SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2026

INDEX	**PAGES**
Independent auditor's review report	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 – 17

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REVIEW REPORT OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders
Saudi Arabian Refineries Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Arabian Refineries Company (the "Company") and its subsidiaries (together "the Group"), as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 "Interim Financial Reporting ("IAS 34")" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review.

Scope of Review

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

Deloitte and Touche & Co.
Chartered Accountants

Tariq Bin Mohammed Al-Fattani
Certified Public Accountant
License No. 446

August 17, 2026
Rabi ul Awwal 4, 1448H

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
ASSETS			
Non-current assets			
Investments in associates	3	**66,951,151**	56,944,887
Property and equipment - net	4	**35,849,310**	423,545
Right-of-use assets		**298,139**	424,127
Intangible assets – net		**-**	2,427
Total non-current assets		**103,098,600**	57,794,986
Current assets			
Investments at FVTPL	5	**188,569,007**	238,763,462
Due from a related party	6	**2,000,000**	-
Prepaid expenses and other receivables		**366,914**	261,586
Cash and cash equivalents	7	**7,882,204**	8,223,123
Total current assets		**198,818,125**	247,248,171
TOTAL ASSETS		**301,916,725**	305,043,157
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**150,000,000**	150,000,000
Statutory reserve		**31,693,154**	31,693,154
Retained earnings		**96,640,192**	101,618,305
Total equity		**278,333,346**	283,311,459
Non-current liabilities			
Employees' defined benefit liabilities		**220,950**	186,308
Lease liabilities		**60,532**	182,429
Total non-current liabilities		**281,482**	368,737
Current liabilities			
Accrued expenses and other liabilities	8	**3,974,481**	5,512,954
Dividends payable		**2,203,099**	2,213,852
Lease liabilities		**114,768**	179,887
Due to related parties	6	**1,226,394**	-
Zakat provision	9	**15,783,155**	13,456,268
Total current liabilities		**23,301,897**	21,362,961
Total liabilities		**23,583,379**	21,731,698
TOTAL EQUITY AND LIABILITIES		**301,916,725**	305,043,157

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Finance Manager	Managing Director	Chairman of the Board
Yacub Zuhier Alnazer	Eng. Mohammad Eqbal	Dr. Obaid Saad AlSubaie

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	**For three months period ended 30 June**		**For Six months period ended 30 June**	
		2026	2025	**2026**	2025
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Dividends income		**1,967,756**	556,210	**1,967,756**	2,797,857
Share of results of investment in associates	3	**1,473,945**	1,326,176	**2,638,214**	2,498,894
Loss arising on financial assets mandatorily measured at FVTPL	5	**(11,584,006)**	(24,190,525)	**(3,290,401)**	(20,857,994)
		(8,142,305)	(22,308,139)	**1,315,569**	(15,561,243)
General and administrative expenses		**(2,092,201)**	(1,527,819)	**(4,561,076)**	(4,341,364)
Loss from operations for the period		**(10,234,506)**	(23,835,958)	**(3,245,507)**	(19,902,607)
Finance cost on lease		**(6,051)**	(7,556)	**(11,984)**	(15,838)
Other income, net		**545,789**	75,375	**621,164**	150,750
Loss for the period before zakat		**(9,694,768)**	(23,768,139)	**(2,636,327)**	(19,767,695)
Zakat expense	9	**(1,007,584)**	(2,029,791)	**(2,341,786)**	(3,949,729)
Net loss for the period		**(10,702,352)**	(25,797,930)	**(4,978,113)**	(23,717,424)
Other comprehensive income for the period		**-**	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(10,702,352)**	(25,797,930)	**(4,978,113)**	(23,717,424)
Basic and diluted loss per share for the period	10	**(0.71)**	(1.72)	**(0.33)**	(1.58)

Financial Manager	Managing Director	Chairman of the Board
Yacub Zuhier Alnazer	Eng. Mohammad Eqbal	Dr. Obaid Saad AlSubaie

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Share Capital	Statutory reserve	Retained Earnings	Total
Balance at 1 January 2025 (audited)	150,000,000	31,693,154	161,776,167	343,469,321
Net loss for the period	-	-	(23,717,424)	(23,717,424)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(23,717,424)	(23,717,424)
Balance as at 30 June 2025 (unaudited)	150,000,000	31,693,154	138,058,743	319,751,897
Balance as at 1 January 2026 (audited)	**150,000,000**	**31,693,154**	**101,618,305**	**283,311,459**
Net loss for the period	**-**	**-**	**(4,978,113)**	**(4,978,113)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**-**	**-**	**(4,978,113)**	**(4,978,113)**
Balance as at 30 June 2026 (unaudited)	**150,000,000**	**31,693,154**	**96,640,192**	**278,333,346**

