

**ALUJAIN CORPORATION
(A SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT**

ALUJAIN CORPORATION
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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Independent auditor's report to the shareholders of Alujain Corporation

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Alujain Corporation (the "Company") and its subsidiaries (together the "Group") as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements.

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Independent auditor's report to the shareholders of Alujain Corporation (continued)

Our audit approach

Overview

Key audit matter	Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><i>Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets</i></p> <p>As at 31 December 2025, the Group has property, plant and equipment of Saudi Riyals 1,530.0 million, right-of-use assets of Saudi Riyals 14.1 million and intangible assets of Saudi Riyals 31.9 million (collectively referred to as “non-current assets”).</p> <p>The Group also has a goodwill balance, which arose on past business combination, which was fully impaired during the year ended 31 December 2025.</p> <p>In accordance with the International Accounting Standard (IAS) 36 “Impairment of assets”, an entity is required to test goodwill acquired in a business combination for impairment at least annually irrespective of whether there is any indication of impairment. Non-current assets are subject to impairment testing when there are internal or external indicators of impairment.</p>	<p>Our audit procedures included the following amongst other audit procedures:</p> <ul style="list-style-type: none">• Evaluated the design and implementation of key manual controls over the impairment assessment process and estimation of their recoverable amount.• Checked the accuracy and appropriateness of the input data used by management in the income approach model by tracing to supporting documentation, such as the approved business plans. Further, we tested the reasonableness of the business plans by comparing them to historical results.• Evaluated the competence, capabilities, and objectivity of the management’s external expert, based on their professional qualifications and experience and assessed their independence.

Independent auditor's report to the shareholders of Alujain Corporation (continued)

Key audit matter	How our audit addressed the Key audit matter
<p>For the purpose of the accompanying consolidated financial statements for the year ended 31 December 2025, management considered the significant decrease in the market prices of the Group's products and the resulting gross loss as impairment indicators. Accordingly, management performed a detailed impairment assessment as at 31 December 2025.</p> <p>Management performed the impairment assessment by comparing the carrying amount of the cash-generating unit ("CGU") with its recoverable amount, determined through fair value less costs of disposal ("FVLCD"), as FVLCD was higher than the value in use.</p> <p>Management engaged an external valuation expert to assist in estimating the recoverable amount of the CGU. The valuation was derived using two approaches i.e. the discounted cash flow ("DCF") approach and the comparable companies multiples' ("CCM") approach, with equal weightings applied, to determine the fair value. The approaches involved significant estimation, uncertainty, including forecasted future cash flows, determination of the discount rate and the terminal growth rate, and the application of peer comparison.</p> <p>Management has concluded that the recoverable amount of the CGU was lower than the carrying amount and, accordingly, recognised an impairment loss of Saudi Riyals 1,204.9 million on goodwill and Saudi Riyals 103.8 million on property, plant and equipment.</p> <p>We considered this as a key audit matter as the assessment of the recoverable amount requires significant estimation. Further, the determination of recoverable amount includes judgements and estimations such as projected cashflows, future economic and market conditions, growth and discount rates and comparability with peers.</p> <p>Refer to Note 3 for the disclosure of significant accounting judgements, estimates and assumptions, Note 4 for the accounting policy relating to the impairment of non-current assets and Notes 5 and 8 for disclosure of other matters related to impairment of non-current assets.</p>	<p>Our audit procedures included the following amongst other audit procedures (continued):</p> <ul style="list-style-type: none"> • Engaged our internal valuation experts to: <ul style="list-style-type: none"> - Assess the appropriateness of the valuation approaches applied by management's expert; and - Assess the reasonableness of key assumptions, including, discount rate, terminal growth rate, and selection and relevance of peer companies. • Assessed the potential impact of a range of possible outcomes based on the sensitivity analyses over key assumptions in the DCF model and the CCM approach performed by management's expert. • Assessed the adequacy and appropriateness of the related disclosures in the accompanying consolidated financial statements.



Independent auditor's report to the shareholders of Alujain Corporation (continued)

Other information

Management is responsible for the other information. The other information comprises the Annual report but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report to the shareholders of Alujain Corporation (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers



Mufaddal Ali
License No. 447

29 March 2026



ALUJAIN CORPORATION
(A Saudi Joint Stock Company)
Consolidated statement of financial position
(All amounts in Saudi Riyals thousands unless otherwise stated)

		As at		
	Note	31 December 2025	31 December 2024 (Restated)	1 January 2024 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	5, 36	1,530,586	1,685,970	1,774,232
Capital work-in-progress	6	1,022,923	676,830	177,454
Right-of-use assets	7	14,050	12,543	13,732
Intangible assets	8	31,909	1,220,108	1,434,352
Investment accounted for using the equity method	9	102,833	80,492	83,930
Financial assets at fair value through profit or loss	10	122,010	-	1,969
Non-current portion of advances, prepayments and other assets		-	-	4,447
Total non-current assets		2,824,311	3,675,943	3,490,116
Current assets				
Inventories	11	336,451	306,118	345,159
Advances, prepayments and other assets	12	77,164	54,279	85,871
Trade and other receivables	13	368,974	488,770	315,608
Financial assets at fair value through profit or loss	10	197,285	330,049	-
Cash and cash equivalents	14	148,763	589,250	353,274
Total current assets		1,128,637	1,768,466	1,099,912
Total assets		3,952,948	5,444,409	4,590,028
Equity and liabilities				
Equity				
Share capital	15	692,000	692,000	692,000
Other reserve	16	288,075	288,075	288,075
Retained earnings	36	1,527,614	2,513,057	2,052,066
Equity attributable to the shareholders of Alujain Corporation		2,507,689	3,493,132	3,032,141
Non-controlling interest	9	1,021,648	1,495,147	34,423
Total equity		3,529,337	4,988,279	3,066,564
Non-current liabilities				
Long-term borrowings		-	-	1,067,603
Employee benefit obligations	17	79,143	77,583	74,241
Lease liabilities	7	15,533	14,434	15,173
Decommissioning provision	18	14,200	12,647	14,236
Non-current portion of accrued and other liabilities		-	-	27,523
Deferred tax liabilities	22	5,365	4,835	-
Total non-current liabilities		114,241	109,499	1,198,776

ALUJAIN CORPORATION
(A Saudi Joint Stock Company)
Consolidated statement of financial position
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at		
		31 December 2025	31 December 2024 (Restated)	1 January 2024 (Restated)
Current liabilities				
Current portion of long-term borrowings		-	10,872	20,293
Current portion of lease liabilities	7	567	736	735
Accrued and other liabilities	20, 36	141,712	166,924	162,407
Trade and other payables	21	145,680	133,478	84,413
Zakat and income tax payable	22	21,352	34,621	56,840
Derivative financial instrument	19	59	-	-
Total current liabilities		309,370	346,631	324,688
Total liabilities		423,611	456,130	1,523,464
Total equity and liabilities		3,952,948	5,444,409	4,590,028

The accompanying notes are an integral part of these consolidated financial statements.



Khalid Bin Mohammed
Aldawood
Chief Executive Officer



Abdulwahab Bin Abdulkarim Albetari
Deputy Chairman



Saleem Akhtar
Chief Financial Officer

ALUJAIN CORPORATION


(A Saudi Joint Stock Company)

Consolidated statement of profit or loss and other comprehensive income

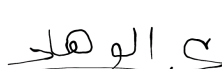
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024 (Restated)
Revenue	23	1,301,506	1,555,330
Cost of revenue	24, 36	(1,351,068)	(1,326,810)
Gross (loss) / profit		(49,562)	228,520
Selling and marketing expenses	25, 36	(32,319)	(287,894)
General and administrative expenses	26	(71,681)	(71,821)
Impairment loss on goodwill	8	(1,204,929)	-
Reversal of provisions	26, 36	-	26,992
Other operating expenses	27	(1,910)	-
Other operating income	27, 36	17,251	1,459
Loss from operations		(1,343,150)	(102,744)
Finance cost	28	(8,880)	(43,368)
Finance income		16,506	33,859
Dividend income	10	4,530	-
Fair value gain on financial assets at fair value through profit or loss	10	15,246	49
Share of net profit of investment accounted for using the equity method	9	20,915	18,060
Impairment loss on financial assets at fair value through profit or loss	10	-	(1,969)
Loss before zakat and income tax		(1,294,833)	(96,113)
Zakat and income tax expense	22, 36	(15,048)	(4,140)
Net loss for the year		(1,309,881)	(100,253)
Other comprehensive income			
<u>Items that will not be reclassified to consolidated statement of profit or loss:</u>			
Re-measurement of employee benefit obligations	17	6,733	2,492
Share of other comprehensive (loss) / gain of investment accounted for using the equity method	9	(94)	4
Other comprehensive income for the year		6,639	2,496
Total comprehensive loss for the year		(1,303,242)	(97,757)
Net loss for the year attributable to:			
Shareholders of Alujain Corporation		(833,850)	(50,703)
Non-controlling interests	9	(476,031)	(49,550)
		(1,309,881)	(100,253)
Total comprehensive loss for the year attributable to:			
Shareholders of Alujain Corporation		(829,743)	(49,059)
Non-controlling interests	9	(473,499)	(48,698)
		(1,303,242)	(97,757)
Loss per share attributable to the shareholders of Alujain Corporation			
Basic and diluted loss per share (Saudi Riyals / share)	29	(12.05)	(0.73)

The accompanying notes are an integral part of these consolidated financial statements.



Khalid Bin Mohammed Aldawood
Chief Executive Officer



Abdulwahab Bin Abdulkarim Albetari
Deputy Chairman




Saleem Akhtar
Chief Financial Officer

ALUJAIN CORPORATION
(A Saudi Joint Stock Company)
Consolidated statement of changes in equity
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Attributable to the shareholders of Alujain Corporation					Non-controlling interest	Total equity
		Share capital	Statutory reserve	Retained earnings	Reserve for acquisition of additional shares in a subsidiary	Total		
Balance as at 1 January 2024		692,000	288,075	2,176,613	(124,547)	3,032,141	34,423	3,066,564
Restatement	36	-	-	(124,547)	124,547	-	-	-
As at 1 January 2024 (Restated)		692,000	288,075	2,052,066	-	3,032,141	34,423	3,066,564
Purchase of additional shares in a subsidiary (Restated)	9, 36	-	-	(24,827)	-	(24,827)	(34,928)	(59,755)
Partial disposal of subsidiary without loss of control – NATPET	9	-	-	-	-	-	1,344,455	1,344,455
Gain on partial disposal of subsidiary without loss of control – NATPET		-	-	534,877	-	534,877	-	534,877
Partial disposal of subsidiary without loss of control - LNIC		-	-	-	-	-	199,895	199,895
Net loss for the year		-	-	(50,703)	-	(50,703)	(49,550)	(100,253)
Other comprehensive income for the year		-	-	1,644	-	1,644	852	2,496
Total comprehensive loss for the year		-	-	(49,059)	-	(49,059)	(48,698)	(97,757)
Balance as at 31 December 2024		692,000	288,075	2,513,057	-	3,493,132	1,495,147	4,988,279
Net loss for the year		-	-	(833,850)	-	(833,850)	(476,031)	(1,309,881)
Other comprehensive income for the year		-	-	4,107	-	4,107	2,532	6,639
Total comprehensive loss for the year		-	-	(829,743)	-	(829,743)	(473,499)	(1,303,242)
Transaction with shareholders in their capacity as shareholders:								
Dividends	37	-	-	(155,700)	-	(155,700)	-	(155,700)
Balance as at 31 December 2025		692,000	288,075	1,527,614	-	2,507,689	1,021,648	3,529,337

The accompanying notes are an integral part of these consolidated financial statements.


