Al Kout Industrial Projects Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2026

Shape the future with confidence

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL KOUT INDUSTRIAL PROJECTS COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Kout Industrial Projects Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") as at 30 June 2026, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: *'Interim Financial Reporting' ("IAS 34")*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity."* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2026 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended, during the six-month period ended 30 June 2026 that might have had a material effect on the business of the Parent Company or on its financial position.

SHEIKHA AL FULAIJ
LICENCE NO. 289 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

29 July 2026
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 30 June 2026

		Three months ended 30 June		*Six months ended 30 June*	
	Notes	***2026***	*2025*	***2026***	*2025*
		KD	*KD*	***KD***	*KD*
Revenue from contracts with customers	3	**7,443,474**	9,664,582	**15,307,300**	18,376,178
Cost of sales and services rendered		**(6,098,906)**	(6,908,348)	**(12,013,979)**	(12,501,965)
GROSS PROFIT		**1,344,568**	2,756,234	**3,293,321**	5,874,213
General and administrative expenses		**(988,301)**	(968,094)	**(1,876,899)**	(1,898,910)
Selling and distribution expenses		**(197,532)**	(179,222)	**(356,976)**	(358,233)
(Allowance for) reversal of expected credit losses of trade receivables		**(5,794)**	36,293	**(7,851)**	(20,128)
Net foreign exchange differences		**(6,870)**	(64,539)	**(13,865)**	(54,680)
OPERATING PROFIT		**146,071**	1,580,672	**1,037,730**	3,542,262
Share of results of an associate		**(117,278)**	(110,404)	**24,494**	(62,358)
Other income	4	**767,508**	62,534	**819,195**	122,282
Finance costs		**(5,986)**	(15,446)	**(12,143)**	(21,441)
PROFIT BEFORE TAX AND DIRECTORS' REMUNERATION		**790,315**	1,517,356	**1,869,276**	3,580,745
Contribution to Kuwait Foundation for Advancement of Sciences ("KFAS")		**(7,961)**	(14,811)	**(18,771)**	(36,009)
National Labour Support Tax ("NLST")		**(22,403)**	(36,969)	**(50,585)**	(90,777)
Zakat		**(8,961)**	(14,788)	**(20,234)**	(36,311)
Directors' remuneration		**(11,750)**	(37,750)	**(23,500)**	(49,500)
PROFIT FOR THE PERIOD		**739,240**	1,413,038	**1,756,186**	3,368,148
BASIC AND DILUTED EARNINGS PER SHARE (EPS)	5	**7.33 Fils**	14.00 Fils	**17.41 Fils**	33.38 Fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2026

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD	*KD*	***KD***	*KD*
PROFIT FOR THE PERIOD	**739,240**	1,413,038	**1,756,186**	3,368,148
Other comprehensive income (loss)				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	**11,388**	(77,004)	**35,722**	(52,534)
Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods	**11,388**	(77,004)	**35,722**	(52,534)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:				
Share of other comprehensive loss of an associate	**-**	-	**(189,285)**	(184,615)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**-**	-	**(189,285)**	(184,615)
Other comprehensive income (loss) for the period	**11,388**	(77,004)	**(153,563)**	(237,149)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**750,628**	1,336,034	**1,602,623**	3,130,999