Financial Manager	Managing Director	Chairman of the Board
Yacub Zuhier Alnazer	Eng. Mohammad Eqbal	Dr. Obaid Saad AlSubaie

The accompanying notes from 1 to 13 form an integral part of these interim condensed consolidated financial statements

SAUDI ARABIAN REFINERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the six-month period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period before Zakat		**(2,636,327)**	(19,767,695)
Adjustments for:			
Depreciation of property and equipment	4	**52,330**	31,152
Amortisation of intangible assets		**2,427**	13,306
Depreciation of right-of-use assets		**125,988**	128,048
Finance cost on lease		**11,984**	15,838
Employees' benefit obligations		**34,641**	64,120
Share of results of associates	3	**(2,638,214)**	(2,498,894)
Loss arising on financial assets mandatorily measured at FVTPL	5	**3,290,401**	20,857,994
Bargain purchase gain on acquisition of associate	3	**(468,050)**	-
Change in operating assets and liabilities:			
Dividends payable		**(10,753)**	(11,898)
Accrued expenses and other liabilities		**(1,538,473)**	(2,138,577)
Prepaid expenses and other receivables		**(105,327)**	952,196
Due to a related party	6	**26,394**	-
Cash flows used in operations		**(3,852,979)**	(2,354,410)
Zakat paid	9	**(14,899)**	(512,692)
Net cash used in operating activities		**(3,867,878)**	(2,867,102)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	4	**(35,478,095)**	(487,827)
Acquisition of shares in investment in associates	3	**(5,700,000)**	-
Purchase of investments at FVTPL	5	**(76,977,667)**	(222,815,085)
Proceeds from sale of investments at FVTPL	5	**123,881,721**	213,403,842
Due from a related party		**(2,000,000)**	-
Net cash generated / (used in) from investing activities		**3,725,959**	(9,899,070)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liabilities		**(199,000)**	(138,339)
Net cash used in financing activities		**(199,000)**	(138,339)
Increase in cash and cash equivalents		**(340,919)**	(12,904,511)
Cash and cash equivalents at the beginning of the period		**8,223,123**	24,861,169
CASH AND CASH EQUIVALENTS 30 June		**7,882,204**	11,956,658
NON-CASH TRANSACTION			
Acquisition of shares in investment in associate		**1,200,000**	-

Financial Manager
Yacub Zuhier Alnazer

Managing Director
Eng. Mohammad Eqbal

Chairman of the Board
Dr. Obaid Saad AlSubaie

شركة المصافي العربية السعودية (ساركو)
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The accompanying notes from 1 to 13 form an integral part of these interim condensed consolidated financial statements

(All amounts in Saudi Riyals unless otherwise stated)

1. CORPORATE INFORMATION

Saudi Arabian Refineries Company ("the company") is a Saudi joint stock company registered under the commercial registration issued at Jeddah with the number 4030003334 dated 14 September 1960 (corresponding to 19 Dhul – Hijjah 1379 H) and the unified number of the Company is 7001595375.

As at 30 June 2026, the Company 's share capital amounted to SR 150 million (31 December 2025: SR 150 million) divided into 15 million shares (31 December 2025: 15 million shares) with a nominal value of SR 10 per share.

On 7 Dhu al-Qi'dah 1447H, equivalent to 26 March 2026, the Company's board of directors decided to recommend to the extraordinary general assembly to increase the Company's capital by SR 300 million, representing 200% of its current capital through the offering of a rights issue shares. This recommendation is yet to be approved by the extraordinary general assembly. The Board's recommendation in this respect is subject to the approval of the relevant regulatory authorities and the Company's shareholders at the extraordinary general assembly.

The Company's activities as per the commercial registration are extracting crude oil, establishing refining and petrochemical plant and refineries, dealing in securities as principal, buying and selling land and real estate, dividing them and selling activities off-plan, managing and leasing owned or leased properties (non-residential), mining of nitrogen- and potassium-containing minerals, manufacture of basic organic chemicals including ethylene, excluding fertilisers and nitrogenous compounds, production of primary gases including oxygen, hydrogen, etc. and production of liquid and compressed air. However, the present activity of the Company is investing in local companies, and therefore its activity is limited to the investments sector. However, following recent acquisitions, the Company has expanded its operations to include the business activities of its newly established subsidiaries as discussed below.

