance costs. The Board of Directors has initiated the right issue process in parallel to the capital reduction (Note 3 (ii) below) with the objective of completing it during fourth Quarter of year 2026. Further, the Board has appointed the underwriter and banker for the right issue. The right issue is subject to the final approval of the Capital Market Authority ("CMA") and the Parent Company's Extraordinary General Assembly.

(ii) The Board considers the completion of the capital reduction to be a prerequisite to restoring an appropriate capital structure prior to undertaking the rights issue. As disclosed in Note 6, the CMA approved the Parent Company's capital reduction on May 7, 2026. Following the CMA's approval, on July 14, 2026, the Extraordinary General Assembly was held, and the transaction was approved by shareholders. The Parent Company is in the process of completing the remaining statutory and procedural formalities with the Ministry of Commerce (Note 6). Upon proposed completion of the capital reduction and utilization of part of the statutory reserve, all accumulated losses of the Company amounting to ⃁ 577.9 million as of September 30, 2025 would be fully eliminated.

(iii) As disclosed in Note 15, the Board of Directors has appointed an external legal counsel to advise the directors in (1) legal cases filed by former shareholders of subsidiaries against the Parent Company and (2) legal case filed by the Parent Company against former directors of the Parent Company relating to acquisition of subsidiaries. The Parent Company has been advised by its external legal counsel that, with respect to legal cases disclosed in Note 15 (iii)(b) to 15 (iii)(f), based on the information currently available, review of required documents and strong legal grounds, it is more likely than not that the Parent Company's position will prevail. There is consequently a risk that the subsidiaries' loans and purchase consideration are not settled within the next 12 months. Given the inherent uncertainty of litigation, the absence of final court rulings given the current stay orders, and the potential magnitude of the claims, the outcome and timing of any related cash outflows cannot be determined with sufficient certainty. Accordingly, management has continued to recognize the related liabilities and considers these matters to represent a significant source of uncertainty in its assessment of going concern. While the primary measure of the Parent Company to improve its own liquidity from the measures disclosed in note 3 (iv) and 3 (v) below and from the proceeds from a rights issuance, the existing defaults on the subsidiaries' loans, purchase consideration and matters arising from forensic audit and related legal cases may affect the success of this rights issuance plan.

3. GOING CONCERN BASIS OF ACCOUNTING (Continued)

(iv) The Company has a list of ongoing operational improvements and growth capex requirements mainly pertaining to the periodic turnaround maintenance of major plants and other capex projects, which, as per original budget, require a substantial amount to be spent in the coming months. Management mitigates this risk through strict capital governance and sequencing whereby discretionary and non-critical expenditure is deferred where appropriate, while mandatory spending required to maintain safe and reliable operations is protected. In respect of the timing of turnaround and integrity related items, management's assessment is supported by robust technical evaluation and licensor endorsement, and the business continuity assessment assumes that critical expenditure linked to plant reliability are maintained.

(v) Given the Group's operating model, liquidity is primarily driven by maximizing downstream production consequentially impacting contribution margin and product mix rather than revenue alone, and management monitors contribution margin and operational fixed costs closely at management and Board level. In addition, the Group's management has initiated a WIN transformation program to identify and implement significant cost-reduction, operational improvement and cash optimization measures to manage the Group's cash flows and liquidity position. These measures include:

a) Deferring or cancelling discretionary expenditures;
b) Freezing non-essential recruitment;
c) Reducing non-essential expenditures;
d) Efficiency improvements in production processes;
e) Renegotiating terms of payment with suppliers and customers to improve working capital cycles and implementing enhanced working capital controls (including tighter monitoring of collections, prioritization of overdue receivables, and active management of inventory and procurement cycles) to protect liquidity;
f) Introduction of additional downstream products to maximize the value across the existing value chain;
g) Exercising the available deferral options under the financing agreement with the lenders and obtaining the necessary consents from the lenders to defer scheduled financing principal instalments for the year 2026 (Notes 8a); and
h) Entering into a formal payment deferral arrangement with a vendor in relation to amounts payable under a major capital project. The executed agreement provides for the deferral of outstanding and future eligible amounts in accordance with agreed terms, thereby aligning payment obligations with the Group's cash flow profile. The underlying capital project is strategically important to securing the Group's long-term methanol offtake arrangements; however, the associated payment deferral arrangements have been structured primarily to support near-term liquidity management. The project continues to progress in line with the agreed timelines, notwithstanding ongoing macroeconomic and external supply chain disruptions and is expected to complete by early 2027.

The ability of the Group to continue its operations is dependent on the successful completion of the planned capital restructuring, including the proposed capital reduction and rights issue which is expected to be completed by fourth Quarter of year 2026. The Board of Directors has reviewed and approved cash flow forecast for the next 12 months from the date of the approval of these financial statements and based on the Group's financial projections and the steps taken above, the Board has assessed its ability to continue as a going concern and is satisfied that the Group's operations shall continue for the foreseeable future. Accordingly, these condensed consolidated interim financial statements have been prepared on a going concern basis.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 Group's annual consolidated financial statements as of and for the year ended December 31, 2025.

5. BANK BALANCES AND CASH

5.1 Details of bank balances and cash are as follows:

	June 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
Cash in hand	**47,543**	45,835
Cash at bank	**107,147,446**	111,067,583
Bank balances and cash (as per condensed consolidated interim statement of financial position)	**107,194,989**	111,113,418
Less: restricted cash balances (a)		
Debt service reserve account (DSRA)	**(13,038,320)**	(35,115,738)
Debt service account (DSA)	**(160,042)**	(14,348,316)
Cash and cash equivalents (as per condensed consolidated interim statement of cash flows)	**93,996,627**	61,649,364

a) Cash held in the Debt Service Reserve Account (DSRA) and Debt Service Account (DSA) is maintained under financing arrangements and is subject to contractual restrictions, limiting its use to specified debt service purposes. Accordingly, although included within bank balances and cash in the condensed consolidated interim statement of financial position, these balances are restricted and not available for general use and therefore excluded from cash and cash equivalents for the purposes of the condensed consolidated interim statement of cash flows.