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2026

	Notes	*30 June 2026 KD*	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
ASSETS				
Non-current assets				
Property, plant and equipment		**14,439,306**	15,523,140	15,952,902
Right-of-use assets		**514,610**	517,283	564,059
Investment in an associate		**2,056,943**	2,221,734	2,093,883
Goodwill		**4,937,402**	4,937,402	4,937,402
Prepayments and other receivables		**347,920**	347,920	354,484
		22,296,181	23,547,479	23,902,730
Current assets				
Inventories		**4,400,256**	4,229,630	3,913,131
Trade receivables and contract assets		**8,527,373**	11,104,663	10,316,424
Prepayments and other receivables		**2,932,153**	2,132,511	2,354,815
Cash and cash equivalents	6	**7,279,981**	6,076,015	2,894,411
		23,139,763	23,542,819	19,478,781
TOTAL ASSETS		**45,435,944**	47,090,298	43,381,511
EQUITY AND LIABILITIES				
Equity				
Share capital	7	**10,090,080**	10,090,080	10,090,080
Statutory reserve		**5,186,422**	5,186,422	5,186,422
Voluntary reserve		**5,148,415**	5,148,415	5,148,415
Effect of changes in other comprehensive income of an associate		**(3,121,323)**	(2,932,038)	(2,932,038)
Foreign currency translation reserve		**601,787**	566,065	571,604
Retained earnings		**18,115,795**	20,395,641	16,879,596
Total equity		**36,021,176**	38,454,585	34,944,079
Non-current liabilities				
Employees' end of service benefits		**2,361,853**	2,215,584	2,200,302
Lease liabilities		**411,369**	436,152	418,171
		2,773,222	2,651,736	2,618,473
Current liabilities				
Trade payables, contract liabilities and other payables		**6,502,304**	5,869,290	5,142,050
Lease liabilities		**139,242**	114,687	176,909
Loans and borrowings		**-**	-	500,000
		6,641,546	5,983,977	5,818,959
Total liabilities		**9,414,768**	8,635,713	8,437,432
TOTAL EQUITY AND LIABILITIES		**45,435,944**	47,090,298	43,381,511

Yousif M. Al Qassar
Chairman

Khaled Jamal Abuarjeh
Acting Chief Executive Officer

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2026

	Share capital KD	*Statutory reserve KD*	*Voluntary reserve KD*	*Effect of changes in other comprehensive income of an associate KD*	*Foreign currency translation reserve KD*	*Retained earnings KD*	*Total KD*
As at 1 January 2026	**10,090,080**	**5,186,422**	**5,148,415**	**(2,932,038)**	**566,065**	**20,395,641**	**38,454,585**
Profit for the period	-	-	-	-	-	1,756,186	1,756,186
Other comprehensive (loss) income for the period	-	-	-	(189,285)	35,722	-	(153,563)
Total comprehensive (loss) income for the period	-	-	-	(189,285)	35,722	1,756,186	1,602,623
Cash dividends (Note 12)	-	-	-	-	-	(4,036,032)	(4,036,032)
At 30 June 2026	**10,090,080**	**5,186,422**	**5,148,415**	**(3,121,323)**	**601,787**	**18,115,795**	**36,021,176**
As at 1 January 2025	10,090,080	5,186,422	5,148,415	(2,747,423)	624,138	20,574,504	38,876,136
Profit for the period	-	-	-	-	-	3,368,148	3,368,148
Other comprehensive loss for the period	-	-	-	(184,615)	(52,534)	-	(237,149)
Total comprehensive (loss) income for the period	-	-	-	(184,615)	(52,534)	3,368,148	3,130,999
Cash dividends (Note 12)	-	-	-	-	-	(7,063,056)	(7,063,056)
At 30 June 2025	10,090,080	5,186,422	5,148,415	(2,932,038)	571,604	16,879,596	34,944,079

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2026

	Note	*Six months ended 30 June* **2026** **KD**	*2025 KD*
OPERATING ACTIVITIES			
Profit before tax and directors' remuneration		**1,869,276**	3,580,745
Adjustments to reconcile profit before tax and directors' remuneration to net cash flows:			
Depreciation of property, plant, and equipment		**1,524,862**	1,460,635
Depreciation of right-of-use assets		**103,518**	92,093
Allowance for expected credit losses of trade receivables		**7,851**	20,128
Share of results of an associate		**(24,494)**	62,358
Provision for employees' end of service benefits		**188,863**	173,714
Interest on loans and borrowings		-	9,305
Interest on lease liabilities		**12,143**	12,136
Interest income		**(78,549)**	(57,335)
		3,603,470	5,353,779
Working capital changes:			
Inventories		**(170,626)**	373,994
Trade receivables and contract assets		**2,569,439**	38,708
Prepayments and other receivables		**(799,642)**	(143,936)
Trade payables, contract liabilities and other payables		**846,835**	(152,502)
Cash flows generated from operations		**6,049,476**	5,470,043
Taxes paid		**(326,951)**	(384,673)
Employees' end of service benefits paid		**(42,594)**	(143,506)
Net cash flows from operating activities		**5,679,931**	4,941,864
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(427,563)**	(1,837,671)
Interest income received		**78,549**	57,335
Net cash flows used in investing activities		**(349,014)**	(1,780,336)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		-	2,500,000
Repayment of loans and borrowings		-	(2,000,000)
Finance costs paid		-	(9,305)
Payment of lease liabilities		**(113,427)**	(100,476)
Dividends paid		**(4,035,992)**	(7,063,056)
Net cash flows used in financing activities		**(4,149,419)**	(6,672,837)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,181,498**	(3,511,309)
Cash and cash equivalents at 1 January		**6,076,015**	6,440,898
Net foreign exchange differences		**22,468**	(35,178)
CASH AND CASH EQUIVALENTS AT 30 JUNE	6	**7,279,981**	2,894,411
Non-cash items excluded from the interim condensed consolidated statement of cash flows:			
Additions to lease liabilities		**98,106**	150,906
Additions to right-of-use assets		**(98,106)**	(150,906)
		-	-