Saudi Arabian Refineries Company is referred to as "the Company" or together with its subsidiaries as "the Group" throughout these interim condensed consolidated financial statements. The subsidiaries are listed below:

Name of the Company	**Country of incorporation**	**Effective ownership at 30 June 2026**	Effective ownership at 31 December 2025	**Principal activities**
Clean Energy Company (i)	Kingdom of Saudi Arabia	100%	100%	Metal mining, the manufacture of organic chemicals, and the production of primary gases, as well as liquid and compressed air.
Masafi Ventures Company Holding (ii)	Kingdom of Saudi Arabia	100%	-	Manufacturing industries, construction, transportation, and storage activities
Refineries Storage Services Company (iii)	Kingdom of Saudi Arabia	100%	-	Pipeline transportation, marine and coastal water transportation of goods, and storage

1. CORPORATE INFORMATION (CONTINUED)

(i) Clean Energy Company is a limited liability company incorporated in the Kingdom of Saudi Arabia with Commercial Registration No. 7052892622 dated 9 December 2025 (corresponding to 18 Jumada al-Akhirah 1447 H), headquartered in Bish City. During the period, Clean Energy Company has entered into a non-binding Memorandum of Understanding with AGR Renewable Energy for the purpose of purchasing one hundred percent (100%) of the production output of the green ammonia plant to be produced at the Company's proposed facility in Jazan Industrial City.

(ii) Masafi Ventures Company Holding is a limited liability company incorporated in the Kingdom of Saudi Arabia with Commercial Registration No. 7053585555 dated 3 February 2026 (corresponding to 15 Shaaban 1447 H), headquartered in Riyadh City. During the period, Masafi Ventures Company Holding acquired 35% equity interest in Raya Al-Tajdeed Contracting Company for SR 4.9 million and acquired 33% equity interest in the Global Waste Solution Company against a consideration of SR 2 million.

(iii) Refineries Storage Services Company is a limited liability company incorporated in the Kingdom of Saudi Arabia with Commercial Registration No. 7053396540 dated 17 January 2026 (corresponding to 28 Rajab, 1447 H), headquartered in Bish City.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

The accompanying interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organisation for Certified Professional Accountants (SOCPA).

These interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of annual financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2025. In addition, results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

These interim condensed consolidated financial statements have been prepared under the historical cost basis using the accrual basis of accounting and going concern concept except for the employee defined benefit liability which has been measured based on actuarial present value calculations, investments in equity instruments at fair value through profit or loss, which are measured at fair value, and investments in associates using the equity method.

These interim condensed consolidated financial statements of the Group have been presented in Saudi Arabian Riyal (SR), which is the functional and presentation currency.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUD)

Accounting policies

The accounting policies adopted in preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025.

Amended and revised International Financial Reporting Standards ("IFRSs") Standards that are effective for the current period

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2026, have been adopted in these interim condensed consolidated financial statements.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these interim condensed consolidated financial statements.

New and revised IFRS	Summary
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments regarding power purchase arrangements	Under the amendments, the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument.
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments regarding power purchase arrangements	Under the amendments, the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument.
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.
Annual Improvements to IFRS Accounting Standards — Volume 11	These includes multiple amendments made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows.

(All amounts in Saudi Riyals unless otherwise stated)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

New and revised IFRS in issue but not yet effective and not early adopted

At the date of authorization of these interim condensed consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRS	Effective for annual periods beginning on or after
IFRS 18, Presentation and Disclosure in Financial Statements IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027
IFRS 20, Regulatory Assets and Regulatory Liabilities IFRS 20 requires an entity that is subject to a regulatory agreement to provide information about its regulatory assets, regulatory liabilities, regulatory income and regulatory expense.	January 1, 2029
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28) The amendments provide clarity about which entities are eligible to measure investments using the fair value option in IAS 28	January 1, 2027
Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency IASB amended IAS 21 to clarify the translation requirements when an entity's presentation currency is the currency of a hyperinflationary economy, but its functional currency is not, and vice versa. The amendments require entities to translate amounts using the closing rate at the date of the most recent statement of financial position when translating from a non-hyperinflationary functional currency to a hyperinflationary presentation currency. When the presentation currency ceases to be hyperinflationary but the functional currency remains non-hyperinflationary, entities apply the current IAS 21 translation method prospectively without restating comparative amounts. Entities must disclose the application of this method, including summarised financial information about foreign operations translated under the amendments, and disclose if the economy concerned ceases to be hyperinflationary. An exception is provided for entities applying IAS 29 to translate foreign operations in accordance with the amendments.	January 1, 2027