5.2 Short-term deposit

Short-term deposit as at the reporting date amounting to ⃁ 2.3 million (2025: nil) represents deposit designated under the Group's financing arrangements and is subject to contractual restrictions, limiting its use to specified debt service purposes. This deposit has an original maturity of up to four months and earns interest at rates ranging from 3.5% to 4.3% per annum.

6. SHARE CAPITAL

As at June 30, 2026, the authorized, issued and fully paid-up share capital comprised 67.5 million (December 31, 2025: 67.5 million) ordinary shares of ⃁ 10 per share (December 31, 2025: ⃁ 10 per share).

On February 13, 2024, the Board of Directors of the Parent Company resolved to recommend to the shareholders' extraordinary general assembly to increase the Parent Company's share capital through the offering of rights issue for a target amount of ⃁ 674,508,630. Subsequently, management also appointed the financial advisor for the transaction.

On May 15, 2024, the Board of Directors of the Parent Company further resolved to reduce the initial target amount from ⃁ 674,508,630 to ⃁ 350,000,000 and recommend to the shareholders' extraordinary general assembly to increase the Parent Company's share capital through the offering of rights issue for a target amount of ⃁ 350,000,000. The Group has engaged Al Bilad Capital as a financial advisor and lead underwriter for the proposed rights issue. The rights issue remains subject to the approval of the Capital Market Authority (CMA) and the approval of the Extraordinary General Assembly.

On October 9, 2025, the Board of Directors announced its recommendation to reduce the Parent Company's capital in order to address accumulated losses situation. Following the release of the consolidated interim financial statements for the period ended September 30, 2025 and the increase in accumulated losses to capital, the Board of Directors, by resolution dated December 25, 2025, approved an amended recommendation to the Extraordinary General Assembly to reduce the Parent Company's capital. The proposed capital reduction involves the cancellation of 52,450,863 ordinary shares, representing a capital reduction of 77.8%, equivalent to cancelling 0.7776 ordinary share for every one (1) ordinary share held. The capital reduction is intended to extinguish accumulated losses amounting to ⃁ 577.9 million. In addition, the Parent Company's Board of Directors recommended utilizing ⃁ 53.4 million from the statutory reserve, representing approximately 59.9% of the total statutory reserve, to cover the remaining balance of accumulated losses. Upon completion of the capital reduction and utilization of part of the statutory reserve, all accumulated losses of the Parent Company as of September 30, 2025 are expected to be fully eliminated. The Parent Company appointed MEFIC Capital as the financial advisor for this transaction. On May 7, 2026, the CMA approved the capital reduction.

6. SHARE CAPITAL (Continued)

On July 14, 2026, subsequent to the period end, shareholders approved a reduction of the Parent Company's share capital through an Extraordinary General Meeting (EGM). The Parent Company acknowledges that, while the EGM approved the capital reduction, the agenda of the EGM and the resolutions approved by shareholders did not expressly include a separate item relating to the continuation of the Parent Company. Accordingly, the Group has disclosed this matter to enable users of these condensed consolidated interim financial statements to understand the circumstances surrounding the capital reduction and the related shareholder resolution. Management believes that the approval of the capital reduction by shareholders demonstrates shareholder support for the actions taken by the Parent Company to address its financial position and that this matter does not affect the amounts recognized or disclosed in these condensed consolidated interim financial statements. The Parent Company is in the process of completing the remaining statutory formalities with the Ministry of Commerce.

7. STATUTORY RESERVE

According to the newly enacted Companies Law and its implementing regulations effective in KSA starting 26 Jumada' II 1444H (corresponding to January 19, 2023), the mandatory statutory reserve requirement was abolished. In pursuant to this change, the Board of Directors resolved to amend the Parent Company Bylaws to exclude the requirement to maintain a statutory reserve. On July 14, 2026, the Extraordinary General Assembly was held, and utilization of ⃁ 53.4 million from the statutory reserve was approved to cover the remaining balance of accumulated losses. As at the reporting date, the management in process of getting approval from the general assembly for the utilization of the remaining statutory reserve balance.

8. LONG-TERM BORROWINGS

	June 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
Murabaha refinancing facilities	**340,877,621**	369,841,547
Add: accrued finance costs	**3,551,587**	3,070,592
Less: unamortized transaction costs	**(2,120,544)**	(2,627,076)
	342,308,664	370,285,063

Long-term borrowings are presented in the condensed consolidated interim statement of financial position as follows:

	June 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
Long-term borrowings	**269,796,264**	267,503,663
Current maturity shown under current liabilities	**72,512,400**	102,781,400
	342,308,664	370,285,063

Movement in long-term borrowings are as follows:

	June 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
At 1 January	**370,285,063**	569,055,165
Add: finance costs for the period/year	**10,010,506**	33,031,368
Add: amortisation of transaction costs for the period/year	**507,152**	1,305,052
Less: repayment of principal during the period/year	**(21,526,400)**	(9,369,906)
Less: repayment of finance costs during the period/year	**(9,529,388)**	(23,973,592)
Less: long-term borrowings transferred to other current liabilities	**(7,438,269)**	(184,184,490)
Less: finance costs transferred to other current liabilities	-	(15,578,534)
	342,308,664	370,285,063

8. LONG-TERM BORROWINGS (Continued)

Details of long-term borrowings is as follows:

	June 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
Methanol Chemicals Company - Murabaha refinancing facility (a)	**291,213,135**	312,232,880
ACC - Saudi Industrial Development Bank (b)	**36,502,716**	40,914,000
GCI - Saudi Industrial Development Bank (c)	**14,592,813**	17,138,183
	342,308,664	370,285,063

a. Methanol Chemicals Company - Murabaha refinancing facility

In July 2022, the Parent Company entered into a Murabaha refinancing facility agreement with Banque Saudi Fransi and Alinma Bank (collectively "Murabaha Facility Participants"), with Banque Saudi Fransi acting as Murabaha Refinancing Investment Agent for the purpose of repayment of existing facilities. The total facility amounts under the agreement of ⃁ 455 million were fully utilised during the quarter ended September 30, 2022. The facility is repayable in 17 variable semi-annual instalments commenced from December 2022 with the last instalment due in December 2030. These borrowings bear finance costs based on prevailing market rates which are based on Saudi inter-bank offered rates (SAIBOR) plus fixed margin. The borrowing is secured by a mortgage of the property, plant, and equipment of the Group. The carrying values of such long-term borrowings are denominated in ⃁.

The additional Murabaha expansion facility of ⃁ 240 million, previously available under the agreement for project financing, was formally cancelled on September 29, 2025. Furthermore, in relation to a potential breach of the Debt Service Coverage Ratio (DSCR) covenant as of December 31, 2025, the Group obtained a formal waiver from the Murabaha Facility Participants on December 22, 2025. Consequently, except for the waiver above, the Group remains in compliance with the rest of borrowing covenants as at the reporting date, and the non-current portion of the loan continues to be classified as a long-term liability.

Further, during the period ended June 30, 2026, the Parent Company exercised the available deferral options under the financing agreement with the lenders and obtained the necessary consents from the lenders to defer scheduled financing principal instalments, including the instalments due on June 30, 2026 and December 31, 2026, in accordance with the applicable financing agreement provisions. The related formal documentation, including intercreditor agent consent, was completed in May 2026.

b. Addar Chemicals Company - Saudi Industrial Development Bank

In December 2015, ACC obtained a loan from the Saudi Industrial Development Fund (SIDF) to finance the Specialized Chemical Solvents factory project for the production of sulfuric acid and sulfolane in the industrial area for an amount of ⃁ 80 million, the loan is secured by a set of corporate and personal guarantees provided by the former and certain existing shareholders. During the year 2025 and period ended June 30, 2026, loan balance amounting to ⃁ 39.5 million and ⃁ 4.8 million respectively were settled directly by former and certain existing shareholders of the subsidiary as the primary obligor of this borrowing. As the Parent Company is not the primary obligor for these borrowings, the amounts settled by the other shareholders were reclassified to other current liabilities, representing amounts payable to the other shareholders (Notes 9 and 15). As at December 31, 2025 and June 30, 2026, the loan agreements contained certain covenants which, among other things, required certain financial ratios to be maintained. The subsidiary was not in compliance with the financial and other covenants and consequently, the entire balance has been reclassified to current liabilities.

8. LONG-TERM BORROWINGS (Continued)

c. Global Company for Chemical Industries - Conventional facilities (SIDF and SAB)

In December 2018, GCI obtained a loan from the Saudi Industrial Development Fund (SIDF) and Saudi Awwal Bank to finance the Specialized Chemical Solvents factory project for the production of Anisole and MPP Products in the industrial area amounting to ⃁ 30.8 million, the loan was secured against the former and certain existing shareholders' personal guarantees. During the year 2025, the entire outstanding loan balance relating to SAB, amounting to ⃁ 4.5 million, was settled directly by former and certain existing shareholders of the subsidiaries as the primary obligor of this borrowing. As the Parent Company is not the primary obligor for these borrowings, the amounts settled by the former and certain existing shareholders were reclassified to other current liabilities, representing amounts payable to the other shareholders (Notes 9 and 15).

During the year 2025 and period ended June 30, 2026, loan balance of SIDF amounting to ⃁ 3.4 million and ⃁ 3.4 million respectively were settled directly by former shareholders of the subsidiary as the primary obligor of this borrowing. As the Parent Company is not the primary obligor for these borrowings, the amounts settled by the other shareholders were reclassified to other current liabilities, representing amounts payable to the other shareholders (Notes 9 and 15). As at December 31, 2025 and June 30, 2026, the loan agreements contained certain covenants which, among other things, required certain financial ratios to be maintained. The subsidiary was not in compliance with the financial and other covenants and consequently, the entire balance has been reclassified to current liabilities.

The maturity profile of long-term borrowings is as follows:

	June 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
Within 1 year	**84,325,046**	128,109,617
between year 1 and year 2	**61,442,533**	61,442,533
between year 2 and year 3	**60,300,387**	60,300,387
between year 3 and year 4	**64,629,377**	64,629,377
Thereafter	**129,224,550**	129,224,552
	399,921,893	443,706,466

9. ACCRUALS AND OTHER CURRENT LIABILITIES

	June 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
Accrued expenses	**127,115,328**	105,519,364
Advance from customers	**14,530,439**	4,943,972
Others *	**403,229,740**	394,769,500
	544,875,507	505,232,836

*Includes amounts of ⃁ 351.03 million (2025: ⃁ 336.9 million) recorded in accordance with the requirements of IFRS (also refer to Notes 8(b), 8(c) and 15 (iii)) and ⃁ 51.7 million (2025: ⃁ 50.1 million) payable to a related party (Note 11 (a)).

10. ZAKAT ACCRUAL

The Company has obtained zakat certificates from ZATCA for the years through 2026.

During the year 2024, the Company received zakat assessment from ZATCA related to 2023 in the amount of ⃁ 0.37 million. Due to immateriality, the Company settled the additional Zakat due while reserving the right to appeal similar treatment in the future.

During the period ended June 30, 2026, the Company received Zakat assessment from ZATCA related to 2024, which entitled the Company to a Zakat refund of ⃁ 3.67 million which was refunded by ZATCA in August 2026. The assessment for the year has been finalized for Zakat position up to 2024.