Khalid Bin Mohammed Aldawood
Chief Executive Officer


Abdulwahab Bin Abdulkarim Albetari
Deputy Chairman


Saleem Akhtar
Chief Financial Officer

ALUJAIN CORPORATION
(A Saudi Joint Stock Company)
Consolidated statement of cash flows
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024 (Restated)
Cash flows from operating activities			
Loss before zakat and income tax		(1,294,833)	(96,113)
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	5	189,780	180,868
Impairment of property, plant and equipment	5, 36	113,505	3,000
Depreciation of right-of-use assets	7	1,624	1,189
Amortisation of customer relationships	25	-	54,750
Impairment of customer relationships	25	-	156,750
Amortisation of intangible assets	8.2	2,738	2,744
Impairment of goodwill	8.1	1,204,929	-
Provision for employee benefit obligations	17	11,194	11,758
Share of net profit of investment accounted for using the equity method	9	(20,915)	(18,060)
Write-off of property, plant and equipment	5	1,745	-
Unwinding of decommissioning provision	18	769	711
Finance cost, excluding unwinding of decommissioning provision	28	8,111	42,657
Finance income		(16,506)	(33,859)
Dividend income	10	(4,530)	-
Fair value adjustment to derivative financial instrument	19	59	-
Provision for custom duty refundable	24	-	535
Provision for slow moving and obsolete inventories	11	-	903
Reversal of provisions	36	-	(26,992)
Impairment of financial assets at fair value through profit or loss		-	1,969
Fair value gain on financial assets at fair value through profit or loss	10	(15,246)	(49)
<u>Changes in working capital:</u>			
Inventories		(30,333)	38,138
Advances, prepayments and other assets		(23,024)	35,643
Trade and other receivables		118,276	(141,642)
Trade and other payables		(33,688)	48,067
Accrued and other liabilities	36	2,804	(4,991)
Cash generated from operations		216,459	257,976
Finance cost paid	28	(8,111)	(63,945)
Employee benefit obligations paid	17	(2,901)	(5,924)
Zakat paid	22	(27,787)	(21,524)
Net cash inflow from operating activities		177,660	166,583
Cash flows from investing activities			
Proceeds from disposal of financial assets at fair value through profit or loss	10	198,000	-
Addition to financial assets at fair value through profit or loss	10	(172,000)	(330,000)
Addition to property, plant and equipment	5	(53,951)	(60,679)
Addition to intangible assets	8.2	(19,468)	-
Addition to capital work-in-progress	6	(395,775)	(536,603)
Dividend income received during the year	9, 10	4,530	22,500
Finance income received		16,645	33,720
Net cash outflow from investing activities		(422,019)	(871,062)


ALUJAIN CORPORATION
(A Saudi Joint Stock Company)
Consolidated statement of cash flows
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024 (Restated)
Cash flows from financing activities			
Proceeds from long-term borrowings	36	-	112,734
Repayment of long-term borrowings	36	(10,872)	(1,189,758)
Purchase of additional shares in a subsidiary	36	(28,322)	(28,778)
Proceeds from the sale of shares in a subsidiary	36	-	2,047,707
Principal element of lease payments	7	(2,201)	(1,450)
Dividends paid to shareholders	37	(154,733)	-
Net cash (outflow) / inflow from financing activities		(196,128)	940,455
Net change in cash and cash equivalents		(440,487)	235,976
Cash and cash equivalents at the beginning of the year		589,250	353,274
Cash and cash equivalents at the end of the year	14	148,763	589,250
Non-cash items:			
Reassessment of unwinding of decommissioning provision	18, 5	-	2,300
Reimbursement of zakat expense to the joint venture	9	1,520	998
Addition of decommissioning provision with corresponding addition to property, plant and equipment	18, 5	784	-
Accrued consideration on disposal of subsidiary during the year		-	31,520
Addition to right-of-use assets and lease liabilities	7	3,131	-
Transfer from capital work-in-progress to property, plant and equipment	5, 6	94,911	37,227

The accompanying notes are an integral part of these consolidated financial statements.



Khalid Bin Mohammed
Aldawood
Chief Executive Officer



Abdulwahab Bin Abdulkarim Albetari
Deputy Chairman



Saleem Akhtar
Chief Financial Officer

ALUJAIN CORPORATION
(A Saudi Joint Stock Company)
Notes to the consolidated financial statements
(All amounts in Saudi Riyals thousands unless otherwise stated)

1. GENERAL INFORMATION

Alujain Corporation (the “Company”, “Alujain”) is a Saudi Joint Stock Company incorporated and operating in the Kingdom of Saudi Arabia under Ministerial Decision No. 694, dated 15 Jamad Thani 1412H, corresponding to 23 December 1991. The Company obtained its Commercial Registration (“CR”) number 4030084538 on Rajab 3, 1412H, corresponding to 7 January 1992. The CR was deleted and replaced with the new CR number 1010614417 issued on 8 Jumada Al-Awal 1439H corresponding to 25 January 2018. The registered office of the Company is located at 6807 Othman Bin Affan – Al Ezdihar District, Riyadh 12485 -2523, Kingdom of Saudi Arabia.

The main activities of the Company and its subsidiaries (together the “Group”) are the production and sale of propylene, polypropylene and its derivatives, establishment, operation and investment in industrial projects, including projects related to the petrochemical and chemical industries, basic and transformational industries, plastic industries (plastics), industries related to renewable energy and other vital industries inside and outside the Kingdom of Saudi Arabia.

These consolidated financial statements include the financial statements of the Company, its branch in Dammam with CR number 2050168860 issued on 8 March 2023 and its direct and indirect subsidiaries. The Group operates through the main head office and its branch.

Details of direct subsidiaries are as follows:

Subsidiaries	Country of incorporation	Principal activities	Effective ownership	
			2025	2024
National Petrochemical Industrial Company (A Mixed Closed Joint Stock Company) (“NATPET”)	Saudi Arabia	Produce polypropylene	65%	65%
Infrastructure Reinforcement Industrial Company (A One Person Company - A Limited Liability Company) (“IRIC”) – Note (a) below	Saudi Arabia	Manufacturing, distribution and sale of geo-synthetic products	100%	100%
Industrial Specialized Innovations Company (A One Person Company - A Limited Liability Company) (“ISIC”)	Saudi Arabia	Manufacture of plastics and synthetic rubber in their primary forms	100%	100%

- a) During the year ended 31 December 2025, the Group entered into a non-binding memorandum of understanding with a third party to establish a joint venture through its subsidiary, IRIC. Subsequent to the year ended 31 December 2025, the Group and the third party entered into a principle agreement which sets out certain conditions precedent, that must be fulfilled, before a formal binding joint venture agreement can be executed. As of the date of approval of these consolidated financial statements the financial impact of this transaction, if any, cannot be determined.

Following is the indirect subsidiary of the Group (100% owned by NATPET):

Subsidiaries	Country of incorporation	Principal activities	Effective ownership	
			2025	2024
Alujain National Industrial Company (A One Person Company - A Limited Liability Company) (“LNIC”)	Kingdom of Saudi Arabia	Produce polypropylene	100%	100%

Following is the indirect subsidiary of the Group (100% owned by IRIC):

Subsidiary	Country of incorporation	Principal activities	Effective ownership	
			2025	2024
Geo Natpet General Trading (A Limited Liability Company)	United Arab Emirates	General trading of geo-synthetic products	100%	100%

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), that are endorsed in Kingdom of Saudi Arabia (“KSA”), and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

2.2 Basis of measurement

These consolidated financial statements are prepared under the historical cost convention, except as explained in relevant accounting policies below.

During the year ended 31 December 2025, the Group has changed its presentation policy and elected to present a single consolidated statement of profit or loss and other comprehensive income. In the prior years, the Group presented the consolidated statement of profit or loss and consolidated statement of comprehensive income separately. The Group reports cash flows from operating activities using the indirect method.

These consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group. All values are rounded to the nearest thousand Saudi Riyals, except when otherwise indicated.

2.3 New standards and amendments

(a) New and amended standards adopted by the Group

Certain amendments to existing standards became applicable for the current reporting period. The amendments did not have an impact on the consolidated financial statements of the Group and, accordingly, the Group did not have to change its accounting policies or make any retrospective adjustments.

Title	Key requirements	Effective Date
Amendment to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025

(b) Standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. The standards, interpretations and amendments issued that are relevant to the Group, but are not yet effective are disclosed below.

Title	Key requirements	Effective Date
Amendment to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments	These amendments: - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	1 January 2026

Title	Key requirements	Effective Date
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: <ul style="list-style-type: none"> • 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. 	1 January 2027
IFRS 18 – Presentation and disclosure in financial statements	The new standard on presentation and disclosure in financial statements, require more focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: <ul style="list-style-type: none"> - the structure of the statement of profit or loss; - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. 	1 January 2027
IFRS 19 subsidiaries without Public accountability: disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. <p>A subsidiary is eligible if:</p> <ul style="list-style-type: none"> - it does not have public accountability; - it has ultimate or intermediate parent that produces consolidated financial statement available for public use that comply with IFRS Accounting Standards. 	1 January 2027

Management is in the process of assessing the impact, if any, these pronouncements may have in future reporting periods.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements, in conformity with IFRS as endorsed in KSA, requires the use of certain critical estimates and judgements. Such estimates and assumptions may affect the balances reported for certain assets and liabilities as well as the disclosure of certain contingent assets and liabilities as at the consolidated statement of financial position date. Any estimates or assumptions affecting assets and liabilities may also affect the reported revenue and expenses for the same reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include the following:

- Sensitivity analyses disclosures (Note 17 and 34)
- Financial instruments risk management (Note 34)
- Capital management (Note 34)

The following are the material judgments, apart from those estimates, made by management in order to apply the Group's accounting policies that have the most significant effect on the amounts included in the consolidated financial statements.

3.1 Business model assessment

Classification and measurement of financial assets depend on the results of the sole payments of principal and interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the management's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

3.2 Determination of held for sale criteria

The determination of held for sale criteria involves significant judgment, particularly when assessing whether a sale is highly probable and contingent on regulatory or other third-party approvals. In the case of IRIC (refer to Note 1), the Group expects to lose control upon entering into the joint venture agreement. However, the third party will not contribute additional shares to IRIC until the regulatory process is completed. The delay imposed by regulatory approvals before a firm purchase commitment can be obtained indicates that IRIC is not available for immediate sale. Accordingly, the subsidiary is not considered available for sale in its current state.

3.3 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the consolidated statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.3.1 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on market-based valuation techniques, which includes discounted cash flow approach and comparable market multiples' approach. These techniques require the use of significant estimation, including assumptions regarding forecast cash flows, discount rates, valuation multiples, growth expectations and control considerations. The cash flows are derived from the approved budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit ("CGU") being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the growth rate used for extrapolation purposes. The comparable market multiple's approach is sensitive to multiple applied, control premium and the estimate for discount of lack of marketability.

3.3.2 Useful lives and residual value of property, plant and equipment

The management determines the estimated useful lives and residual value of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges are adjusted where management believes the useful lives and residual value differ from previous estimates.

Management reviews the useful lives, residual value and method of depreciation annually for any significant changes from previous estimate and any resultant changes in depreciation charges are adjusted in current and future periods.

Subsequent to year ended 31 December 2025, the Group reviewed and revised the useful lives of its plant, machinery and equipment. As a result, effective from 1 January 2026, the Group changed its estimated useful lives of plant, machinery and equipment to better reflect the estimated periods during which these assets will remain in service. The estimated useful lives of plant and machinery were revised from 3 – 30 years to 3 – 37 years.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently, except for the adoption of new standards, interpretations and amendments as mentioned in Note 2 in the preparation of these consolidated financial statements.

4.1 Basis for consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the part of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combination and goodwill or bargain purchase

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred. The excess of:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised immediately in profit or loss. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(b) Investments in equity accounted investees

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income of the joint venture is presented as part of the Group's consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial information of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as in the consolidated statement of profit or loss and other comprehensive income.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in associate or joint venture, the carrying amount of that interest is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

4.2 Foreign currency transactions and balances

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the respective entities operate (the "functional currency"). The consolidated financial statements are presented in Saudi Riyals.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their consolidated statement of profit or loss and other comprehensive income are translated at the average exchange rates. The exchange differences arising on the translation of foreign operations are recognised in other comprehensive income. On partial or full disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

4.3 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no right at the end of reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

4.4 Property, plant and equipment

Recognition and measurement

Initial recognition

Property, plant and equipment is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the property, plant and equipment will flow to the Group, and the cost of the asset can be measured reliably. Property, plant and equipment is recognised and measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost, such as site preparation cost, delivery, installation costs, relevant professional fees and the estimated cost of dismantling and removing the asset and restoring the site (to the

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Notes to the consolidated financial statements

(All amounts in Saudi Riyals thousands unless otherwise stated)

extent that such cost is recognised as a provision). When parts of property, plant and equipment are significant in cost in comparison to the total cost of the item and such parts have a useful life different from other parts, the Group recognises such parts as individual assets and depreciate them accordingly.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset including any other costs directly attributable to bringing the assets to a working condition for their intended use and the costs of dismantling and removing the items and restoring the site on which they are located, where applicable.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of profit or loss and other comprehensive income as incurred.

Depreciation

Useful lives are determined by management based on the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is calculated on a straight-line basis over the below estimated useful lives of the assets and recognised in the consolidated statement of profit or loss and other comprehensive income.

Category	Useful life
• Leasehold improvements	3 - 10 years
• Buildings on leased land	10 - 33 years
• Plant, machinery and equipment	3 - 30 years
• Catalyst and precious metals	2 - 10 years
• Computers	3 - 4 years
• Furniture and office equipment	5 - 10 years
• Vehicles	4 years
• Laboratory and safety tools	5 - 10 years
• Capital and other spares and standby equipment	5 - 25 years

Turnaround costs

Costs of major maintenance and repairs incurred as part of substantial overhauls or turnarounds of major units at the Group's polypropylene plant are capitalized and amortised using the straight-line method over the period until the next planned turnaround, predominantly 2 to 3 years. These costs are necessary to maintain, extend and improve the operating capacity and efficiency rates of the production units.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in consolidated statement of profit or loss and other comprehensive income.

4.5 Capital work-in-progress (CWIP)

Assets in the course of construction or development are capitalised in the CWIP within property, plant and equipment. The asset under construction or development is transferred to the appropriate category in property, plant and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of CWIP comprises its purchase price, construction / development cost and any other costs directly attributable to the construction or acquisition of an item intended by management. CWIP is measured at cost less impairment. CWIP is not depreciated. Depreciation only commences when the assets are capable of operating in the manner intended by management, at which point they are transferred to the appropriate asset category.

Borrowing costs directly attributable to the acquisition and or construction of property, plant and equipment assets that necessarily take a substantial period of time to prepare for their intended use and a proportionate share of general borrowings are capitalised to the cost of those property, plant and equipment. All other borrowing costs are expensed as incurred and recognised in finance costs.