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Al Kout Industrial Projects Company K.S.C.P. (the "Parent Company") and its Subsidiaries (collectively, the "Group") for the six months ended 30 June 2026 was authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 29 July 2026.

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved in the annual general assembly meeting (AGM) of the shareholders of the Parent Company held on 12 April 2026.

The Parent Company is a public shareholding company incorporated on 28 December 1993 and domiciled in Kuwait and whose shares are publicly traded on Boursa Kuwait. The Parent Company head office is located in Jasim Tower, 11th floor, Soor Street, Almirqab and its registered postal address is P.O. Box 181, Ali Sabah Al Salem 65000, Kuwait

The principal activities of the Parent Company are, as follows:

- Import, storage and distribution of cement and other bulk materials; establishing, operating and managing storage silos; acquiring interest in other companies engaged in similar activities and investing surplus funds through portfolio managers in shares of investment and real estate companies.
- Production of chlorine and salt, steel drums to fill soda solid and other petrochemical products (after approval of Public Authority for Industry).
- Transport Parent Company's products inside and outside the State of Kuwait according to Parent Company's objectives.
- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or drawings and any other rights thereto and renting thereof to other companies whether inside or outside Kuwait.
- Acquisition of movables and properties necessary for the Parent Company to practice its activities pursuant to the limits prescribed by law.
- Investing surplus funds in portfolios managed by specialised financial companies.

The Parent Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Parent Company achieve its objectives inside Kuwait and abroad. The Group may also purchase such entities or affiliate them.

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

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025. Operating results for the six months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2 New standards, interpretations, and amendments adopted by the Group

The accounting policies adopted, and methods of computation followed in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Certain amendments apply for the first time in 2026 but does not have an impact on the interim condensed consolidated financial information of the Group.

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

2.2 New standards, interpretations, and amendments adopted by the Group (continued)

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
In May 2024, the IASB issued *Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments* (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments did not have a material impact on the Group's interim condensed consolidated financial information.

Annual Improvements to IFRS accounting Standards – Volume 11
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

The amendments did not have a material impact on the Group's interim condensed consolidated financial information.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

3.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers based on type of sales and services:

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD	*KD*	***KD***	*KD*
Types of goods or services				
Sale of Chlor Alkali	**3,624,311**	5,200,347	**7,646,855**	10,595,076
Sales of industrial materials	**3,727,389**	4,281,232	**7,507,610**	7,481,576
Construction of chlorine dioxide plant for groundwater reservoirs	**64,876**	148,945	**90,738**	226,269
Logistic services	**26,898**	34,058	**62,097**	73,257
Total revenue from contracts with customers	**7,443,474**	9,664,582	**15,307,300**	18,376,178
Geographical markets				
Kuwait	**4,726,855**	5,689,213	**9,934,007**	10,351,653
Other MENA	**2,806,480**	2,934,168	**5,284,530**	6,084,641
Asia	-	31,806	**-**	58,653
South America and North America	-	217,398	**57,376**	436,098
Others	**(89,861)**	791,997	**31,387**	1,445,133
Total revenue from contracts with customers	**7,443,474**	9,664,582	**15,307,300**	18,376,178
Timing of revenue recognition				
Goods and services transferred at a point in time	**7,351,700**	9,481,579	**15,154,465**	18,076,652
Goods and services transferred over time	**91,774**	183,003	**152,835**	299,526
Total revenue from contracts with customers	**7,443,474**	9,664,582	**15,307,300**	18,376,178

3.2 Contract balances

	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*
	KD	*KD*	*KD*
Trade receivables	**7,933,265**	10,601,298	10,015,632
Contract assets	**594,108**	503,365	300,792

4 OTHER INCOME

Other income include an amount of KD 598,061 which represents amount collected from the Ministry of Electricity and Water (MEW) following a final court ruling in favor of the Parent Company (Note 8.2).