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

New and revised IFRS in issue but not yet effective and not early adopted (continued)

The management expect that other than IFRS 18, the adoption of above listed standards will not have a material impact on the Group's consolidated financial statements in the future period.

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

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

a) <u>Structure of the Statement of Profit or Loss</u>

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity.

The Group currently performing an assessment to conclude if it has a specified main business activity of investing in assets and/or providing financing 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 two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes'. However, operating profit subtotal differs from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss to result from the following.

- Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented in the 'net finance costs' subtotal. IFRS 18 provides specific guidance on the income and expenses classified in the investing and financing categories.
- Interest cost on employee benefit obligations, which is currently presented within employee costs, will be classified and presented within finance costs under the financing category.

If the entity has concluded that it is investing in financial assets as a main business activity, then income and expenses resulting from such assets including dividend income and FV changes will be classified under the operating category. Whereas share of results of investment in associates accounted for using the equity method will be classified under the investing category.

<u>b) Management-defined performance measures</u>
IFRS 18 requires disclosure of management-defined performance measures, being subtotals of income and expenses used in public communications outside the financial statements to communicate management's view of an aspect of the financial performance of the Group as a whole.

The Group is assessing its public communications to determine whether any performance measures used outside the financial statements meet the definition of management-defined performance measures under IFRS 18. If any such measures are identified, the Group will be required to disclose them in a single note to the consolidated financial statements, together with reconciliations to the most directly comparable subtotal or total specified by IFRS Accounting Standards.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

New and amended standards adopted by the Group (continued)

c) Principles of aggregation and disaggregation
IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary 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.

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 statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit before zakat 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. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

Critical accounting judgements and key sources of estimation and uncertainty

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited consolidated financial statements. Management believes that other than the certain actuarial assumptions for valuation of present value of defined benefit obligations, all other sources of estimation uncertainty remain similar to those disclosed in the annual consolidated financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

During the period, the Group obtained a 35% equity interest in Raya Al Tajdeed Contracting Company and subscribed to a 33% equity interest in Global Waste Solution Company, a newly incorporated entity.

The determination of whether these investments should be classified as associates required management to exercise judgment in assessing whether the Group has significant influence over the respective investees in accordance with IAS 28 Investments in Associates and Joint Ventures. In making this assessment, management considered, among other factors, the Group’s level of shareholding and its ability to participate in the financial and operating policy decisions of the investees.

Based on this assessment, management concluded that the Group has significant influence over both investees as at 30 June 2026. Accordingly, the investments are classified as associates and accounted for using the equity method.

(All amounts in Saudi Riyals unless otherwise stated)

3. INVESTMENTS IN ASSOCIATES

The details and movement of these investments during the year are as follows:

Company name	**Arab Tanks Company Limited**	**Raya Al-Tajdeed Contracting Company (i)**	**Global Waste Solution Company (ii)**	**Arab Company for Sulfonate Ltd (iii)**	**Total**
Principal operations	Services	Contracting Company	Services	Industrial	
Country	Saudi Arabia	Saudi Arabia	Saudi Arabia	Saudi Arabia	
Ownership percentage	27%	35%	33%	34%	
Balance at 30 June 2026	**59,482,963**	**5,573,634**	**1,894,554**	**-**	**66,951,151**
Balance at 31 December 2025	56,944,887	-	-	-	56,944,887