4.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, initial direct costs and restoration costs, if any. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The estimated useful lives of the assets are as follows:

- Leasehold land - 35 years
- Pipeline corridors - 17 years
- Vehicles - 3 years, and
- Offices - 3 years.

The Group applies IAS 36 “Impairment of Assets” to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less or low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.7 Intangible assets (except Goodwill)

Intangible assets acquired separately are measured at cost upon initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

The amortization period for intangible assets with a finite useful life is as follows:

License fee	20 years
Software	5 years

4.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The determination of value in use is based on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual asset is allocated. These budgets and forecast calculations are generally covering a five-year period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the budget period. These budget and forecast are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used such as valuation multiples (including earnings multiples), quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each financial year-end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. This reversal is limited such that the recoverable amount does not exceed what the carrying amount would have been, net of depreciation or amortization, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

4.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

The Group classifies its financial assets under the following categories

- Amortised cost; and
- Fair value through profit or loss (FVTPL)

These classifications are on the basis of the business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group measures a financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will be recorded in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

Recognition and derecognition

The Group initially recognises financial assets on the date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and comprehensive income.

Subsequent measurement and gains and losses

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Revenue contracts provide for provisional pricing at the time of shipment with the final pricing based on an average market price for a particular future period. Such trade receivables are measured at fair value because the contractual cash flows are not solely payments of principal and interest. Other trade receivables meet the criteria for amortised cost measurement under IFRS 9.

Trade receivables related to contracts with provisional pricing arrangements are subsequently measured at FVTPL.

Impairment of financial assets

The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and are measured at amortised cost. The Group follows the 'simplified approach' for recognition of impairment loss allowance on trade receivables, if they do not contain a significant financing component. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on the lifetime ECL at each reporting date, right from its initial recognition. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The Group uses a provision matrix in the calculation of the ECL on financial assets to estimate the lifetime expected credit losses, applying certain provision rates to respective contractual past due aging buckets. The provision matrix was developed considering the probability of default and loss given default, which are derived from historical data of the Group and are adjusted to reflect the expected future outcome. ECL impairment loss allowance (or reversal) recognised during the period is recognised in profit or loss.

ii) Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss of the consolidated statement of profit or loss and other comprehensive income.

4.10 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.11 Inventories

Inventories, including raw materials, work in progress, finished goods and consumables (spares) are valued at the lower of cost i.e. historical purchase prices based on the weighted average principle plus directly attributable costs (primarily duty and transportation), and the net realizable value.

Inventories of work in progress and finished goods include cost of materials, labor and an appropriate proportion of variable and fixed direct overheads.

Abnormal inventory losses due to quality or other issues and overheads incurred during unplanned maintenance / shut down period are excluded from inventory cost. The allocation of overheads at year end for the purpose of inventory valuation are based on the higher of normal capacity or actual production for the year. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to complete a sale.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to complete a sale.

Spare parts / consumables

Spare parts are the interchangeable parts of plant and equipment which are considered to be essential to support routine maintenance, repair and overhaul of plant and equipment or to be used in emergency situations for repairs. The Group maintains the following different types of spare parts:

- Stand-by equipment items acquired together with the plant/production line or purchased subsequently but related to a particular plant or production line and will rarely be required are critical to plant operation and must be available at stand- by at all times. These are capitalized as part of property, plant, and equipment and depreciated from purchase date over a period which is shorter of the component's useful life or the remaining useful life of the plant in which it is to be utilized. These do not form part of inventory provided capitalization criteria under property, plant and equipment is met.
- Repairable items that are plant/production line, specific with long lead times and will be replaced and refurbished frequently (mostly during turnarounds). These are capitalized as part of property, plant, and equipment where the capitalization criteria are met. Depreciation is started from day of installation of these items in the plant, and the depreciation period is the shorter of the useful life of the component and the remaining useful life of the plant and equipment in which it is installed. These do not form part of inventory.
- General capital spares and other consumables items which are not of a critical nature and are of a general nature, i.e., not plant specific and can be used in multiple plants or production lines and any other items which may be required at any time for facilitating plant operations. They are generally classified as 'consumables and spare parts' under inventory, unless they exceed the threshold and have a useful life of more than one year, under which case they are recorded under property, plant and equipment. Items recorded under inventory are subject to assessment for obsolescence provision and are charged to the consolidated statement of profit or loss and other comprehensive income upon their installation or use. Where such items meet criteria for capitalization, their depreciation method is similar to repairable items as noted above.

4.12 Trade receivables

Trade receivables are amounts due from customers for products sold and services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value.

Trade receivables related to contracts with provisional pricing arrangements are subsequently measured at fair value through profit or loss.

Other trade receivables are subsequently measured at amortised cost using EIR, less provision for expected credit loss.

4.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances, short-term deposits, demand deposits and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.14 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where management of the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a consolidated asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning cost

The Group records a provision for decommissioning costs of manufacturing facility. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit or loss and other comprehensive income as financial charges. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

4.15 Employee benefit obligations

Short-term employee benefits

Provision is made for benefits accruing to employees in respect of salaries and wages, vacation leaves, ticket and other benefits when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefit obligations expected to be settled within 12 months, if any, are measured at an undiscounted amount using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefit obligations, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Post-employment obligations

The Group operates a defined benefits scheme for its employees in accordance with applicable labor regulation. The cost of providing the benefits under the defined benefits plan is determined using the projected unit credit method.

Actuarial gains and losses are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Interest expense is calculated by applying the discount rate to the net employees defined benefit liabilities. The Group recognises the following changes in the net defined benefit obligation under "Cost of revenue", "General and administrative expenses" and "Selling and distribution expenses" in the consolidated statement of profit or loss and other comprehensive income (by function).

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and,
- Net interest expense or income

4.16 Earnings per share

Basic earnings per share is calculated by dividing:

- the income attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- by the weighted average number of ordinary shares outstanding during the financial year, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.17 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using EIR.

4.18 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest rate method and is included in finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All borrowing costs are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

4.19 Zakat and taxes

Zakat and current income tax

Zakat and income tax is provided for in accordance with the Zakat, Tax and Customs Authority (“ZATCA”) regulations. Income tax for foreign entities is provided for in accordance with the relevant income tax regulations of the countries of incorporation. Adjustments arising from final zakat and income tax assessments are recorded in the period in which such assessments are made.

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Withholding tax

The Group withholds taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations, which is not recognised as an expense being the obligation of the counter party on whose behalf the amounts are withheld.

Value Added Tax (VAT)

Assets and expenses are recognised net of amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to, ZATCA is included as part of other receivables or other payables.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised for temporary differences arising from the initial recognition of assets and liabilities in a transaction that: (i) is not a business combination, (ii) affects neither the taxable profit nor accounting profit, and (iii) does not create equal and opposite deferred tax assets and liabilities. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint venture. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4.20 Accrued and other liabilities

Accrued and other liabilities are recognised for amounts to be paid in the future for goods/services when controls over such goods are transferred to the Group or services are received, whether or not billed to the Group.

2.21 Revenue from contracts with customers

Sales revenue

The Group recognises revenue when control of the products sold, transfers to the customer, which shall be considered in the context of a five-step approach and applying the applicable shipping terms. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue arrangements are assessed against specific criteria to determine whether the Group is acting as a principal or agent.

Provisional pricing

Revenue contracts with customers provide for provisional pricing at the time of shipment, with final pricing based on the average market price for a particular future period. Revenue on these contracts is recorded based on the estimate of the final price at the time control is transferred to the customer. Any difference between the estimate and the final price is recorded as a change in fair value of the related receivable, as part of revenue, in the consolidated statement of profit or loss and other comprehensive income.

Tolling arrangements

The Group provides tolling service as a principal and transfers goods on behalf of the tollee as an agent. The performance obligation for the Group is to provide these tolling services. Performance obligation is satisfied over time, because the customer receives and consumes the benefit of the service simultaneously and the Group's performance enhances an asset that the customer controls as the asset is enhanced. Revenue from tolling services is recognised upon satisfaction of the performance obligations which occurs in the accounting period in which the services are rendered. The Group's consideration in these toll manufacturing contracts is toll service charges only based on agreed formula as per the tolling agreement and recognised as 'Revenues' in consolidated statement of profit or loss and other comprehensive income.

4.22 Finance income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest method. Effective interest method is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated statement of profit or loss and other comprehensive income. Earnings on time deposits are recognised on an accrual basis.

4.23 Finance cost

Finance costs comprise of bank charges, borrowings interest charges and unwinding of financial liabilities charges incurred by the Group during the year. Bank charges are recorded as and when these are incurred.

Borrowings interest charges and unwinding of financial liabilities charges are recorded in the consolidated statement of profit or loss and other comprehensive income on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

4.24 Costs and expenses

Cost of revenue

Production costs and direct manufacturing expenses are classified as cost of revenue. This includes raw material, direct labor and other attributable overhead costs.

Selling and marketing expenses

These include any costs incurred to carry out or facilitate selling activities of the Group. These costs typically include salaries of the sales staff, marketing and distribution and logistics expenses as well as sale commissions and such fees. These also include allocations of certain general overheads.

General and administrative expenses

These pertain to operation expenses which are not directly related to the production of any goods or services. These also include allocations of general overheads which are not specifically attributed to cost of revenue or selling and distribution expenses.

Allocation of overheads between cost of revenue, selling and distribution expenses, and general and administrative expenses, where required, is made on a consistent basis.

4.25 Dividend

Dividends are recorded in the consolidated financial statements in the period in which they are approved by the shareholders of the Group. Interim dividend, if any, are recorded when approved by the Board of Directors.

4.26 Segment reporting

An operating segment is a group of assets, operations, or entities:

- (i) Engaged in business activities from which it may earn revenue and incur expenses including revenue and expenses that relate to transactions with any of the Group's other components;
- (ii) The results of its operations are continuously analyzed by chief operating decision maker (CODM) in order to make decisions related to resource allocation and performance assessment; and
- (iii) For which financial information is discretely available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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5. PROPERTY, PLANT AND EQUIPMENT

	Note	Buildings and leasehold improvements	Plant, machinery and equipment	Turnaround	Catalyst & precious metals	Computers	Furniture and office equipment	Vehicles	Laboratory & safety tools	Capital and other spares and standby equipment	Total
Cost											
Balance at 1 January 2025		108,948	3,495,306	251,352	305,399	20,491	9,376	7,910	7,289	79,493	4,285,564
Additions for the year		31,918	16,666	-	2,629	357	271	152	-	2,742	54,735
Transfer from capital work-in-progress	6	399	17,591	68,949	-	1,484	-	418	490	5,580	94,911
Write-off		-	(16,492)	-	-	(18)	(128)	-	-	-	(16,638)
Balance at 31 December 2025		141,265	3,513,071	320,301	308,028	22,314	9,519	8,480	7,779	87,815	4,418,572
Accumulated depreciation and impairment											
Balance at 1 January 2025 (restated)		52,754	2,017,854	251,352	205,397	19,375	8,425	6,983	2,763	34,691	2,599,594
Charge for the year		5,480	138,512	19,155	19,534	761	334	325	665	5,014	189,780
Impairment for the year		5,625	98,126	-	9,754	-	-	-	-	-	113,505
Write-off		-	(14,790)	-	-	(18)	(85)	-	-	-	(14,893)
Balance at 31 December 2025		63,859	2,239,702	270,507	234,685	20,118	8,674	7,308	3,428	39,705	2,887,986
Net book value as at:											
31 December 2025		77,406	1,273,369	49,794	73,343	2,196	845	1,172	4,351	48,110	1,530,586

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	Note	Buildings and leasehold improvements	Plant, machinery and equipment	Turnaround	Catalyst & precious metals	Computers	Furniture and office equipment	Vehicles	Laboratory & safety tools	Capital and other spares and standby equipment	Total
Cost											
Balance at 1 January 2024		107,429	3,465,038	251,352	253,431	27,712	9,629	7,517	6,118	71,470	4,199,696
Additions for the year		68	90	-	51,968	797	201	-	-	7,555	60,679
Transfer from capital work-in-progress	6	1,451	33,716	-	-	-	28	393	1,171	468	37,227
Adjustment for unwinding of decommissioning provision	18	-	(2,300)	-	-	-	-	-	-	-	(2,300)
Write-off		-	(1,238)	-	-	(8,018)	(482)	-	-	-	(9,738)
Balance at 31 December 2024		108,948	3,495,306	251,352	305,399	20,491	9,376	7,910	7,289	79,493	4,285,564
Accumulated depreciation and impairment											
Balance at 1 January 2024		47,555	1,882,039	239,010	150,794	25,807	8,556	6,720	2,052	31,545	2,394,078
Restatement	36	-	-	-	31,386	-	-	-	-	-	31,386
Balance at 1 January 2024 (restated)	36	47,555	1,882,039	239,010	182,180	25,807	8,556	6,720	2,052	31,545	2,425,464
Charge for the year		5,199	137,053	12,342	20,217	1,586	351	263	711	3,146	180,868
Impairment for the year (restated)	36	-	-	-	3,000	-	-	-	-	-	3,000
Write-off		-	(1,238)	-	-	(8,018)	(482)	-	-	-	(9,738)
Balance at 31 December 2024 (restated)	36	52,754	2,017,854	251,352	205,397	19,375	8,425	6,983	2,763	34,691	2,599,594
Net book value as at: 31 December 2024 (restated)	36	56,194	1,477,452	-	100,002	1,116	951	927	4,526	44,802	1,685,970

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Turnaround

During the year ended 31 December 2025, the Group successfully completed a planned turnaround and maintenance shutdown of its polypropylene complex in Yanbu. The plant was taken offline to carry out essential maintenance, inspections, and reliability enhancements. This scheduled activity was part of the Group's commitment to operational excellence, safety, and long-term asset integrity. As a result, production volumes and sales were temporarily impacted, contributing to a decrease in revenue and cost of revenue.