For ACC and GCI, Zakat assessments were agreed with ZATCA up to 2023. The assessment for the year 2024 has not yet been raised by the ZATCA.

11. RELATED PARTY TRANSACTIONS

Related parties comprise shareholders, directors, associated companies and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest ("other related parties").

Following are the major related parties having transactions with the Group during the period.

Name of related party	Nature of relation
The company for cooperative insurance – Tawuniya	Affiliated key management personnel
Hala Supply Chain Services	Affiliated key management personnel
Immensa Industrial Company	Affiliated key management personnel
Sultan Holding	Shareholder of ACC and GCI

a) Balances with related parties

	June 30, 2026	December 31, 2025
	(Unaudited)	*(Audited)*
Sultan Holding	**51,738,293**	50,088,293

b) Transaction with related parties:

		Six-month period ended June 30,	
		2026	2025
Name of related party	**Nature of transactions**	***(Unaudited)***	*(Unaudited)*
The company for cooperative insurance – Tawuniya	Life insurance	**256,782**	218,532
	Medical insurance	**8,777,799**	9,472,631
	Trade insurance	**262,483**	75,000
	Marine insurance	**300,000**	611,080
Hala Supply Chain Services	Storage services	-	527,783
Immensa Industrial Company	3D printing services	-	11,483

Furthermore, during the period ended June 30, 2026, Sultan Holding settled ⃁ 1.65 million of the loan balance as the primary obligor under the borrowing arrangement.

c) Key management personnel compensation:

	For the three-month period ended June 30,		**For the six-month period ended June 30,**	
	2026	2025	**2026**	2025
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Salaries and other short-term employee benefits	**1,476,440**	2,582,219	**2,993,886**	5,088,908
Employee benefit obligations	**20,433**	38,891	**56,514**	79,604
	1,496,873	2,621,110	**3,050,400**	5,168,512

The Board of Directors' and related committee members' compensation and bonus for the three-month and six-month period ended June 30, 2026 amounted to ⃁ 1.3 million and ⃁ 2.6 million respectively (for the three-month and six-month periods ended June 30, 2025: ⃁ 1.4 million and ⃁ 2.8 million respectively).

12. REVENUE

The Group's entire revenue is generated from the sale of petrochemical products which is recognized at a point in time.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026	2025	**2026**	2025
	(Unaudited)	*(Unaudited)* (Restated) Note 20	***(Unaudited)***	*(Unaudited)* (Restated) Note 20
Geographical markets:				
Local sales (within the Kingdom of Saudi Arabia)	**39,739,219**	70,699,647	**85,793,268**	135,682,454
Exported sales outside the Kingdom of Saudi Arabia	**107,864,976**	79,316,128	**186,546,220**	179,928,095
	147,604,195	150,015,775	**272,339,488**	315,610,549

The Group does not expect to have any contracts where the period between the transfer of goods to the customer and payment by the customer exceeds one year, and accordingly, the transaction prices are not adjusted for the time value of money.

As per the contracts with the customers, there is no financing, non-cash consideration involved in transaction price.

There were no significant returns, refunds and warranties provided by the Group on sale of its products. The contract liability balance only relates to advances from customers as at June 30, 2026 and December 31, 2025.

Revenue recognized, during the period, that was included in the contract liability (advance from customers) at the beginning of the period ended June 30, 2026 amounted to ⃁ 4.6 million (June 30, 2025: ⃁ 6.9 million).

The decrease in revenue for the period ended June 30, 2026 was primarily attributable to the adverse economic consequences of geopolitical developments in the Middle East, as further described in Note 19.

13. IMPAIRMENT LOSS ON OTHER NON-CURRENT ASSETS

The Group is involved in the production of various chemicals through its production sites. Sites relating to subsidiaries are located on separate sites, and those are considered as separate CGUs. During the year 2025, due to several adverse indicators since the most recent recoverable amount calculation, the management of the Group determined that there is objective evidence that the carrying values of certain CGUs exceeded its recoverable amounts. The Group calculated the amount of impairment as the difference between the recoverable amount of each CGUs and its carrying value and recognized an impairment loss amounting to ⃁ 336.5 million in the consolidated statement of profit or loss. The recoverable amount has been determined based on a value-in-use calculation using the revised cash flow projections from financial budgets approved by the board and management of the subsidiaries covering a five-year period. The events that have occurred and circumstances that have changed since the most recent recoverable amounts calculation that caused a reduction in the estimate of recoverable amounts included:

Noticeable decline in the market demand for the Group's few products, impacting the revenue forecasts across CGUs, mainly relating to subsidiaries.
- Decline in the prices of key products in global markets, negatively affecting the expected future cash flow and margins of the affected CGUs.
- Operational and production challenges at certain plants, including periods of unplanned downtime, reduced utilization rates, and efficiency constraints, which adversely affected production volumes and the ability of the affected CGUs to generate forecast cash inflows.
- The Parent Company's resolution to cease providing support to negatively impacted CGUs, raising significant impact over projected cash inflows of respective CGUs without a commitment toward future cash outflows that will improve or enhance the asset's performance of these CGUs.