	Arab Tanks Company Limited	**Raya Al-Tajdeed Contracting Company**	**Global Waste Solution Company**	**Arab Company for Sulfonate Ltd.**	**Total**
<u>Period ended 30 June 2026:</u>					
1 January 2026	**56,944,887**	**-**	**-**	**-**	**56,944,887**
Additions during the period	**-**	**4,900,000**	**2,000,000**	**-**	**6,900,000**
Share of profit / (loss)	**2,538,076**	**205,584**	**(105,446)**	**-**	**2,638,214**
Bargain purchase gain on acquisition of associate	**-**	**468,050**	**-**	**-**	**468,050**
30 June 2026	**59,482,963**	**5,573,634**	**1,894,554**	**-**	**66,951,151**
<u>Year ended 31 December 2025:</u>					
1 January 2025	51,614,296	-	-	-	51,614,296
Share of profit	5,290,919	-	-	-	5,290,919
Share in other comprehensive income	39,672	-	-	-	39,672
31 December 2025	56,944,887	-	-	-	56,944,887

i. During the first quarter of 2026, Masafi Ventures Company Holding, a subsidiary of the Group, entered into an agreement to acquire a 35% equity interest in Raya Al-Tajdeed Contracting Company for SR 4.9 million.

   The acquisition was completed on 4 May 2026, and the related regulatory procedures were finalized on that date. Accordingly, the Group classified the investment as an associate from 4 May 2026, as it concluded that it has significant influence over the investee in accordance with IAS 28.

3. INVESTMENTS IN ASSOCIATES (CONTINUED)

At 30 June 2026, the fair value assessment of the investee’s identifiable net assets at the date of initial acquisition had not been finalized.

Based on preliminary information available, the net book value of the investee’s identifiable net assets was SR 15,337,287, which management considered to be a reasonable provisional basis pending completion of the valuation exercise. On this basis, the Group’s 35% share amounted to SR 5,368,050, compared with purchase consideration of SR 4,900,000.

Any resulting excess of the Group’s share of the identifiable net assets over the purchase consideration is provisional and may be adjusted once the fair value exercise is completed. In addition, as the Group is expected subsequently to obtain control of the investee, the final amounts recognized will be determined in connection with the accounting for the business combination.

ii During the first quarter of 2026, the Group paid SR 2 million as a working capital contribution in connection with the establishment of Global Waste Solution Company.

On 29 June 2026, upon completion of the legal and regulatory procedures, the Group acquired a 33% equity interest in Global Waste Solution Company, for consideration of SR 2 million. Management concluded that the Group has significant influence over the investee in accordance with IAS 28 Investments in Associates and Joint Ventures, and accordingly the investment has been classified as an associate and accounted for using the equity method from that date.

As the investee was newly established, the carrying amount of its identifiable net assets at the acquisition date was not significant. The consideration reflects management’s assessment of the investee’s future commercial potential, including prospective business opportunities, and should not be viewed as being supported by the investee’s current net asset base.

In accordance with IAS 28, the investment was initially recognized at cost. Any difference between the cost of the investment and the Group’s share of the fair value of the investee’s identifiable net assets at the acquisition date is included within the carrying amount of the investment in associate. No separate goodwill is recognized.

iii. During 2016 the Group filed a lawsuit against the management of the Arab Company for Sulfonate Ltd. To claim compensation as the accumulated losses exceeded half of the share capital as a result of mismanagement of the Arab Company for Sulfonate Ltd. In 2018 the Administrative Court in Jeddah resolved to liquidate the Arab Company for Sulfonate Ltd. upon the request of a shareholder. Although a liquidator was appointed by the court, no financial statements were issued from 2018 to date. The Group has recorded full provision against its investment in the associate.

(All amounts in Saudi Riyals unless otherwise stated)

4. PROPERTY AND EQUIPMENT - NET

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Net book value at the beginning of the period/year	**423,545**	26,144
Additions*	**35,478,095**	487,831
Depreciation for the period/year	**(52,330)**	(4,423)
Disposals	**-**	(86,007)
Closing Balance	**35,849,310**	423,545

*On 27 January 2026, the Group successfully won an auction for a commercial plot measuring 103,140 square meters on Al-Kharj Road, Riyadh region. The land has been classified as property and equipment, as management intends to use it for operational purposes. The purchase price amounted to SR 35.5 million.

5. INVESTMENTS AT FVTPL

The movement of the Investments at FVTPL in traded equity instruments for the period is as follows:

	Investment in portfolio *	**Investment in Fund ****	**As at 30 June 2026 (Unaudited)**	As at 31 December 2025 (Audited)
Balance at beginning of the period/year	**238,133,577**	**629,885**	**238,763,462**	281,922,793
Additions	**72,483,467**	**4,494,200**	**76,977,667**	268,717,555
Disposals	**(123,881,721)**	**-**	**(123,881,721)**	(260,397,909)
Gains/(Losses) arising on financial assets mandatorily measured at FVTPL	**(3,732,858)**	**442,457**	**(3,290,401)**	(51,478,977)
Balance at the end of the period	**183,002,465**	**5,566,542**	**188,569,007**	238,763,462

*This represents an investment in a discretionary portfolio managed by a portfolio manager in shares listed on the Saudi stock exchange market. Out of this, SR 44 million is managed directly by the Group (31 December 2025: SR 48.6 million).