Unwinding of decommissioning provision

The plants are situated on land leased from Royal Commission of Yanbu for a period of 35 years. The Group is obliged to restore the site upon completion of the lease term unless extension is granted by the commission. Accordingly, provision for decommissioning and related asset for retirement obligation has been recorded in the consolidated financial statements (Note 18).

Impairment

During the year ended 31 December 2025, the Group recognised an impairment loss of Saudi Riyals 9.8 million (2024: Saudi Riyals 3 million) relating to 'catalyst and precious metals'. This impairment represents physical losses of precious metals incurred during the production process.

In addition, management identified the significant decrease in the market prices of the Group's products and the resulting gross loss as impairment indicator for NATPET cash-generating unit (CGU). Accordingly, management performed a detailed impairment assessment as at 31 December 2025. Such an exercise resulted in an impairment loss on the property, plant and equipment amounting to Saudi Riyals 103.75 million and impairment loss on goodwill of Saudi Riyals 1,204.9 million (Note 8).

The allocation of the impairment loss on property, plant and equipment in the classes of assets is as follows:

	Year ended 31 December	
	2025	2024
Buildings and leasehold improvements	5,625	-
Plant, machinery and equipment	98,126	-
	103,751	-

All impairment charges on property, plant and equipment have been recognised within cost of revenue.

Allocation of depreciation charge for the year:

	Note	Year ended 31 December	
		2025	2024
Cost of revenue	24	188,342	178,752
Selling and marketing expenses	25	294	231
General and administration expenses	26	1,144	1,885
		189,780	180,868

6. CAPITAL WORK-IN-PROGRESS

The movement in the capital work-in-progress during the year is as follows:

	Note	Project under construction	Others	Total
Balance at 1 January 2024		156,442	21,012	177,454
Additions		468,993	67,610	536,603
Transfer to property, plant and equipment	5	-	(37,227)	(37,227)
Balance at 31 December 2024		625,435	51,395	676,830
Additions		350,256	90,748	441,004
Transfer to property, plant and equipment	5	-	(94,911)	(94,911)
Balance at 31 December 2025		975,691	47,232	1,022,923

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a. Project under construction

The project under construction is located in Yanbu Industrial City, Kingdom of Saudi Arabia, which includes the construction of the following:

1. Propane gas processing plant (to produce propylene)
2. Plant for the production of polypropylene

The project, upon its completion, will produce more than 600,000 tons of polypropylene, mono, co-polymer, in addition to about 25,000 tons of salable hydrogen annually. With regard to the current development stage of the project, the selection of the production technologies of the main units and the short-listing of the main companies participating in the Engineering Procurement Construction Management (EPCM) of the project has been completed. Early work and long lead items scope of execution started, and work is underway to start construction for the main production units. Any material development related to this project will be announced in accordance with the relevant regulations and instructions.

b. Others

Other capital work-in-progress primarily includes ongoing projects in addition to cost being incurred on existing plants regarding major overhauling. Transfer made during the year ended 31 December 2025 represent turnaround costs capitalised to property, plant and equipment, upon the completion of the turnaround activity during the year.

7. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for leasehold land, pipeline corridors, vehicles and offices used in its operations. The lease term of land, pipeline corridors, vehicles and offices are 35 years, 17 years, 3 years and 3 years, respectively. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes. The Group did not have any lease contracts classified as right-of-use asset that are variable in nature. Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group. The Group assesses at lease commencement whether it is reasonably certain to exercise the option. The Group does not provide residual value guarantees in relation to any of its leases.

The Group also has certain leases of accommodation buildings and motor vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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The following table shows the movement of the cost of rights to use the assets and accumulated depreciation:

	Land	Pipeline corridors	Vehicles	Offices	Total
Cost					
At 1 January 2024	19,293	1,715	996	-	22,004
At 31 December 2024	19,293	1,715	996	-	22,004
Additions	1,885	-	-	1,246	3,131
Balance at 31 December 2025	21,178	1,715	996	1,246	25,135
Accumulated depreciation					
At 1 January 2024	7,872	151	249	-	8,272
Charge for the year	756	101	332	-	1,189
At 31 December 2024	8,628	252	581	-	9,461
Charge for the year	779	101	332	412	1,624
At the end of the year	9,407	353	913	412	11,085
Net book value:					
At 31 December 2025	11,771	1,362	83	834	14,050
At 31 December 2024	10,665	1,463	415	-	12,543

The following are the amounts recognised in the profit or loss:

	Note	Year ended 31 December	
		2025	2024
Depreciation expense of right-of-use assets included in cost of revenue	24	1,212	1,189
Depreciation expense of right-of-use assets included in general and administrative expenses	26	412	-
		1,624	1,189
Interest expense on lease liabilities	28	691	712
Expense relating to short-term leases included in cost of revenue	24	13,383	3,265
Expense relating to short-term leases included in general and administrative expenses		80	84
		15,778	5,250

Below are the carrying amounts of lease liabilities and the movements during the year:

	Note	2025	2024
Balance at 1 January		15,170	15,908
Additions		3,131	-
Accretion of interest	28	691	712
Payments		(2,892)	(1,450)
Balance at 31 December		16,100	15,170
Less: Current portion of lease liabilities		(567)	(736)
Non-current portion lease liabilities		15,533	14,434

Following table summarizes the maturity analysis of lease liabilities:

	2025	2024
Not later than one year	762	1,375
Later than 1 year and not later than 5 years	6,536	5,354
Later than 5 years	14,660	13,431
	21,958	20,160

The Group had total cash outflows for leases of Saudi Riyals 16.27 million (31 December 2024: Saudi Riyals 4.71 million).

8. INTANGIBLE ASSETS

	Note	<u>2025</u>	<u>2024</u>
Goodwill	8.1	-	1,204,929
Intangible assets	8.2	<u>31,909</u>	<u>15,179</u>
		<u>31,909</u>	<u>1,220,108</u>

8.1 Goodwill

Goodwill of Saudi Riyals 1,204.9 million was recognised on acquisition of the Company's subsidiary NATPET in 2021.

Below are the carrying amounts of goodwill and the movements during the year:

	<u>2025</u>	<u>2024</u>
Balance at 1 January	<u>1,204,929</u>	1,204,929
Impairment loss recognised during the year	<u>(1,204,929)</u>	-
Balance at 31 December	<u>-</u>	<u>1,204,929</u>

Goodwill is subject to annual impairment testing. Assets are tested for impairment by comparing the carrying amount of the CGU to the recoverable amount, determined based on fair value less cost of disposal (FVLCD).

The carrying amount of the NATPET CGU was Saudi Riyals 4,227.7 million, prior to the recognition of the impairment loss, and based on the impairment assessment exercise performed, the recoverable amount determined using the FVLCD method was Saudi Riyals 2,919.0 million, resulting in an impairment loss of Saudi Riyals 1,308.7 million, allocated as follows:

	Note	<u>2025</u>	<u>2024</u>
Goodwill		<u>1,204,929</u>	-
Property, plant and equipment	5	<u>103,751</u>	-
		<u>1,308,680</u>	<u>-</u>

The impairment loss on property, plant and equipment is charged to cost of revenue. The impairment loss on goodwill has been presented as a separate financial statement line item in the consolidated statement of profit or loss and other comprehensive income.

FVLCD was estimated using a combination, based on equal weightage, of following market-aligned valuation approaches:

i. Discounted Cash Flow (DCF) approach.

Under the DCF approach, the fair value of the investment is estimated by projecting the future cash flows expected to be generated from the underlying business and discounting these cash flows to their present value using an appropriate discount rate. The discount rate reflects current market assessments of the time value of money and the risks specific to the cash flows. This method incorporates significant management estimation regarding future operational performance, market conditions, and long-term growth expectations.

ii. Comparable companies multiples' (CCM) approach.

The CCM approach estimates fair value by reference to valuation multiples, such as Enterprise Value/Earnings Before Interest, Tax, Depreciation and Amortisation (EV/EBITDA), derived from a group of publicly traded companies operating in similar industries and under comparable market conditions. These market-based multiples are applied to the relevant financial metrics of the entity subject to valuation. This method reflects current market participant assumptions and helps benchmark the valuation against observable market data.

The fair value measurement is classified as Level 3 under IFRS 13 due to the significance of unobservable assumptions.

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The following significant assumptions are used in measurement of fair value of CGU:

	<u>2025</u>
DCF approach:	
Weighted average cost of capital	12.6% - 12.8%
Terminal growth rate	2.0%
Comparable companies multiples' approach:	
EV/EBITDA	13.7
Control premium	17.6%
Discount for lack of marketability	8.0%

A quantitative sensitivity analysis for significant assumptions used in measurement of fair value of CGU is shown below:

	<u>Increase / (decrease) in impairment</u>
	<u>2025</u>
DCF approach:	
Weighted average cost of capital:	
100 basis points ("bps") increase	(29,146)
100 bps decrease	30,528
Terminal growth rate	
100 bps increase	58,552
100 bps decrease	(49,051)
CCM approach:	
EV/EBITDA	
1 multiple increase	84,913
1 multiple decrease	(84,445)
Control premium	
100 bps increase	13,933
100 bps decrease	(13,465)
Discount for lack of marketability	
100 bps increase	(17,470)
100 bps decrease	17,938

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

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8.2 Intangible assets

	Customer Capital work-			Total
	License fee	Software relationships	in-progress	
Cost				
At 1 January 2024	56,899	277	328,500	385,676
Written off during the year	(1,135)	-	(328,500)	(329,635)
At 31 December 2024	55,764	277	-	56,041
Additions for the year	-	1,157	-	18,311
At 31 December 2025	55,764	1,434	-	75,509
Accumulated amortization				
At 1 January 2024	38,977	276	117,000	156,253
Charge for the year	2,744	-	54,750	57,494
Impairment during the year	-	-	156,750	156,750
Written off during the year	(1,135)	-	(328,500)	(329,635)
At 31 December 2024	40,586	276	-	40,862
Charge for the year	2,719	19	-	2,738
At 31 December 2025	43,305	295	-	43,600
Net book value:				
At 31 December 2025	12,459	1,139	-	31,909
At 31 December 2024	15,178	1	-	15,179

Capital work-in-progress represents intangible assets under development related to ongoing implementation and licensing projects.

8.2.1 Amortization allocation:

	Note	Year ended 31 December	
		2025	2024
Cost of revenue	24	2,719	2,719
Selling and marketing expenses	25	-	25
General and administration expenses	26	19	-
		2,738	2,744

9. INTEREST IN OTHER ENTITIES

9.1 Investment accounted for using the equity method - Joint venture

Details of the Group's investment in a joint venture at the reporting dates are as follows:

Name of joint venture	Principal activities	Place of business / country of incorporation	Proportion of ownership interest		2025	2024
			2025	2024		
Natpet Schulman Specialty Plastic Compounding L.L.C ("Natpet Schulman")	Production and sale of polypropylene compounds	Kingdom of Saudi Arabia	50%	50%	102,833	80,492

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The movement in the investment in a joint venture during the year is as follows:

	<u>2025</u>	<u>2024</u>
Balance at 1 January	80,492	83,930
Share of profit for the year	20,915	18,060
Share of other comprehensive (loss) / income for the year	(94)	4
Zakat expense reimbursement	1,520	998
Dividends	-	(22,500)
Balance at 31 December	102,833	80,492

During 2013, the Group signed a joint venture agreement with a plastic compounder based in the United States of America through its entity in the Netherlands to set up a manufacturing plant in Yanbu to produce polypropylene compounds. The Group owns a 50% stake in the joint venture.

The Group has joint control over Natpet Schulman by virtue of its 50% shareholding and voting right. The activities of Natpet Schulman are jointly controlled by both the shareholders.

Summarized financial information in respect of the Group's joint venture is set out below that has been extracted from the financial statements of the joint venture prepared in accordance with IFRS:

	<u>2025</u>	<u>2024</u>
Non-current assets	89,852	100,131
Current assets	168,123	99,055
Non-current liabilities	(6,448)	(5,636)
Current liabilities	(44,954)	(32,436)
Equity	206,573	161,114

	<u>2025</u>	<u>2024</u>
Revenue	161,074	164,410
Income for the year	38,724	33,192
Other comprehensive (loss) / income	(169)	9
Total comprehensive income for the year	38,555	33,201

9.2 Non-controlling interests

The non-controlling interests ("NCI") consist of the non-controlling interests of 35% in NATPET as at 31 December 2025 (2024: 35% in NATPET).

The movement during the year is as below.