13. IMPAIRMENT LOSS ON OTHER NON-CURRENT ASSETS (Continued)

Breakdown of carrying amounts, recoverable amounts and resultant impairment loss was as follows:

	December 31, 2025				
	Carrying amount of assets acquired	**Goodwill**	**Total**	**Recoverable amount (value-in-use)**	**Impairment loss**
Cash-Generating Unit (CGUs)					
ACC	251,572,886	-	251,572,886	-	(251,572,886)
GCI	84,915,544	-	84,915,544	-	(84,915,544)
	336,488,430	-	336,488,430	-	(336,488,430)

Impairment loss in three-month and six-month periods ended June 30, 2025 has been allocated as follows:

	⃁
Property, plant and equipment – (ACC & GCI)	317,380,623
Intangible assets - (ACC and GCI)	10,036,786
Right-of-use assets - (ACC and GCI)	9,071,021
	336,488,430

The estimates and assumptions used by the Group's management for the value-in-use calculations was as follows:

- Projected cash flows using approved five-year business plans;
- The discount rate used was approximately 11.4% based on pre-tax weighted average cost of capital;
- A growth rate of 2% considered to project certain cash flows beyond the period covered by the five-year business plans; and
- Expected product prices over the period considered for management's assessment.

Management has performed sensitivity analyses around the key estimates and assumptions used in the impairment assessment. Given that the investment is fully impaired, management determined that reasonably possible favorable changes in key assumptions would reduce the impairment loss but would not result in a reversal of the impairment recognized. The results of the sensitivity analysis are presented below:

- A 1% decrease in the discount rate would reduce the impairment by ⃁ 7 million.
- An increase in the growth rate during the forecast period by 2% would reduce the impairment loss by ⃁ 3.9 million.
- A 2% increase in sales prices would reduce the impairment loss by ⃁ 2.1 million.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The recoverable amounts of all other CGUs were higher than their carrying amounts as at the reporting date.

14. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares issued during the period. Diluted loss per share is calculated by dividing the loss for the period attributable to the equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted loss per share are identical.

	For the three-month period ended June 30,		**For the six-month period ended June 30,**	
	2026	2025 *Restated Note 20*	**2026**	2025 *Restated Note 20*
Loss for the period attributable to equity holders of the Parent Company (⃁)	**(35,252,733)**	(337,031,009)	**(81,616,030)**	(381,695,734)
Weighted average number of shares	**67,450,863**	67,450,863	**67,450,863**	67,450,863
Basic and diluted loss per share attributable to equity holders of the Parent Company (⃁)	**(0.52)**	(5.00)	**(1.21)**	(5.66)

There have been no transactions involving ordinary shares between the reporting date and the date of authorization of these condensed consolidated interim financial statements which would require the restatement of loss per share.

15. CONTINGENCIES AND COMMITMENTS

(i) At June 30, 2026, the Group was contingently liable for bank guarantees and letters of credit issued in the normal course of business amounting to ⃁ 46.3 million and ⃁ 0.07 million, respectively (December 31, 2025: ⃁ 74.5 million and ⃁ 0.29 million, respectively).

(ii) The capital expenditure contracted by the Group but not incurred till June 30, 2026 was approximately ⃁ 4.6 million (December 31, 2025: ⃁ 68.6 million).

(iii) Legal cases relating to subsidiaries

a. <u>Liability lawsuits filed by the Company against two former Board members</u>
During the year 2025, the shareholders of the Parent Company approved, at the Ordinary General Assembly in October 2025, the filing of liability lawsuits against two former Board members in relation to conflict of interest and other governance related findings identified during the prior year. As at the reporting date, no assets or liabilities have been recognized in respect of potential recoveries or claims arising from these matters, the outcomes remain uncertain, and they have been considered in the Group's assessment of legal exposures, governance matters and going-concern assumptions.

15. CONTINGENCIES AND COMMITMENTS (Continued)

(iii) **Legal cases relating to subsidiaries** (Continued)

b. Claim filed by former shareholders of GCI – purchase consideration:
During the year 2025, on August 7, 2025, the former shareholder of GCI filed a claim against Chemanol before the Commercial Court in Dammam seeking payment of ⃁ 73,000,000, which they allege represents the outstanding balance of the purchase consideration under the relevant Sale and Purchase Agreement. In addition, the claim includes a separate demand for damages amounting to ⃁ 3,650,000. On February 9, 2026, the Commercial Court in Dammam ordered a judicial stay of the proceedings due to the existence of another related lawsuit. As at June 30, 2026, the proceedings remain stayed. The ultimate outcome of this matter, including whether any financial obligation will arise and the amount thereof, remains uncertain.

c. Claim filed by former shareholders of ACC – reimbursement of ⃁ 15 million cash injections:
During the year 2025, on September 24, 2025, the former shareholders of ACC filed a claim against Chemanol before the Commercial Court in Dammam seeking reimbursement of ⃁ 15,393,420, which they allege relates to amounts injected prior to the execution of the Sale and Purchase Agreement. In addition, the claim includes a separate demand for damages amounting to ⃁ 1,539,342. The Parent Company had submitted a request to the Court to stay the proceedings, which was denied, and an appeal has been filed against this decision before the Court of Appeal. Further, the Primary Court has issued a ruling in favour of the former shareholders. The Company has filed an appeal against this judgment, and accordingly the matter remains subject to further judicial proceedings.

d. Claim filed by former shareholders of ACC – purchase consideration:
During the year 2025, on October 6, 2025, the former shareholders of ACC filed a claim against Chemanol before the Commercial Court in Dammam seeking payment of ⃁ 43,890,000, which they allege represents the outstanding balance of the purchase consideration under the Sale and Purchase Agreement. On February 14, 2026, the Commercial Court in Dammam ordered a judicial stay of the proceedings due to the existence of another related lawsuit, in accordance with applicable procedural regulations. As at June 30, 2026, the proceedings remain stayed. The ultimate outcome of this matter, including the timing and amount of any potential financial obligation, cannot be determined with sufficient reliability at this stage.