**This represents an investment in a distribution Fund investing in listed shares on the Saudi stock exchange market. The fair value is derived by the unit Net Asset Value as announced by the Fund's manager.

(All amounts in Saudi Riyals unless otherwise stated)

6. TRANSACTIONS WITH RELATED PARTIES

During the period, the Group mainly transacted with the following related parties:

Related parties and relationship	Nature of transaction	For six-months period ended 30 June (Unaudited)	
		2026	2025
Associates			
Arab Tanks Company Limited	Administrative services fees	**150,750**	150,750

Due from a related party is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Global waste Solution Company	**2,000,000**	-
	2,000,000	-

Due to related parties are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Raya Al-Tajdeed Contracting Company	**1,200,000**	-
Global Waste Solution Company	**3,300**	-
Arab Tanks Company Limited	**23,094**	-
	1,226,394	-

Transactions with the key management personnel:

The key management personnel compensation comprised the following:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Remuneration and allowances of Board of directors and its sub committees	**1,530,500**	1,858,167
Remuneration of key management personnel	**109,500**	1,324,016
Other long-term benefits	**30,375**	-
	1,670,375	3,182,183

7. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash and cash equivalents	**7,882,204**	8,223,123

Cash and cash equivalents include an amount of SR 3.07 million (2025: SR 5.6 million) maintained under Company's investment portfolio account and an amount of SR 2.2 million (2025: 2.2 million) kept in accounts for dividends payable.

(All amounts in Saudi Riyals unless otherwise stated)

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Board of Directors' and its committees' remunerations	**1,969,500**	3,558,167
Accrued expenses	**907,791**	860,159
Accrued professional fees	**687,173**	726,769
Accrued employee expenses	**410,017**	367,859
	3,974,481	5,512,954

9. ZAKAT

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the period / year	**13,456,268**	7,799,680
Provision for the period / year	**2,341,786**	6,169,466
Prior year Zakat charge	**-**	387,722
Payments during the period / year	**(14,899)**	(900,600)
	15,783,155	13,456,268

The Company submitted its Zakat returns up to 31 December 2025 and obtained the required certificates. The Zakat, Tax and Customs Authority “ZATCA” has finalized Zakat assessments for all years until 31 December 2023.

10. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted profit per share for the periods ended 30 June, 2026 and 2025 are calculated by dividing the net income for the period attributable to the equity holders of the Group by 15 million shares. The diluted profit per share is the same as the basic profit per share.

	For six-months period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Net loss for the period	**(4,978,113)**	(23,717,424)
Number of ordinary shares at the period end	**15,000,000**	15,000,000
Basic and diluted profit per share for the period	**(0.33)**	(1.58)

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these interim condensed consolidated financial statements is determined on such a basis.

(All amounts in Saudi Riyals unless otherwise stated)

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability,

The table below shows the carrying values and fair values of financial assets and liabilities, including their levels in the fair value hierarchy, and does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount approximates fair value.

	Level 1	Level 2	Level 3	Total
As on 30 June 2026 (Unaudited)				
Investments at FVTPL	**183,002,465**	**5,566,542**	**-**	**188,569,007**
As on 31 December 2025 (Audited)				
Investments at FVTPL	238,133,577	629,885	-	238,763,462

12. SUBSEQUENT EVENTS

Subsequent to the reporting period, on 23 July 2026, the Group acquired 85% of the issued share capital of Lawazim Almutatawwira Lilsinaa Qabida Company for a purchase consideration of SR 12 million. All legal formalities relating to the acquisition were finalized and completed during the subsequent period.

Except as stated above, no major events have occurred subsequent to the reporting date and before the issuance of these interim consolidated condensed financial statements, which require adjustments to, or disclosure, in these interim consolidated condensed financial statements.

13. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements for the six months period ended 30 June 2026, were approved for issuance by the Board of Directors on 11 August 2026 (corresponding to 28 Safar 1448).