	Note	<u>2025</u>	<u>2024</u>
Balance at 1 January		1,495,147	34,423
Purchase of additional shares in a subsidiary		-	(34,928)
Disposal of non-controlling interest in a subsidiary	9.2.1	-	1,344,455
Net loss for the year		(476,031)	(49,550)
Other comprehensive income for the year		2,532	852
Total comprehensive loss for the year		(473,499)	(48,698)
Addition during the year due to change in ownership of NATPET	9.2.2	-	199,895
Balance at 31 December		1,021,648	1,495,147

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9.2.1 On 30 May 2024, the Group disposed of its 35% shareholding in NATPET to Basell International Holdings B.V. and recorded the gain in the equity. The movement in the non-controlling interest was as follows:

	2024
Consideration received	1,879,332
Net assets of NATPET to the extent of 35%	<u>(1,344,455)</u>
Gain on disposal	<u>534,877</u>
Non-controlling interest recognised in the consolidated financial statements	<u>1,344,455</u>

9.2.2 On 17 November 2024, the Group transferred its 100% ownership in LNIC to NATPET, which resulted in addition to the NCI represented by 35% of the carrying value of net assets of LNIC as at that date.

Summarized consolidated financial information of NATPET is presented below. The amounts disclosed are before inter-companies' eliminations.

	2025	2024
Revenue	1,244,320	1,499,431
Expenses	(1,209,323)	(1,284,905)
Net (loss) / income for the year	(38,748)	130,722
Total other comprehensive income for the year	7,233	2,435
Total comprehensive (loss) / income for the year	(31,515)	133,157
(Loss) / income for the year allocated to NCI	(13,562)	19,116
Other comprehensive income allocated to NCI	2,532	852
Total comprehensive (loss) / income allocated to NCI	(11,030)	19,968
Net cash inflow from operating activities	256,347	282,526
Net cash outflows from investing activities	(437,029)	(168,963)
Net cash outflows from financing activities	(1,627)	(11,219)
Current assets	864,406	1,156,990
Non-current assets	2,407,550	2,181,359
Current liabilities	307,890	342,546
Non-current liabilities	101,457	101,679
Equity attributable to the shareholders of the Company	1,860,696	1,881,181
Equity attributable to the non-controlling interests	1,001,913	1,012,943

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment in financial assets comprise the following individual investments:

Investment in financial assets at fair value through profit or loss (FVTPL)	Note	2025	2024
Current asset			
- Investment in mutual fund – Quoted	10.1	<u>197,285</u>	330,049
Non-current asset			
- Investment in sukuks – Unquoted	10.2	<u>122,010</u>	-
Total		<u>319,295</u>	330,049

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Movement of investment in financial assets at FVTPL during the year is as follows:

	<u>2025</u>	<u>2024</u>
Balance at 1 January	330,049	1,969
Additions	172,000	330,000
Disposal	(198,000)	-
Impairment loss for the year	-	(1,969)
Fair value gain	15,246	49
Balance at 31 December	<u>319,295</u>	<u>330,049</u>

10.1 During 2024, the Group invested an amount of Saudi Riyals 330 million in a mutual fund quoted on the Saudi stock exchange (Tadawul) and managed by an investment management Group. As at 31 December 2025, the total net asset value of the investment is Saudi Riyals 197.29 million with 14,211,409 number of units at the approximate rate of Saudi Riyals 13.88 per unit (2024: the total net asset value of the investment is Saudi Riyals 330 million with 25,070,254 number of units at the approximate rate of Saudi Riyals 13.17 per unit).

10.2 During the year ended 31 December 2025, the Group invested Saudi Riyals 120 million in Tier 1 sukuk issued with no fixed redemption/maturity dates (Perpetual Sukuk). These sukuk offer an annual profit at rates ranging 6.2% - 6.3% and include an option available to issuer for early redemption on the call date, set five years after the date of issuance. In accordance with IFRS 9 'Financial instruments', that is endorsed in the Kingdom of Saudi Arabia, financial assets that are equity instruments from the perspective of the issuer, such as Tier 1 Sukuk should be classified at fair value. Management has not elected to classify these investments at fair value through other comprehensive income (FVOCI) and, therefore, these have been classified as financial instruments at FVTPL.

The following fair valuation gain and dividend from equity investments were recognised in the profit or loss:

	<u>2025</u>	<u>2024</u>
Fair value gain	15,246	49
Dividend income	4,530	-

11 INVENTORIES

	<u>2025</u>	<u>2024</u>
Finished goods	156,457	153,146
Raw materials	81,609	65,088
Work in progress	4,394	4,417
Spare parts	96,813	87,221
	339,273	309,872
Less: provision for slow-moving and obsolete items	(2,822)	(3,754)
	<u>336,451</u>	<u>306,118</u>

During the year ended 31 December 2025, the write-down of inventories to net realizable value amounting to Saudi Riyals 1.8 million (2024: Nil) was recognised in the cost of sales.

The movement in provision for slow moving and obsolete items is as follows:

	<u>2025</u>	<u>2024</u>
Balance as at 1 January	3,754	2,851
Provision for the year	-	903
Write-off during the year	(932)	-
Balance as at 31 December	<u>2,822</u>	<u>3,754</u>

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12 ADVANCES, PREPAYMENTS AND OTHER ASSETS

	<u>2025</u>	<u>2024</u>
VAT receivable	43,984	26,261
Advances to suppliers and contractors	13,785	11,027
Prepayments	8,777	9,281
Advances to employees	4,753	4,572
Custom duties refundable, net *	1,061	1,047
Insurance receivable	584	584
Other receivables	4,220	1,507
	77,164	54,279

*During 2024, the Group has recorded a provision of Saudi Riyals 0.53 million (2025: Nil) against custom duties refundable.

13 TRADE AND OTHER RECEIVABLES

	Note	<u>2025</u>	<u>2024</u>
Trade receivables at amortised cost – third parties		78,668	248,035
Trade receivables at amortised cost – related parties	31	31,779	8,863
Less: allowances for expected credit losses (“ECL”)		(7,823)	(8,350)
		102,624	248,548
Trade receivables at fair value through profit or loss – related parties	31	266,298	208,861
Other receivable *		52	31,361
		368,974	488,770

* Included in other receivable at 31 December 2024 is an amount of Saudi Riyals 31.3 million due from Basell International Holdings BV (2025: Nil) (Note 31).

Other receivables generally arise from transactions outside the usual operating activities of the Group.

The movement in allowances for expected credit losses during the year is as follows:

	<u>2025</u>	<u>2024</u>
Balance as at 1 January	8,350	9,984
Written off during the year	(527)	(1,634)
Balance as at 31 December	7,823	8,350

Information about credit risk is disclosed in Note 34.

Trade receivables relating to contracts with provisional pricing arrangements are measured at fair value. These trade receivables are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including specific terms of the contract. For all other trade receivables, the carrying amount as at December 31, 2025 and 2024 approximates their fair value due to their short-term nature.

14 CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Term deposits *	110,000	475,000
Cash at banks	38,328	113,747
Cash in hand	435	503
	148,763	589,250

* These carry profit ranging from 4.02% to 4.95% per annum (31 December 2024: 4.45% to 6.15% per annum) with original maturity of less than three months.

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As of each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Group's bank balances. Therefore, the probability of default based on forward-looking factors and any loss given defaults are considered to be negligible.

Information about credit risk is disclosed in Note 34.

15 SHARE CAPITAL

As of 31 December 2025 and 2024, the Company's authorized, issued and fully paid share capital is Saudi Riyals 692 million which is divided into 69.2 million shares of Saudi Riyals 10 par value each. The shareholders are entitled to dividends as declared from time to time and entitled to one vote per share at general assembly meeting.

16 OTHER RESERVE

The other reserve included in the consolidated financial statements as of 31 December 2025, represents the statutory reserve which was required under the Company's previous By-laws. However, following amendments to the Company's By-laws during the year ended 31 December 2023, the requirement to set aside a statutory reserve has been removed.

17 EMPLOYEES BENEFIT OBLIGATIONS

General description of the plan

The Group operates a defined benefit plan in line with the labour law requirements in the Kingdom of Saudi Arabia and UAE. The end of service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the labour laws of the jurisdictions that the Group companies operate in (KSA and UAE). The employees' end of service benefit plan is an unfunded plan, and the benefit payment obligations are met by the Group when they fall due upon termination of employment. An independent actuary carried out latest valuation of employee benefit obligations under the projected unit credit method as at December 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Employee benefit obligations	79,143	77,583

The following table summarizes the components of the net benefit expense recognised in the consolidated statement of profit or loss and other comprehensive income and the amounts recognised in the consolidated statement of financial position.

Changes in the present value of defined employee benefit obligations during the year are as follows:

	<u>2025</u>	<u>2024</u>
Balance at 1 January	77,583	74,241
Included in the consolidated statement of profit or loss		
Current service cost	6,884	7,906
Past service cost	(12)	-
Interest cost	4,322	3,852
	11,194	11,758
Included in other comprehensive income		
Actuarial gain		
Financial assumptions	(7,181)	(5,754)
Experience adjustment	448	2466
Demographic assumptions	-	796
	(6,733)	(2,492)
Benefits paid	(2,901)	(5,924)
Balance at 31 December	79,143	77,583

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Allocation of net benefit expense during the year:

	Year ended 31 December	
	2025	2024
Cost of revenue	7,874	8,028
Selling and marketing expenses	440	612
General and administration expenses	2,880	3,118
	11,194	11,758

Significant assumptions used in determining defined benefits obligations for the Group are shown below:

	2025	2024
Discount rate	5.6% - 5.8%	5.8% - 5.9%
Future salary increases	4% - 5%	3.5% - 5%

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is shown below:

	Increase/(decrease) in defined benefit obligation at 31 December	
	2025	2024
Financial assumptions		
Discount rate:		
+1% increase	(7,253)	(7,673)
-1% decrease	8,586	9,056
Future salary increases		
+1% increase	8,648	9,041
-1% decrease	(7,429)	(7,799)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined employee benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another. The weighted average duration of the defined benefit obligation is 12 - 19 years (2024: 13 - 14 years).

The following payments are expected to the defined benefit plan in the future:

	2025	2024
Within the next 12 months	11,686	7,962
Between 1 and 2 years	6,633	4,982
Between 2 and 3 years	5,637	6,700
Between 3 and 4 years	5,802	6,834
Between 4 and 5 years	12,700	7,430
After 5 years	46,453	49,654
Total expected payments	88,911	83,562

18 DECOMMISSIONING PROVISION

The provision for decommissioning obligation is with respect to dismantling obligation of the plant installed on leased land in Yanbu in Kingdom of Saudi Arabia as the Group is required to restore the leased premises to their original condition at the end of the respective lease terms. The discount rate used to determine the obligation at 31 December 2025 is 5.0% - 6.28% (2024: 6.1% - 6.9%).

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	Note	2025	2024
Balance at 1 January		12,647	14,236
Additions		784	
Unwinding of provision during the year	28	769	711
Reassessment of decommissioning provision		-	(2,300)
Balance at 31 December		14,200	12,647

19 DERIVATIVE FINANCIAL INSTRUMENT

During the year ended 31 December 2025, the Group entered into a Shari'ah-compliant forward contract to manage expected Euro cash inflows. The contract is accounted for as a derivative financial instrument at Fair Value through Profit or Loss (FVTPL) under IFRS 9. At 31 December 2025, the derivative liability balance and the unrealised fair value loss recognised for the year ended 31 December 2025 was Saudi Riyals 0.06 million. The loss is adjusted against realized gain of Saudi Riyals 0.39 million within other operating income in the consolidated statement of profit or loss and other comprehensive income.

20 ACCRUED AND OTHER LIABILITIES

	Note	2025	2024
			(Restated)
Accruals for materials		78,791	33,351
Accrued expenses		50,270	86,326
Contract liability	23	1,401	6,781
Other current liabilities		11,250	40,466
		141,712	166,924

21 TRADE AND OTHER PAYABLES

	Note	2025	2024
Trade payables		139,311	131,722
Due to related parties	31	3,646	-
Dividend payable		2,723	1,756
		145,680	133,478

Trade and other payables are non-interest bearing and are normally settled on 0 – 60 day terms. For explanations on the Group's liquidity risk management processes, refer to Note 34.

22 ZAKAT AND INCOME TAX

Components of zakat base

The Company and its subsidiaries file separate zakat declarations, which are filed on unconsolidated basis. The significant components of the zakat base of each company under zakat regulation are principally comprised of shareholders' equity, provisions at the beginning of year, adjusted income, less deductions for the adjusted net book value of noncurrent assets.

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Provision for zakat

The movement in the Group's zakat payable balance is as follows:

	2025	2024
Balance at 1 January	34,621	56,840
Provided during the year	17,226	29,422
Prior year adjustment	(2,708)	(30,117)
Paid during the year	(27,787)	(21,524)
Balance at 31 December	21,352	34,621

Current income tax

No current income tax expense has been recorded during the years ended 31 December 2025 and 2024 due to taxable losses incurred during these years.