e. Claim filed by former shareholders of ACC – guarantor payments for bank facilities:
During the year 2025, on October 5, 2025, the former shareholders of ACC filed a separate claim against Chemanol and ACC before the Commercial Court in Dammam seeking reimbursement of amounts they allege to have paid as guarantors in respect of the Company's bank facilities. The initial claim amounted to ⃁ 45,105,584 and was subsequently amended to ⃁ 185,216,439 following a petition accepted by the Court on December 31, 2025. In addition, the claim includes a separate demand for damages amounting to ⃁ 18,521,634. On February 9, 2026, the Commercial Court in Dammam ordered a judicial stay of the proceedings due to the existence of another related lawsuit, to avoid conflicting judgments. As at June 30, 2026, the proceedings remain stayed. Based on legal advice received, the existence and extent of any obligation arising from these claims remain uncertain, and the outcome cannot be reliably estimated.

f. Claim filed by former shareholders of GCI – guarantor payments for bank facilities:
During April 2026, the former shareholders of GCI filed separate claims before the Commercial Court in Dammam seeking reimbursement of amounts they allege to have paid as guarantors in respect of the Company's bank facilities. This claim has been filed against GCI. The claim amounts to ⃁ 19,575,796 and is currently awaiting the submission of first written response from the plaintiffs. In addition, the claim includes a separate demand for damages amounting to ⃁ 3,011,368. Based on legal advice received, the existence and extent of any obligation arising from these claims remain uncertain, and the outcome cannot be reliably estimated.

The Group management has evaluated that the Share Purchase Agreements entered into in respect of the acquisitions of the Parent Company's subsidiaries which affirms the sellers' obligation to personally guarantee the loans until the lenders of the Parent Company approve the transfer of these guarantees to the Parent Company. The lenders of the Parent Company have not provided approval to transfer the guarantees as of the reporting date. During the prior year, a portion of the subsidiaries' outstanding loan balances amounting to ⃁ 234.3 million was settled by the former shareholders and an existing shareholder. The former shareholders have initiated legal proceedings to recover the amounts paid by them as part of the settlement. As the Parent Company is not the primary obligor in respect of these borrowings, the amounts settled were reclassified to other payables, representing amounts due to the former shareholders. The Parent Company, after considering the advice of its external legal counsel, concluded that with respect to legal cases disclosed in Note 15 (iii)(b) to 15 (iii)(e) above, the Group has adequately provided for the related obligations.

(iv) The Group is also subject to a number of claims filed by employees of the Parent Company and vendors of certain subsidiaries in respect of outstanding dues. Based on management's assessment, the majority of such exposures have been appropriately provided for in the condensed consolidated interim financial statements and, accordingly, these matters are not expected to have a material impact on the Group's condensed consolidated interim financial position.

16. SEGMENT INFORMATION

The Group's operating segments are determined based on the reports reviewed by the decision makers that are used for strategic decisions. These segments are strategic business units that offer different products and services. They are managed separately since the nature of the products; class of customers and marketing strategies of these segments are different.

Operating revenue recognized in the condensed consolidated interim statement of profit or loss represents revenue from internal customers as well as external customers, all revenues are originated in the Kingdom of Saudi Arabia.

The Group is primarily engaged in manufacture and sale of chemicals in the Kingdom of Saudi Arabia. Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue generated from each segment.

The following tables present information regarding the Group's segments activities:

For the six-month period ended* June 30, *2026 (Unaudited)

	Methanol Chemicals Company	***Addar Chemicals Company***	***Global Company for Chemical Industries***	***Mdarat Al Dhara Chemicals Company***	***Total***
Revenue:	⃁	⃁	⃁	⃁	⃁
Total segment revenue	**251,825,219**	**9,325,224**	**12,016,398**	**-**	**273,166,841**
Inter-segment revenue elimination	**(827,353)**	**-**	**-**	**-**	**(827,353)**
Revenue from external customers	**250,997,866**	**9,325,224**	**12,016,398**	**-**	**272,339,488**
Loss before finance cost, net, depreciation and amortization, and zakat	**(7,077,239)**	**(7,902,664)**	**(2,653,032)**	**-**	**(17,632,935)**
Finance cost, net	**(13,038,212)**	**(6,160,753)**	**(1,118,166)**	**-**	**(20,317,131)**
Depreciation and amortization	**(46,670,351)**	**-**	**-**	**-**	**(46,670,351)**
Loss before zakat	**(66,785,802)**	**(14,063,417)**	**(3,771,198)**	**-**	**(84,620,417)**
Zakat	-	-	-	-	-
Segment loss from operation	**(66,785,802)**	**(14,063,417)**	**(3,771,198)**	**-**	**(84,620,417)**

The following table presents assets and liabilities information for the Group's operating segments at the reporting date:

As at* June 30, *2026 (Unaudited)

	Methanol Chemicals Company	***Addar Chemicals Company***	***Global Company for Chemical Industries***	***Mdarat Al Dhara Chemicals Company***	***Total***
	⃁	⃁	⃁	⃁	⃁
Total assets	**912,229,154**	**241,073,771**	**71,406,600**	**37,670**	**1,224,747,195**
Total liabilities	**594,899,492**	**400,084,391**	**104,387,463**	**3,350,547**	**1,102,721,893**

The following table presents geographically wise revenue for the Group's operating segments at the reporting date:

As at* June 30, *2026 (Unaudited)

	Methanol Chemicals Company	***Addar Chemicals Company***	***Global Company for Chemical Industries***	***Mdarat Al Dhara Chemicals Company***	***Total***
Geographical markets:	⃁	⃁	⃁	⃁	⃁
Local sales	**74,690,019**	**6,026,898**	**5,076,351**	**-**	**85,793,268**
Exported sales:					
India	**35,259,908**	**225,000**	**142,920**	**-**	**35,627,828**
United Arab Emirates	**30,994,626**	**-**	**791,779**	**-**	**31,786,405**
Nigeria	**25,158,803**	**-**	**-**	**-**	**25,158,803**
Pakistan	**11,635,992**	**-**	**-**	**-**	**11,635,992**
Chile	**12,037,500**	**-**	**-**	**-**	**12,037,500**
Others	**61,221,018**	**3,073,326**	**6,005,348**	**-**	**70,299,692**
	250,997,866	**9,325,224**	**12,016,398**	**-**	**272,339,488**