5 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
Profit for the period (KD)	**739,240**	1,413,038	**1,756,186**	3,368,148
Weighted average number of shares outstanding during the period (shares)	**100,900,800**	100,900,800	**100,900,800**	100,900,800
Basic and diluted EPS (Fils)	**7.33**	14.00	**17.41**	33.38

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the authorisation date of this interim condensed consolidated financial information.

6 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	30 June 2026 KD	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
Cash on hand	**4,561**	-	24,868
Cash at banks	**4,607,420**	3,076,015	2,869,543
Cash and bank balances	**4,611,981**	3,076,015	2,894,411
Term deposit whose original maturity is within 3 months	**2,668,000**	3,000,000	-
Cash and cash equivalents	**7,279,981**	6,076,015	2,894,411

Term deposits with original maturity within 3 months are placed with a local commercial bank and carry average interest rate ranging from 2.79% to 4.00% (31 December 2025: 3.60% to 3.70% and 30 June 2025: 3.75% to 3.94%) per annum.

The Group has bank overdraft facilities up to KD 1,250,000 (31 December 2025: KD 1,250,000 and 30 June 2025: KD 1,250,000) that is unsecured. Interest would be payable at the CBK discount rate plus 100 basis points (31 December 2025: CBK discount rate plus 100 basis points and 30 June 2025: CBK discount rate plus 100 basis points).

At 30 June 2026, the Group had available KD 7,750,000 (31 December 2025: KD 10,250,000 and 30 June 2025: KD 12,250,000) of undrawn committed borrowing facilities.

7 EQUITY

7.1 Share capital

The authorised, issued, and fully paid-up share capital as at 30 June 2026 comprise of 100,900,800 shares (31 December 2025: 100,900,800 shares and 30 June 2025: 100,900,800 shares) of 100 fils each.

7.2 Treasury shares

The number of treasury shares as of 30 June 2026 are 4 shares with total cost of KD 0.400 and market value of KD 3.180.

8 COMMITMENTS AND CONTINGENCIES

8.1 Capital commitments

The Group has commitments in respect of future capital expenditure amounting to KD 1,121,638 (31 December 2025: KD 772,536 and 30 June 2025: KD 778,711) relating to ongoing projects under construction.

8.2 Legal contingency

During the year ended 31 December 2021, the Ministry of Electricity and Water (MEW) in the State of Kuwait has decided to withdraw a certain contract, namely North Az-Zour Chlorine Dioxide Plant Project (“Contract”) for an alleged breach of terms and specifications set forth in the Contract and inability to implement the contractual obligations therein. The Parent Company requested MEW and the Central Tenders Committee to consider the revocation of termination and reinstatement of the Contract.

The Parent Company has filed the following legal cases against MEW:

- On 9 September 2021, the Parent Company filed a Burden of Proof (No. 904-2021) against MEW. The court referred the legal case to the experts’ department to verify the elements of the lawsuit and submit their findings accordingly. During the prior year, the experts’ department submitted their report to court which affirms the Burdan of Proof relating to the inventory in the project site. Accordingly, on 18 July 2023, the court ruled to close the Burden of Proof case.