Deferred tax balances

The following is the analysis of deferred tax presented in the consolidated statement of financial position:

	2025	2024
Deferred tax liability	(23,352)	(14,543)
Deferred tax asset	17,987	9,708
	(5,365)	(4,835)

Zakat and income tax expense for the year

	2025	2024
Zakat expense	17,226	29,422
Prior year adjustment	(2,708)	(30,117)
Deferred tax	530	4,835
Balance at 31 December	15,048	4,140

Relationship between tax expense and accounting profit

	2025	2024
Loss before taxation	(1,294,833)	(96,113)
Loss before taxation subject to tax	(472,330)	(43,289)
Applicable tax rate	20%	20%
Tax calculated at applicable tax rate	(94,466)	(8,658)
Effect of proportionate change in shareholding percentage of foreign founding shareholder	-	(5,568)
Tax effect of non-deductible expenses	94,125	-
Others	871	19,061
Income tax in the consolidated statement of profit or loss	530	4,835

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Components of deferred tax are as follows:

	Opening balance	Recognised in profit or loss	Deferred tax asset / (liability)
2025			
Deferred tax in relation to:			
Property, plant and equipment	(14,543)	(8,809)	(23,352)
Employees' benefit obligations	4,958	(33)	4,925
Other provisions	1,967	(802)	1,165
Carried forward losses	2,783	9,114	11,897
Deferred tax liability - net	(4,835)	(530)	(5,365)
2024			
Deferred tax in relation to:			
Property, plant and equipment	-	(14,543)	(14,543)
Employees' benefit obligations	-	4,958	4,958
Other provisions	-	1,967	1,967
Carried forward losses	-	2,783	2,783
Deferred tax liability - net	-	(4,835)	(4,835)

Status of assessments

Company

The Company has submitted zakat return until 2024 and obtained the Zakat certificate valid until 30 April 2026.

During the year ended 31 December 2025, subsequent to the payment of the 2024 zakat return, ZATCA issued a final assessment for 2024 for the remaining balance of Saudi Riyals 5.7 million and the Company has settled the amount and the assessment has been closed by ZATCA.

The Company had previously recorded a provision for zakat amounting to Saudi Riyals 5.7 million for the year ended 31 December 2023. During the year ended 31 December 2025, ZATCA issued a final assessment for 2023 amounting to Saudi Riyals 2.4 million and the Company has settled the amount and the assessment has been closed by ZATCA. Accordingly, the Company reversed the remaining zakat provision of Saudi Riyals 3.3 million pertaining to 2023.

NATPET

During 2023, ZATCA reviewed the Zakat returns for the years ended 31 December 2017 and 2018. ZATCA issued an assessment with an additional Zakat liability of Saudi Riyals 4.6 million, which was recorded by NATPET. During the year ended 31 December 2025, NATPET filed an appeal against ZATCA's assessment with the Tax Violations and Disputes Resolution Committee ("TVDRC"). The TVDRC issued its decision which was partially in favor of NATPET. Subsequently, NATPET submitted its appeal against the TVDRC decision with the Tax Violations and Disputes Appellate Committee ("TVDAC"). However, the TVDAC ruled to return the case to the TVDRC for re-adjudication on one item. The TVDRC issued its decision in favour of NATPET and ZATCA has appealed against the TVDRC's decision with the TVDAC. All the appealed items are currently awaiting adjudication by the TVDAC.

NATPET has submitted its Zakat returns until 2024 and obtained a Zakat certificate valid until 30 April 2026, and no assessments have been issued to date for years 2019 through 2024.

IRIC

Starting 2021, the previous parent of IRIC obtained approval from ZATCA to file consolidated zakat returns including its subsidiaries. However, 2024 onwards, IRIC submits its zakat returns individually.

IRIC has finalised the zakat assessments with ZATCA for the years until 2020. No assessments have been raised for the years 2021 through 2024.

IRIC has submitted its Zakat returns until 2024 and obtained a Zakat certificate valid until 30 April 2026.

Geo Natpet General Trading Company LLC, the subsidiary of IRIC, has not submitted any income tax return since inception till 2023, as this was not required in the regulations of the country of incorporation of the subsidiary. The entity has submitted its tax return for 2024.

ISIC

ISIC was established on 24 December 2024. ISIC's first financial year will end on 31 December 2025 and therefore ISIC has not yet filed any zakat return.

23 REVENUE

	Year ended 31 December	
	2025	2024
Sale of goods – at a point in time		
Polypropylene	1,203,051	1,445,129
Less: movement between provisional and final price	(15,751)	(324)
	1,187,300	1,444,805
Non-woven geotextiles	60,157	56,388
Fiber geotextiles	47,812	47,722
Trading goods	6,132	6,415
	1,301,401	1,555,330
Rendering of services – over time		
Tolling service	105	-
	1,301,506	1,555,330

The Group does not expect to have any contract 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.

There were no material returns or refunds therefore there are no contract balances for the year ended 31 December 2025 (31 December 2024: nil).

The contract liabilities as at 31 December 2025 amounting to Saudi Riyals 1.4 million (2024: Saudi Riyals 6.78 million) mainly represent advances received from customers which are expected to be recognised as revenue within one year (Note 21).

Revenue recognised that was included in the advances from customers balance at the beginning of the period was Saudi Riyals 6.37 million (2024: Saudi Riyals 6 million).

24 COST OF REVENUE

	Note	Year ended 31 December	
		2025	2024 (Restated)
Raw materials and consumables		727,971	854,528
Depreciation of property, plant and equipment	5	188,342	178,752
Salaries and other benefits		131,486	129,247
Utilities		88,756	65,206
Impairment of property, plant and equipment	5	113,505	3,000
Other manufacturing overheads		83,694	87,466
Short-term leases	7	13,383	3,265
Amortization of intangible assets	8	2,719	2,719
Depreciation on right-of-use assets	7	1,212	1,189
Provision for slow moving inventories		-	903
Provision for custom duty refundable		-	535
		1,351,068	1,326,810

25 SELLING AND MARKETING EXPENSES

	Note	Year ended 31 December	
		2025	2024 (Restated)
Salaries and other benefits		9,359	10,085
Distribution and freight		8,132	44,247
Warehouse management		6,044	6,898
Commission		3,376	7,876
Depreciation of property, plant and equipment	5	294	231
Impairment loss on customer relationships (a)	8	-	156,750
Amortization of customer relationships	8	-	54,750
Amortization of intangible assets	8	-	25
Others		5,114	7,032
		32,319	287,894

- a) The customer relationships were acquired as part of a business combination. They were recognised at their fair value at the date of acquisition and were subsequently amortised on a straight-line method based on the timing of projected cash flows of the contracts/ business over their estimated useful lives; 6 years.

During 2024, the contracts with customers which were identified as the customer relationships were terminated and, accordingly, management recorded an impairment loss of Saudi Riyals 156.7 million against the balance during the year ended 31 December 2024.

26 GENERAL AND ADMINISTRATIVE EXPENSES & REVERSAL OF PROVISIONS

a) General and administrative expenses recorded during the years ended 31 December are as follows:

	Note	Year ended 31 December	
		2025	2024
Salaries and other benefits		47,539	46,343
Shared service charges		3,825	-
Information technology		5,162	3,098
Audit, legal and professional fees		5,915	10,181
Depreciation of property plant and equipment	5	1,144	1,885
Depreciation on right-of-use assets	7	412	-
Amortization of intangible assets	8	19	-
Others		7,665	10,314
		71,681	71,821

b) Reversal of provisions

During 2024, the Group has reversed certain provisions previously recognised in respect of estimated expenses. Following management's assessment during 2024, these provisions were determined to be no longer required as the anticipated obligations were not expected to materialise. Accordingly, a reversal of Saudi Riyals 26.99 million was recognised in consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2024.

27 OTHER OPERATING INCOME / EXPENSES

Other operating expenses comprise of the following:

	Note	Year ended 31 December	
		2025	2024
Foreign currency loss		165	-
Loss on disposal of property, plant and equipment	5	1,745	-
		1,910	-

Other operating income comprise of the following:

	Note	Year ended 31 December	
		2025	2024
Insurance income		-	2,402
Management service income	32	2,835	2,679
Human Resources Development Funds ("HRDF") subsidies		697	-
Foreign currency gain		12,019	-
Fair value adjustment on derivative financial instrument		331	-
Others, net		1,369	(3,622)
		17,251	1,459

During the year ended 31 December 2025, the Group's majority of sales were denominated in Euros, with credit terms averaging 120 days. Throughout this period, the Euro strengthened against the Saudi Riyals, resulting in favorable exchange rate movements. Consequently, the Group recognised foreign exchange gains on Euro-denominated receivables and related transactions.

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28 FINANCE COST

	Note	Year ended 31 December	
		2025	2024
Interest charges on long-term borrowings		5,675	34,247
Bank charges		1,745	2,298
Amortization of loan management fees		-	5,400
Unwinding of decommission provision	18	769	711
Interest on leases	7	691	712
		8,880	43,368

29 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year attributable to the shareholders of the Group by the weighted average number of ordinary shares in issue during the year. As the Group does not have any dilutive potential shares, the diluted loss per share is the same as the basic loss per share.

The following is the calculation of basic and diluted loss per share for the years ended 31 December:

	2025	2024
Net loss attributable to shareholders of Alujain Corporation	(833,850)	(50,703)
Number of shares (in thousands)		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	69,200	69,200
Loss per share attributable to shareholders of Alujain Corporation (Saudi Riyals/Share)		
Basic and diluted	(12.05)	(0.73)

30 SEGMENT REPORTING

A reporting segment is a group of assets and operations engaged in revenue producing activities, results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment, and financial statements for which is separately available.

The Group's CEO and Board of Directors monitor the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment and, accordingly, they are collectively the chief operating decision makers ("CODM") for the Group.

CODM reviews the operations principally in the following operating segment:

- i. Manufacturing of petrochemical products (which includes Polypropylene products & Geo-synthetic products).

Certain expenses, assets and liabilities related to Alujain Corporation which are not directly attributable to the segment are not allocated by the CODM.

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Selected financial information summarized by the above operating segments is as follows:

For the year ended 31 December 2025	Manufacturing petrochemical products	Unallocated	Total
Revenue	1,301,506	-	1,301,506
Cost of revenue, excluding depreciation and amortization	(1,045,290)	-	(1,045,290)
Depreciation and amortization	(307,196)	(451)	(307,647)
Selling and marketing expenses, excluding depreciation and amortization	(32,025)	-	(32,025)
General and administration expenses, excluding depreciation and amortization	(68,958)	(1,148)	(70,106)
Finance cost	(8,848)	(32)	(8,880)
Finance income	10,910	5,596	16,506
Share of net profit of investment accounted for using the equity method	-	20,915	20,915
Impairment loss on goodwill	-	(1,204,929)	(1,204,929)
Zakat and income tax expense	(11,906)	(3,142)	(15,048)
Loss before zakat and income tax	(134,524)	(1,160,309)	(1,294,833)
	Manufacturing petrochemical products	Unallocated	Total
For the year ended 31 December 2024			
Revenue	1,555,330	-	1,555,330
Cost of revenue, excluding depreciation and amortization	(1,141,150)	-	(1,141,150)
Depreciation and amortization	(187,769)	(54,782)	(242,551)
Selling and marketing expenses, excluding depreciation and amortization	(76,138)	-	(76,138)
General and administration expenses, excluding depreciation and amortization	(51,335)	(18,601)	(69,936)
Finance cost	(4,268)	(39,100)	(43,368)
Finance income	12,078	21,781	33,859
Share of net profit of investment accounted for using the equity method	-	18,060	18,060
Impairment loss on customer relationships	-	(156,750)	(156,750)
Zakat and income tax (expense) / reversal	(18,933)	14,793	(4,140)
Profit / (loss) before zakat and income tax	133,230	(229,343)	(96,113)

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Total assets and liabilities as at 31 December 2025	Manufacturing petrochemical products	Unallocated	Total
	Investment accounted for using the equity method	-	102,833
Additions to property, plant and equipment and capital work-in-progress for the year	495,693	46	495,739
Total assets	3,528,327	424,621	3,952,948
Total liabilities	407,093	16,518	423,611
Total assets and liabilities as at 31 December 2024	Manufacturing petrochemical products	Unallocated	Total
Investment accounted for using the equity method	-	80,492	80,492
Additions to property, plant and equipment and capital work-in-progress for the year	597,127	155	597,282
Total assets	3,623,713	1,820,696	5,444,409
Total liabilities	432,429	23,701	456,130

The Group's local and export sales during the year are as follows:

Geographic information	2025	2024
Revenue from external customers		
Asia *	622,622	739,194
Africa	363,689	320,322
Europe	216,809	270,156
South America	74,604	160,587
North America	23,782	65,071
	1,301,506	1,555,330

* Sales to Asia include transactions made locally within the Kingdom of Saudi Arabia amounting to Saudi Riyals 228.6 million for the year ended 31 December 2025 (2024: Saudi Riyals 230.9 million).

The revenue information above is based on the locations of the customers. The non-current assets of the Group are based in the Kingdom of Saudi Arabia.

31 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties (other related party).

The following table provides the total amount of material transactions that have been entered into with related parties:

Related party	Relation	Nature of transaction	2025	2024
Natpet Schulman Specialty Plastic Compounds Company	Joint venture	Sales	67,417	39,428
		Expenses re-charged by the Group	4,523	3,684
		Management support services (Note 27)	2,835	2,679
		Dividends	-	22,500
		Reimbursement of zakat expense to the joint venture	1,520	998
Basell International Holdings B.V.	NCI in NATPET	Sale of 35% shareholding of NATPET	-	1,879,332
		Sale of 35% shareholding of LNIC	-	199,895
		Expense charged by related party	3,825	
		Services against project under construction	4,613	
Basell Poliolefine Italia SRL	Other related party	Purchase of material	12,856	6,218
		Services provided	3,951	-
Basell Sales & Marketing Company B.V.	Other related party	Sales	180,856	123,635
Basell International Trading FZE	Other related party	Sales	748,593	147,464
Lyondell Basell Arabian Limited	Other related party	Sales	100,711	37,742
		Expenses re-charged by the Affiliate	1,754	103

Transactions with the related parties are undertaken at mutually agreed prices and are approved by management. Outstanding balances as at 31 December 2025 and 2024 are interest free and settled in cash.