16. SEGMENT INFORMATION (Continued)

	For the six-month period ended June 30, 2025 (Unaudited) (Restated)				
	Methanol Chemicals Company	*Addar Chemicals Company*	*Global Company for Chemical Industries*	*Mdarat Al Dhara Chemicals Company*	*Total*
	⃁	⃁	⃁	⃁	⃁
Revenue:					
Total segment revenue	282,906,115	9,276,810	36,372,412	-	328,555,337
Inter-segment revenue elimination	(12,607,547)	(337,241)	-	-	(12,944,788)
Revenue from external customers	270,298,568	8,939,569	36,372,412	-	315,610,549
Loss before finance cost, net, depreciation and amortization, and Zakat	(12,968,568)	(12,128,196)	475,519	(5,224)	(24,626,469)
Impairment loss on other non-current assets	-	(251,572,886)	(84,915,544)	-	(336,488,430)
Finance cost, net	(15,814,535)	(6,693,003)	(1,197,041)	-	(23,704,579)
Depreciation and amortization	(47,867,577)	(5,169,960)	(1,831,639)	-	(54,869,176)
Loss before zakat	(76,650,680)	(275,564,045)	(87,468,705)	(5,224)	(439,688,654)
Zakat	(3,593,157)	-	-	-	(3,593,157)
Segment loss from operation	(80,243,837)	(275,564,045)	(87,468,705)	(5,224)	(443,281,811)

The following table presents assets and liabilities information for the Group's operating segments at the reporting date:

	As at December 31, 2025 (Audited)				
	Methanol Chemicals Company	*Addar Chemicals Company*	*Global Company for Chemical Industries*	*Mdarat Al Dhara Chemicals Company*	*Total*
	⃁	⃁	⃁	⃁	⃁
Total assets	1,247,493,604	14,703,168	21,208,402	37,670	1,283,442,844
Total liabilities	576,210,014	390,234,995	107,001,569	3,350,547	1,076,797,125

The following table presents geographically wise revenue for the Group's operating segments at the reporting date:

	As at June 30, 2025 (Unaudited)				
	Methanol Chemicals Company	*Addar Chemicals Company*	*Global Company for Chemical Industries*	*Mdarat Al Dhara Chemicals Company*	*Total*
Geographical markets:	⃁	⃁	⃁	⃁	⃁
Local sales	112,312,876	4,105,435	19,264,143	-	135,682,454
Exported sales:					
India	41,016,753	184,500	73,620	-	41,274,873
United Arab Emirates	29,813,353	-	3,573,660	-	33,387,013
Nigeria	15,155,303	-	-	-	15,155,303
Pakistan	11,180,991	-	-	-	11,180,991
Chile	11,860,875	-	-	-	11,860,875
Others	48,958,417	4,649,634	13,460,989	-	67,069,040
	270,298,568	8,939,569	36,372,412	-	315,610,549

17. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

As at June 30, 2026 and December 31, 2025, the fair values of the Group's current financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

18. SUBSEQUENT EVENTS

Subsequent to the reporting date, the following key developments have occurred:

- The Parent Company has obtained approval from CMA to implement a proposed reduction of its share capital to offset accumulated losses. On July 14, 2026, the Extraordinary General Assembly was held, and the transaction of capital reduction was approved by the shareholders (Note 6).
- On July 14, 2026, the Extraordinary General Assembly was held, and utilization of ⃁ 53.4 million from the statutory reserve was approved to cover the remaining balance of accumulated losses (Note 7).

All subsequent events are expected to support the Parent Company's liquidity position and enhance financial flexibility going forward.

In the opinion of management, except for the above, there have been no significant subsequent events since the period ended June 30, 2026 that would have a material impact on the financial position of the Group as reflected in these condensed consolidated interim financial statements.

19. GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST

Recent geopolitical developments in the Middle East have contributed to regional instability and volatility in the market. Key shipping routes have been affected, leading to supply chain disruptions and increased volatility in prices. In response, the Parent Company has implemented measures to maintain ongoing supplies through alternative export routes.

As of June 30, 2026, the management of the Parent Company concluded that the impact of these events could not be reliably estimated on the Group's condensed consolidated interim financial position, results of operations, or cash flows. Management continues to assess these events for any potential material impact on the Group operations and financial performance.

20. RESTATEMENT OF COMPARATIVE AMOUNTS

During the year 2025, the Group identified certain prior-period errors that have been corrected by restating the affected financial statement line items in accordance with IAS 8, "*Accounting Policies, Changes in Accounting Estimates and Errors*". The nature of the errors and their impact on the comparative information for the six-month period ended June 30, 2025 are set out below.

20. RESTATEMENT OF COMPARATIVE AMOUNTS (Continued)

The following table summarizes the impacts on the Group condensed consolidated interim financial statements for the period ended June 30, 2025. Line items that were not affected by the changes have not been included.