- On 17 October 2021, the Parent Company filed a substantive case (No. 2021/5035) to commence a legal action against MEW to preserve its financial and legal rights. The court has assigned an engineering expert committee to verify the elements of the lawsuit, estimate the progress of work executed by the Parent Company, verify the alleged breaches by either party along with its reasoning, and in case of MEW’s default, provide a full financial estimate of the compensation which will be eligible for the Parent Company from MEW. On 26 January 2025, the Court of First Instance has ruled in favor of the Parent Company. The Court’s verdict obliges MEW to settle amount of KD 855,807 to the Parent Company with an interest of 7% on this amount from the due date (i.e. 19 August 2021), and to handover all the electrical materials stored at the site to the Parent Company. Furthermore, the verdict obliges the Parent Company to settle amount of KD 257,950 to MEW which represents the total penalties imposed on the Parent Company. The Parent Company and MEW have submitted a request for an Appeal, and on 23 June 2025, an appeal judgement affirmed the ruling of the Court of First Instance for both the Parent Company and MEW. On 18 August 2025, the Parent Company has submitted Appeal request in the Court of Cassation and the session has not been scheduled yet by Ministry of Justice. In parallel, the Parent Company has filed a request for court ruling execution in the execution department in the Ministry of Justice, and the Ministry of Justice has officially notified MEW on 24 August 2025 to proceed with the financial settlement. Further, on 10 February 2026, the Ministry of Justice has sent another official letter to MEW to proceed with the net financial settlement amounting to KD 598,061. On 26 April 2026, the MEW settled the net amount to the Parent Company which was recorded within “other income” in the interim condensed consolidated statement of profit or loss (Note 4).

Other contingencies

At 30 June 2026, the Group’s bankers had outstanding letter of guarantees and credits amounting to KD 8,212,461 (31 December 2025: KD 8,419,983 and 30 June 2025: KD 7,481,715) for the performance of certain contracts from which it is anticipated that no material liabilities will arise.

9 RELATED PARTY DISCLOSURES

The Group's related parties include its associates and joint ventures, major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

There were no transactions other than those with key management personnel, entered into with related parties during the reporting period.

Transactions with key management personnel
Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows.

	Transaction values for the three months ended 30 June		*Transaction values for the six months ended 30 June*	
	2026 KD	*2025 KD*	***2026 KD***	*2025 KD*
Salaries and other short-term benefits	**72,296**	74,404	**139,136**	150,930
Employees end of service benefits	**7,938**	7,792	**15,789**	15,644
	80,234	82,196	**154,925**	166,574

	Balance outstanding as at		
	30 June 2026 KD	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
Salaries and other short-term benefits	**94,292**	88,783	91,907
Employees end of service benefits	**204,013**	188,224	172,886
	298,305	277,007	264,793

The Board of Directors of the Parent Company at the meeting held on 5 March 2026 has proposed directors' remuneration of KD 40,000 for the year ended 31 December 2025 (2024: KD 85,000). The remuneration was approved by the shareholders at the AGM on 12 April 2026.

10 SEGMENT INFORMATION

For management's purposes, the Group's products and services are organised into the following operating segments. The principal activities and services under these segments are as follows:

- **Chlor Alkali:** Production and sale of chlor alkali products.
- **Petrochemical products:** Production and sale of petrochemical products.
- **Trading:** Distribution of industrial materials.
- **Logistics and Transport:** Logistic and transportation services provided by the Group.
- **Industrial projects:** Construction of chlorine dioxide plant for groundwater reservoirs.
- **Investments:** Group's investments in an associate and goodwill.

a) Segment revenue and results

The following tables present revenue and profit information of the Group's operating segments for the period ended 30 June 2026 and 2025, respectively:

	Six months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD	*KD*	***KD***	*KD*
	Revenue		*Results*	
Chlor Alkali	**8,060,205**	10,595,076	**1,326,809**	3,911,583
Trading	**7,953,485**	8,301,611	**1,941,801**	1,909,935
Logistics and transport	**975,073**	1,272,272	**6,129**	6,359
Industrial projects	**90,738**	226,269	**18,582**	46,336
Investments	**-**	-	**24,494**	(62,358)
Adjustments and eliminations	**(1,772,201)**	(2,019,050)	**-**	-
Consolidated	**15,307,300**	18,376,178	**3,317,815**	5,811,855
Other income			**819,195**	122,282
Net foreign exchange differences			**(13,865)**	(54,680)
Finance costs			**(12,143)**	(21,441)
Other unallocated amounts			**(2,354,816)**	(2,489,868)
Profit for the period			**1,756,186**	3,368,148