Key management compensation for the Group

The Group's senior management personnel represent members of the Board of Directors and senior executives who exercise authority and responsibility in planning, obligating and controlling the Group's activities, directly or indirectly. The compensation of senior management of the group is as follows:

	2025	2024
Short-term employee salaries and benefits	15,488	16,993
Termination benefits	881	848
	16,369	17,841
Board of Directors' compensation	5,826	7,175

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Related party balances

	<u>2025</u>	<u>2024</u>
a) Amounts due from related parties		
Included within “trade receivables”		
Basell International Trading FZE	239,690	89,318
Natpet Schulman Specialty Plastic Compounds Company	31,779	8,863
Basell Sales & Marketing Company B.V.	13,581	76,021
Lyondell Basell Arabian Limited	13,027	43,522
	298,077	217,724
Included within “other receivables”		
Basell International Holdings B.V.	-	31,309
	-	31,309
b) Amounts due to related parties		
Included within “trade and other payable”		
Natpet Schulman Specialty Plastic Compounds Company	1,637	-
Basell Sales & Marketing Company B.V.	1,488	-
Lyondell Basell Arabian Limited	521	-
	3,646	-

32 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	<u>1 January</u>	<u>Non-cash movement</u>		<u>Cash movement</u>	<u>31</u>
	<u>2025</u>	<u>Additions</u>	<u>Others</u>	<u>Cash flows</u>	<u>December</u>
					<u>2025</u>
Lease liabilities (Note 7)	15,170	3,131	691	(2,892)	16,100
Dividend payable (Note 21)	1,756	155,700	-	(154,733)	2,723
Total liabilities arising from financing activity	16,926	158,831	691	(157,625)	18,823
	<u>1 January</u>	<u>Non-cash movement</u>		<u>Cash movement</u>	<u>31</u>
	<u>2024</u>	<u>Additions</u>	<u>Others</u>	<u>Cash flows</u>	<u>December</u>
					<u>2024</u>
Lease liabilities (Note 7)	15,908	-	712	(1,450)	15,170
Dividend payable (Note 21)	1,756	-	-	-	1,756
Total liabilities arising from financing activity	17,664	-	712	(1,450)	16,926

* Addition includes addition of lease liability and declaration of dividend during the year.

33 FAIR VALUE ESTIMATION

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 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.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers among the levels during the year.

The management assessed that cash and bank balances, time deposits, trade receivables at amortised cost, other receivables, advances to employees, insurance receivables, trade and other payables, lease liabilities, and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The fair value is determined using prevailing market rates at the reporting date. The following table presents the Group's assets and liabilities measured and recognised at fair value at 31 December 2025 and 2024, based on the prescribed fair value measurement hierarchy on a recurring basis.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis at 31 December 2025 and 2024.

31 December 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Trade receivables related to contracts with provisional pricing arrangements	-	-	266,298	266,298
Financial assets at fair value through profit or loss	197,285	122,010	-	319,295
	197,285	122,010	266,298	585,593
Financial liability				
Derivative financial instrument	-	59	-	59
	-	59	-	59
31 December 2024				
Financial assets				
Trade receivables related to contracts with provisional pricing arrangements	-	-	208,861	208,861
Financial assets at fair value through profit or loss	330,049	-	-	330,049
	330,049	-	208,861	538,910

34 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. Risk management is carried out by senior management under policies approved by those charged with governance (“TCWG”) i.e. the Board of Directors.

The Group’s Audit Committee oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group’s Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Financial instruments principally include cash and cash equivalents, short-term investments, trade receivables, other receivables, advance to employees, insurance receivables, borrowings, derivative financial instrument, accounts payable, other payable, lease liabilities and other liabilities.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers, due from related parties, advance to employees and cash and cash equivalents.

The Group’s maximum exposure to credit risk at the reporting date is as follows:

	2025	2024
Financial assets		
Trade receivables at amortised cost – third parties	78,668	248,035
Trade and other receivables at amortised cost – related parties	31,779	8,863
Advances and other assets	5,337	5,156
Cash at banks and terms deposits	148,328	588,747
	264,112	850,801

Other debit balances

While balances due from employees and insurance receivable are also subject to impairment requirements of IFRS 9, the identified impairment loss was immaterial. These are considered to have low credit risk and, therefore, 12 months ECL model was used for impairment assessment.

Trade and other receivables at amortised cost – related parties

The Group always measures the allowances for expected credit losses which are unsecured at an amount equal to lifetime ECL. The expected impairment loss on trade and other receivables from related parties is estimated using a provision matrix by reference to past default experience of related parties with similar loss patterns and where applicable an analysis of the related parties’ current financial position, adjusted for factors that are specific to the related parties, general economic conditions of the industry and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Analysis of credit quality of due from related parties is as follows:

	2025	2024
Neither past due not impaired	24,086	2,631
Past due but not impaired:		
- less than 30 days overdue	3,693	6,232
- 31 to 60 days overdue	4,000	-
	31,779	8,863

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Trade receivables at amortised cost – third parties

Before accepting any customer, the management of the Group evaluates the credit quality of the potential customers individually and defines the maximum credit period and credit limits. The credit period for the Group's operations normally ranges between 0 to 120 days which is contractually agreed. The Group secures its credit risk from majority of the customers through credit insurance or in the form of stand by and regular letter of credits from the customer's bankers with sound credit worthiness.

Trade receivables other than those subsequently measured at FVTPL, are carried net of impairment allowances. The Group measures the allowances for expected credit losses which are unsecured at an amount equal to lifetime ECL. The expected impairment loss on trade receivables is estimated using a provision matrix by reference to past default experience of a group of debtors with similar loss patterns and where applicable an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The ageing analysis of trade receivables are as follows:

	Total	Neither past due nor impaired	≤ 30 days	31 – 60 days	61 – 90 days	91 – 120 days	> 120 days
2025	78,668	52,293	11,363	2,525	1,276	1,065	10,146
Average loss rate	9.94%	0.18%	2.31%	8.63%	12.85%	35.40%	66.12%
Impairment	7,823	92	263	218	164	377	6,709
2024	248,035	210,499	18,089	3,026	2,299	779	13,343
Average loss rate	3.37%	-	1.14%	2.41%	1.35%	13.09%	59.48%
Impairment	8,350	-	207	73	31	102	7,937

The management has conducted a review as required under IFRS 9 and based on such assessment; the management believes that there is no need for any significant impairment against the carrying values of trade receivables from related parties.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. Management believes that the concentration of credit risk is mitigated as majority receivable balance is due from a reputed related party customer and the receivables are recoverable as per the contractual arrangement.

Sales to two customers amounting to Saudi Riyals 748 million and Saudi Riyals 180 million (2024: one customer amounting to Saudi Riyals 218 million), exceeds 10 percent of the net sales during the year.

Cash at bank

As of each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Group's bank balances. Therefore, the probability of default based on forward-looking factors and any loss given defaults are considered to be negligible. The credit ratings of banking institutions are as follows:

	<u>2025</u>	<u>2024</u>
Counterparties with external credit ratings (Moody's)		
A-	146,154	587,942
A	35	32
A+	<u>2,139</u>	<u>773</u>
	<u>148,328</u>	<u>588,747</u>

b) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring the maturity profile of the Group's financial instruments to ensure that adequate liquidity is maintained or made available, as necessary to the Group.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

At 31 December 2025, the Group had available undrawn committed borrowing facilities of Saudi Riyals 1,600 million with commercial banks (2024: Saudi Riyals 700 million).

The following is contractual undiscounted maturity analysis of the financial liabilities of the Group as at 31 December:

	<u>Carrying values</u>	<u>Within 1 year</u>	<u>Between 1-5 years</u>	<u>More than 5 years</u>	<u>Total</u>
2025					
Trade and other payables	145,680	145,680	-	-	145,680
Accrued and other current liabilities	141,712	141,712	-	-	141,712
Derivative financial instrument	59	59	-	-	59
Lease liabilities	<u>16,100</u>	<u>762</u>	<u>6,536</u>	<u>14,660</u>	<u>21,958</u>
	<u>303,551</u>	<u>288,213</u>	<u>6,536</u>	<u>14,660</u>	<u>309,409</u>
2024					
Long term borrowings (including current portion)	10,872	10,872	-	-	10,872
Trade and other payables	133,478	133,478	-	-	133,478
Accrued and other current liabilities	166,924	166,924	-	-	166,924
Lease liabilities	<u>15,170</u>	<u>1,375</u>	<u>5,354</u>	<u>13,431</u>	<u>20,160</u>
	<u>326,444</u>	<u>312,649</u>	<u>5,354</u>	<u>13,431</u>	<u>331,434</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group does not have any outstanding loan as of 31 December 2025, therefore the Group is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument denominated in foreign currencies will fluctuate due to changes in foreign exchange rates, in case the Group does not hedge its currency exposure by means of hedging instruments.

During the year ended 31 December 2025, the Group’s exposure to foreign currency risk is primarily limited to transactions in United States Dollar (“USD”), Euro (“EUR”) and Great British Pounds (“GBP”). The Group does not have material exposure to USD since the Saudi Riyals is pegged to the US dollar. The fluctuation in exchange rates against EUR and GBP are monitored on a continuous basis and the Group uses hedging instruments to mitigate potential adverse movements in foreign exchange rates. Exposure to foreign currency risk is as follows:

	EUR	GBP	Total
	Saudi Riyals	Saudi Riyals	Saudi Riyals
31 December 2025			
Cash at bank	8,351	-	8,351
Trade receivables	15,788	-	15,788
Trade payables	(3,841)	(29)	(3,870)
Derivative financial instrument	(25,404)	-	(25,404)
Net statement of financial position exposure	(5,106)	(29)	(5,135)
	EUR	GBP	Total
	Saudi Riyals	Saudi Riyals	Saudi Riyals
31 December 2024			
Cash at bank	36,220	-	36,220
Trade receivables	76,021	-	76,021
Trade payables	(2,019)	(56)	(2,075)
Net statement of financial position exposure	110,222	(56)	110,166

A strengthening / (weakening) of the EUR and GBP by 10% against all other currencies would have affected the measurement of financial instruments (includes financial assets and liabilities) denominated in foreign currency and would have increased / (decreased) equity by the amounts shown below:

	2025	2024
EUR	(511)	11,022
GBP	(3)	(6)
	(514)	11,016

Other price risk

The Group’s exposure to equity price risk arises from investments in equity instruments. To manage its price risk arising from these investments, the Group diversifies its investment portfolio. Diversification of the investment portfolio is in accordance with the limits set by the Group.

The Group is exposed to the impact of market fluctuations of the price of various inputs to production, mainly propane, ethylene, natural gas and utilities. Propane price is relatively correlated to sales price of the final products.

The sensitivity of the commodity prices to reasonably possible changes in rates by 5% would have increased / (decreased) profit by Saudi Riyals 36.9 million. (2024: Saudi Riyals 40.1 million).

The Group is also subject to commodity price risk on provisional price sales to marketers and off takers as the final price will fluctuate due to change in market prices of products.

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Financial assets and financial liabilities

The financial assets and financial liabilities are carried at amortised cost. Trade receivables related to contracts with provisional pricing arrangements are subsequently measured at FVTPL. The Group does not have any financial asset at fair value through profit or loss (except for trade receivables other than those subsequently measured at FVTPL) or fair value through other comprehensive income and financial liability carried at fair value through profit or loss or fair value through other comprehensive income. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets.

	2025	2024
Financial assets as per consolidated statement of financial position		
<i>Financial assets at fair value through profit or loss</i>		
Trade receivables related to contracts with provisional pricing arrangements	266,298	208,861
Financial assets at fair value through profit or loss	319,295	330,049
<i>Financial assets at amortised cost</i>		
Trade and other receivables	102,676	279,909
Advances and other assets	5,337	5,156
Cash at banks and terms deposits	148,328	588,747
	841,934	1,412,722

Financial liabilities as per consolidated statement of financial position

Long term borrowings (including current portion)	-	10,872
Trade payables	145,680	133,478
Accrued and other liabilities	141,712	166,924
Derivative financial instrument	59	-
Lease liabilities	16,100	15,170
	303,551	326,444

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total liabilities as shown in the consolidated statement of financial position, less cash and cash equivalents. Equity is as shown in the consolidated statement of financial position.