Impact on condensed consolidated interim statement of financial position (increase / decrease) as at June 30, 2025

	As previously reported	**Impact of correction of errors ***	**Restatement 1**	**Restatement 2**	**Restatement 5**	**Balance after adjustments**
ASSETS						
CURRENT ASSETS						
Trade receivables	140,741,999	-	-	-	12,607,547	153,349,546
Prepayments and other current assets	53,998,860	2,484,202	-	-	81,884,995	138,368,057
LIABILITIES						
CURRENT LIABILITIES						
Accruals and other current liabilities	323,051,738	8,773,863	4,665,096	3,793,597	-	340,284,294
EQUITY						
Accumulated losses	(535,547,868)	(6,289,661)	(4,665,096)	(3,793,597)	94,492,542	(455,803,680)

* The impact of the above restatements on the condensed consolidated interim statement of financial position as at January 1, 2025, being the opening balance of the earliest comparative period presented (December 31, 2024), is disclosed in the consolidated financial statement of the year ended December 31, 2025, and reconciliation is presented below:

	January 1, 2025
Accumulated losses at 1 January 2025 (as previously stated)	(67,818,285)
Impact of restatement 1	(4,956,086)
Impact of restatement 2	(3,817,777)
Impact of restatement 5	2,484,202
Accumulated losses at January 1, 2025 (Restated)	(74,107,946)

Impact on condensed consolidated interim statement of profit or loss (increase/decrease) for the three-month period ended June 30, 2025

	As previously reported	**Restatement 1**	**Restatement 2**	**Restatement 5**	**Balance after adjustments**
Revenue	152,379,624	(2,363,849)	-	-	150,015,775
General and administrative expenses	(35,017,648)	-	-	12,607,547	(22,410,101)
Other operating expenses, net	(82,541,378)	-	-	81,884,995	(656,383)
Finance costs	(10,809,385)	-	(1,896,798)	-	(12,706,183)
Net impact on loss for the period	**(486,877,106)**	**(2,363,849)**	**(1,896,798)**	**94,492,542**	**(396,645,211)**
<u>Loss for the period attributable to:</u>					
Equity holders of the Parent Company	**(427,262,904)**	**(2,363,849)**	**(1,896,798)**	**94,492,542**	**(337,031,009)**
Basic and diluted loss per share attributable to ordinary equity holders of the Parent Company	(6.33)	(0.04)	1.40	(0.03)	(5.0)

20. RESTATEMENT OF COMPARATIVE AMOUNTS (Continued)

Impact on condensed consolidated interim statement of profit or loss (increase/decrease) for the six-month period ended June 30, 2025

	As previously reported	**Restatement 1**	**Restatement 2**	**Restatement 5**	**Balance after adjustments**
Revenue	320,275,645	(4,665,096)	-	-	315,610,549
General and administrative expenses	(54,689,155)	-	-	12,607,547	(42,081,608)
Other operating expenses, net	(84,882,688)	-	-	81,884,995	(2,997,693)
Finance costs	(21,681,948)	-	(3,793,597)	-	(25,475,545)
Net impact on loss for the period	**(529,315,660)**	**(4,665,096)**	**(3,793,597)**	**94,492,542**	**(443,281,811)**
<u>Loss for the period attributable to:</u>					
Equity holders of the Parent Company	**(467,729,583)**	**(4,665,096)**	**(3,793,597)**	**94,492,542**	**(381,695,734)**
Basic and diluted loss per share attributable to ordinary equity holders of the Parent Company	(6.93)	(0.07)	1.40	(0.06)	(5.66)

Restatement 1
During the year 2024, the Parent Company entered into a marketing and distribution arrangement with a customer for sales in the European market. Sales were initially recognized at provisional prices and subsequently adjusted based on the contractual pricing mechanism. Under the arrangement, the final sales price is determined as the actual sales price to end customers less actual storage and delivery costs and a marketing fee. Management concluded that the difference between the initially recognized provisional sales price and the final price represents consideration payable to a customer associated with revenue recognized and should be recorded on an accrual basis as a reduction of revenue, with a corresponding adjustment to trade receivables. The prior-period comparative information has therefore been restated based on the best available information and management's assessment of the contractual terms.

Restatement 2
During the year 2024, the Parent Company acquired ACC and GCI. The Group identified errors affecting the measurement of the related purchase consideration liabilities, primarily relating to the timing of expected payments, the recognition of interest, and the application of discounting. The Group reassessed the purchase consideration based on those errors and, accordingly, remeasured the related liabilities and finance costs. The comparative amounts have been restated to reflect the Quarter 2025 impact.

Restatement 3
During the year 2025, management reassessed the presentation of cash and cash equivalents relating to balances held in the Debt Service Reserve Account (DSRA) and Debt Service Account (DSA) under the Group's financing arrangements. These balances are subject to contractual restrictions and are not available for general use. Accordingly, the Group has restated the comparative consolidated interim statement of cash flows to exclude these restricted balances from cash and cash equivalents for cash flow presentation purposes. The balances continue to be presented within cash and cash equivalents in the consolidated interim statement of financial position. The restatement has no impact on total cash balances presented in the statement of financial position, profit or loss, or equity.

The correction of errors did not impact the condensed consolidated interim statement of other comprehensive income for the period ended June 30, 2025 or the Group's operating and financing cash flows. Restatement 3 resulted only in a reclassification within the consolidated interim statement of cash flows, affecting investing activities by ⃁ 256,043.

Restatement 4
During the year 2025, the Parent Company's management became aware that one of the former Board members of the Parent Company was also a Board member in one of the shareholding entities of both subsidiaries acquired in 2024 as disclosed in Note 15 (iii). Furthermore, one of the board of director common control identified with one of the parties. In view of this fact, the acquisitions of these subsidiaries with a common board member are considered to be a related party transaction in accordance with the requirements of IAS 24 since the acquisition date of subsidiaries in the year 2024.

The Group has restated the related party disclosure refer to Note 11 for details of the related party relationship, transactions and comparative disclosure impact.

20. RESTATEMENT OF COMPARATIVE AMOUNTS (Continued)

Restatement 5
During the year 2024, the Group identified an error in the elimination of an intra-group provision recognized against the due from related parties ⃁ 2.5 million.

Further during the year 2025, the Group identified an error in the elimination of an intra-group provision recognized against the due from related parties and trade receivables amounting to ⃁ 81.9 million and ⃁ 12.6 million, respectively. This error has been adjusted by restating the prior period consolidated financial statements.

21. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on 25 Rabi Al Awwal 1448H corresponding to September 7, 2026.