The Group's debt to equity ratio is as follows:

	2025	2024
Total liabilities	423,611	456,130
Less: Cash and cash equivalents	(148,763)	(589,250)
Net debt	274,848	(133,120)
Total equity	3,529,337	4,988,279
Debt to equity ratio	7.79%	(2.67%)

35 CASH FLOW INFORMATION

(a) Net debt

	2025	2024
Cash and cash equivalents	148,763	589,250
Long-term borrowings	-	10,872
Lease liabilities	16,100	15,170
Derivative financial instrument	59	-
Net debt	164,922	615,292

(b) Net debt reconciliation

	Cash and cash equivalents	Long-term borrowings	Lease liabilities	Derivative financial instrument	Total
1 January 2024	353,274	1,087,896	15,908	-	1,457,078
Movement in cash and cash equivalents	235,976	-	-	-	235,976
Financing cash flows	-	(1,077,024)	-	-	(1,077,024)
Interest expense	-	-	712	-	712
Lease payment	-	-	(1,450)	-	(1,450)
31 December 2024	589,250	10,872	15,170	-	615,292
Movement in cash and cash equivalents	(440,487)	-	-	-	(440,487)
Financing cash flows	-	(10,872)	-	-	(10,872)
New leases	-	-	3,131	-	3,131
Termination of leases	-	-	-	-	-
Foreign exchange adjustment	-	-	-	59	59
Interest expense	-	-	691	-	691
Lease payment	-	-	(2,892)	-	(2,892)
31 December 2025	148,763	-	16,100	59	164,922

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36 COMPARATIVE FIGURES

During 2025, management of the Group reassessed the presentation of certain transactions and balances and concluded that certain restatements are required to comply with the requirements of International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). Accordingly, management has restated the comparative consolidated financial statements as summarized below. The restatements below had no impact on the net loss for the year:

A. Restatements in the consolidated statement of profit or loss and other comprehensive income:

- A.1. For the year ended 31 December 2024, ‘Amortization of customer relationship’, ‘Impairment loss on customer relationships’, ‘Provision for inventory obsolescence’ and ‘Provision for customs duty refundable’ were presented as separate line items within the consolidated statement of profit or loss and other comprehensive income.

In accordance with IAS 1 ‘Presentation of Financial Statements’, an entity should present its statement of profit or loss either by nature or by function. Management has assessed that in prior years the consolidated statement of profit or loss and other comprehensive income had shown a mixed presentation, including both nature and function, which is contrary to the requirements of IAS 1.

Accordingly, management has assessed that ‘Amortization of customer relationship’ and ‘Impairment loss on customer relationships’ relate to the operations of the Group and, therefore, should form part of the results from operations and should be presented within the ‘Selling and marketing expenses’ function. Similarly, ‘Provision for inventory obsolescence’ and ‘Provision for customs duty refundable’ relate to the cost of inventory sold and, therefore, should form part of gross profit and should be presented within the “cost of revenue” function.

- A.2. For the year ended 31 December 2024, ‘Reversal of provisions’ was classified as other income within the consolidated statement of profit or loss and other comprehensive income. In accordance with IAS 1 ‘Presentation of Financial Statements’, an entity should disclose the nature and amount of material items of income and expense separately on the face of statement of profit or loss and other comprehensive income. Accordingly, management has assessed that ‘Reversal of provisions’ is a material item and should be presented on the face of consolidated statement of profit or loss and other comprehensive income as a separate financial statement line item.

Furthermore, management has amended the presentation of the consolidated statement of cash flows, to present ‘Reversal of provisions’ as a non-cash adjusting item.

- A.3. For the year ended 31 December 2024, ‘Zakat, income tax and deferred tax’ and ‘Reversal of prior years’ zakat provision’ were presented separately on the face of the consolidated statement of profit or loss and other comprehensive income. Management has assessed that both items relate to similar nature and should be presented on a net basis. Accordingly, management amended its accounting policy to present ‘Zakat, income tax and deferred tax’ and ‘Reversal of prior years’ zakat provision’ in a single line within the consolidated statement of profit or loss and other comprehensive income as management believes that this presentation provides more reliable and relevant information.

B. Restatement in the consolidated statement of financial position and consolidated statement of changes in equity:

- B.1. In the prior periods, the Group presented a “Reserve for acquisition of additional shares in a subsidiary” separately within the consolidated statement of financial position and the consolidated statement of changes in equity. During 2024, management had amended its policy for the presentation of this reserve and elected to present these changes directly within retained earnings as management believes that this presentation provides more reliable and relevant information. However, management had not applied the change in policy retrospectively as required by IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ and, accordingly, the impacted comparative figures of the consolidated statement of financial position and consolidated statement of changes in equity have been restated.

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- B.2. In prior periods, the Group recorded the cost of a specific precious metal used in plant an asset within “the scope of IAS 16 ‘Property, plant and equipment’” appropriately within ‘Property, plant and equipment’, while the related accumulated depreciation and impairment was improperly classified within “‘Accrued and other liabilities’” in the consolidated statement of financial position.

In accordance with IAS 16 ‘Property, plant and equipment’, an item of property, plant and equipment must be presented at cost less accumulated depreciation. and impairment. Accordingly, management has amended the comparative figures to reclassify and offset the accumulated depreciation against the related cost and impairment as part of the precious metal in “property, plant and equipment” FSLI in the consolidated statement of financial position. This restatement has also resulted in related amendments to comparative figures of statement of cashflows.

C. Restatements in the consolidated statement of cash flows:

- C.1. For the year ended 31 December 2024, ‘Proceeds from long-term borrowings’ and ‘Repayment of long-term borrowings’ were presented on a net basis within the consolidated statement of cash flows. In accordance with IAS 7 ‘Statement of Cash Flows’, proceeds from long-term borrowings and repayment of long-term borrowings should be presented on a gross basis. Accordingly, management has amended the comparatives of the consolidated statement of cash flows and presented proceeds and repayments of long-term borrowings on a gross basis.
- C.2. For the year ended 31 December 2024, the Group presented the consideration paid for ‘Purchase of additional shares in a subsidiary’ within the consolidated statement of cash flows as the contractual amount, rather than the actual cash consideration paid which was not in accordance with the requirements of IAS 7 ‘Statement of Cash Flows’, which also resulted in the understatement of the ‘Accrued and other liabilities’ figure presented in the consolidated statement of cash flows.

Furthermore, the transactions ‘Purchase of additional shares in a subsidiary’, ‘Proceeds from the sale of shares in direct subsidiary’ and ‘Proceeds from the sale of shares in indirect subsidiary’ were classified as cash flows from investing activities. In accordance with IAS 7 ‘Statement of Cash Flows’, changes in ownership interests in a subsidiary that do not result in a loss of control should be classified as cash flows from financing activities.

Accordingly, management has amended the comparatives of the consolidated statement of cash flows and adjusted the purchase of additional shares to reflect the cash effect of the transaction and classified the ‘Purchase of additional shares in a subsidiary’, ‘Proceeds from the sale of shares in direct subsidiary’ and ‘Proceeds from the sale of shares in indirect subsidiary’ under cash flows from financing activities.

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		<i>Previously</i>		<i>Restated</i>
	<i>Note</i>	<i>reported</i>	<i>Restatement</i>	<i>amount</i>
<u>Consolidated statement of financial position</u>				
<i>As at 1 January 2024</i>				
Property, plant and equipment	B.2	1,805,618	(31,386)	1,774,232
Total non-current assets		3,521,502	(31,386)	3,490,116
Total assets		4,621,414	(31,386)	4,590,028
Retained earnings	B.1	2,176,613	(124,547)	2,052,066
Reserve for acquisition of additional shares in a subsidiary	B.1	(124,547)	124,547	-
Accrued and other liabilities	B.2	193,793	(31,386)	162,407
Total current liabilities		356,074	(31,386)	324,688
Total liabilities		1,554,850	(31,386)	1,523,464
Total equity and liabilities		4,621,414	(31,386)	4,590,028
<u>Consolidated statement of financial position</u>				
<i>As at 31 December 2024</i>				
Property, plant and equipment	B.2	1,720,356	(34,386)	1,685,970
Total non-current assets		3,710,329	(34,386)	3,675,943
Total assets		5,478,795	(34,386)	5,444,409
Accrued and other liabilities	B.2	201,310	(34,386)	166,924
Total current liabilities		381,017	(34,386)	346,631
Total liabilities		490,516	(34,386)	456,130
Total equity and liabilities		5,478,795	(34,386)	5,444,409
<u>Consolidated statement of profit or loss and other comprehensive income</u>				
<i>For the year ended 31 December 2024</i>				
Cost of revenue	A.1	(1,325,372)	(1,438)	(1,326,810)
Gross profit		229,958	(1,438)	228,520
Selling and marketing expenses	A.1	(76,394)	(211,500)	(287,894)
Provision for inventory obsolescence	A.1	(903)	903	-
Provision for custom duty refundable	A.1	(535)	535	-
Reversal of provisions	A.2	-	26,992	26,992
Other operating income	A.2	28,451	(26,992)	1,459
Profit / (loss) from operations		108,756	(211,500)	(102,744)
Amortization of customer relationships	A.1	(54,750)	54,750	-
Impairment loss on customer relationships	A.1	(156,750)	156,750	-
Loss before zakat and income tax		(96,113)	-	(96,113)
Zakat and income tax expense	A.3	(34,257)	30,117	(4,140)
Reversal of prior years' zakat provision	A.3	30,117	(30,117)	-
Net loss for the year		(100,253)	-	(100,253)

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	<i>Note</i>	<i>Previously reported</i>	<i>Restatement</i>	<i>Restated amount</i>
<u>Consolidated statement of cash flows</u>				
<i>For the year ended 31 December 2024</i>				
Impairment of property, plant and equipment	B.2	-	3,000	3,000
Reversal of provisions	A.2	-	(26,992)	(26,992)
Accrued and other liabilities	A.2, B.2, C.2	1,994	(6,985)	(4,991)
Cash generated from operations		288,953	(30,977)	257,976
Net cash inflow from operating activities		197,560	(30,977)	166,583
Cash received against disposal of non-controlling interest in a subsidiary	C.2	1,879,332	(1,879,332)	-
Cash received against disposal of non-controlling interest in an indirect subsidiary	C.2	168,375	(168,375)	-
Additional shares in a subsidiary	C.2	(59,755)	59,755	-
Net cash inflow / (outflow) from investing activities		1,116,890	(1,987,952)	(871,062)
Long term loan, net	C.1	(1,077,024)	1,077,024	-
Proceeds from long-term borrowings	C.1	-	112,734	112,734
Repayment of long-term borrowings	C.1	-	(1,189,758)	(1,189,758)
Purchase of additional shares in a subsidiary	C.2	-	(28,778)	(28,778)
Proceeds from the sale of shares in subsidiaries	C.2	-	2,047,707	2,047,707
Net cash inflow / (outflow) from financing activities		(1,078,474)	2,018,929	940,455
<u>Consolidated statement of changes in equity</u>				
<i>As at 1 January 2024</i>				
Retained earnings	B.1	2,176,613	(124,547)	2,052,066
Reserve for acquisition of additional shares in a subsidiary	B.1	(124,547)	124,547	-
<i>For the year ended 31 December 2024</i>				
Purchase of additional shares in a subsidiary – presented within ‘Reserve for acquisition of additional shares in a subsidiary’ column	B.1	(24,827)	24,827	-
Purchasing additional shares in a subsidiary – presented within ‘Retained earnings’ column	B.1	-	(24,827)	(24,827)

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37 DIVIDENDS

On 18 May 2025, the ordinary general assembly resolved to distribute dividend of Saudi Riyals 0.75 per share for each quarter for the years 2025 and 2026.

On 19 May 2025, the Board of Directors approved to distribute cash dividend of Saudi Riyals 51.9 million (Saudi Riyals 0.75 per share) for the first quarter of the year 2025, which represents 7.5% of the total paid-in capital.

On 18 June 2025, the Board of Directors approved to distribute cash dividend of Saudi Riyals 51.9 million (Saudi Riyals 0.75 per share) for the second quarter of the year 2025, which represents 7.5% of the total paid-in capital.

On 21 September 2025, the Board of Directors approved to distribute cash dividend of Saudi Riyals 51.9 million (Saudi Riyals 0.75 per share) for the third quarter of the year 2025, which represents 7.5% of the total paid-in capital.

38 SUBSEQUENT EVENTS

- a) On 6 January 2026, the Board of Directors approved to distribute cash dividend of Saudi Riyals 51.9 million (Saudi Riyals 0.75 per share) for the fourth quarter of the year 2025, which represents 7.5% of the total paid-in capital. The distribution date was 18 January 2026.
- b) Subsequent to the year ended 31 December 2025, significant geopolitical developments occurred in the Gulf region from 28 February 2026 and onwards. While the situation introduces uncertainty regarding potential future business and financial risk exposure, there is currently insufficient information to estimate any impact on the Group's consolidated financial position. This is considered a non-adjusting subsequent event under IAS 10 "Events after the reporting period". Management continues to monitor the situation closely and will provide updates and disclosures in future periods as more information becomes available.

In the opinion of the management, there have been no further significant subsequent events, other than those disclosed in these consolidated financial statements, since the year ended 31 December 2025, which would have material impact on the financial position of the Group as reflected in these consolidated financial statements.

39 CONTINGENCIES AND COMMITMENTS

The Group has contingent liabilities related to letters of guarantee issued to Saudi Arabian Oil Company (Saudi Aramco) amounting to Saudi Riyals 305.5 million as of 31 December 2025 (2024: Saudi Riyals 304.6 million).

As of 31 December 2025, capital expenditure contracted by the Group but not incurred amounted to Saudi Riyals 23.8 million (2024: Saudi Riyals 80.1 million).

As of 31 December 2025, capital expenditure contracted by the Group related to its project under construction but not incurred amounted to Saudi Riyals 548 million (2024: Saudi Riyals 227 million).

40 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorised for issue by the Board of Directors on 27 Ramadan 1447H (corresponding to 16 March 2026).