	Six months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD	*KD*	***KD***	*KD*
	Purchases of property, plant and equipment		*Depreciation of property, plant, and equipment*	
Chlor Alkali	**358,420**	1,773,930	**1,449,043**	1,373,731
Petrochemical products	**-**	-	**531**	531
Trading	**5,610**	27,041	**24,745**	25,235
Logistics and transport	**63,533**	36,700	**50,543**	61,138
	427,563	1,837,671	**1,524,862**	1,460,635

10 SEGMENT INFORMATION (continued)

b) Segment assets and liabilities

The following tables present assets and liabilities information for the Group's operating segments as at 30 June 2026, 31 December 2025 and 30 June 2025, respectively:

	30 June 2026 KD	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
Segment assets			
Chlor Alkali	**35,389,516**	36,502,877	34,642,945
Petrochemical products	**16,761**	5,209	11,813
Trading	**6,609,099**	7,222,341	5,659,137
Logistics and transport	**769,517**	634,772	672,941
Industrial projects	**594,108**	503,365	300,792
Investments	**2,056,943**	2,221,734	2,093,883
Total consolidated segment assets	**45,435,944**	47,090,298	43,381,511

	30 June 2026 KD	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
Segment liabilities			
Chlor Alkali	**5,006,699**	5,282,706	4,406,878
Petrochemical Products	**5,424**	16,477	8,751
Trading	**4,065,431**	3,044,470	3,640,172
Logistics and transport	**332,928**	287,814	377,385
Other unallocated amounts	**4,286**	4,246	4,246
Total consolidated segment liabilities	**9,414,768**	8,635,713	8,437,432

c) Geographical segments

The geographical analysis of the Group's revenue from external customers has been based on the location of customers from which revenue is derived:

	Six months ended 30 June	
	2026 KD	*2025 KD*
Kuwait	**11,292,858**	12,296,228
Other MENA	**5,697,880**	6,159,116
Asia	-	58,653
South America and North America	**57,377**	436,099
Others	**31,386**	1,445,132
Adjustments and eliminations	**(1,772,201)**	(2,019,050)
Total consolidated segment revenue	**15,307,300**	18,376,178

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.
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.

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

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair value hierarchy
- 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

For assets and liabilities that are recognised in the interim condensed consolidated financial information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Valuation methods and assumptions
The following methods and assumptions were used to estimate the fair values:

Financial assets and liabilities
Fair value of financial instruments is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in interest rates.

12 DISTRIBUTIONS MADE AND PROPOSED

The Board of Directors in their meeting held on 5 March 2026, proposed a cash dividend of 40% (2024: 70%) of the paid-up share capital (40 fils per share aggregating to KD 4,036,032) for the year ended 31 December 2025 (2024: 70 fils per share aggregating to KD 7,063,056).

The proposed dividend for the year ended 31 December 2025 were approved by the shareholders of the Parent Company at the annual general meeting (AGM) held on 12 April 2026 and subsequently paid.

Dividends payable as at 30 June 2026 amounted to KD 4,286 (31 December 2025: KD 4,246 and 30 June 2025: KD 4,246) and recorded within "Trade payables, contract liabilities and other payables" in the interim condensed consolidated statement of financial position.

13 OUTBREAK OF GEOPOLITICAL CONFLICT

The Group operates in a global and regional economic environment that continues to be affected by heightened geopolitical tensions in the Middle East. Recent developments in the region have increased uncertainty in financial markets, energy supply and costs, regional security conditions, and global trade routes. The wider regional impact of these events may affect economic conditions relevant to the various sectors. Management has assessed the potential impacts of the geopolitical situation on the Group's operations and financial position, taking into consideration:

- *Macroeconomic conditions*, including inflationary pressures, interest rate volatility, and economic growth trends.
- *Construction and development activity,* particularly potential increases in costs of materials and services, supply-chain disruptions, and project timelines.
- Financing and liquidity, including the availability and cost of debt financing, refinancing risk, and compliance with financial covenants.
- Credit risk, particularly in sectors or geographies that may be indirectly affected by disruptions in trade, energy markets, or regional economic activity.
- Fair value volatility of investments, particularly those exposed to emerging markets, energy-sensitive sectors, or regions indirectly affected by supply-chain disruptions and energy market instability.
- Supply-chain disruption, including delays in shipping, rerouting of cargo, congestion at ports, and increased freight and insurance costs.
- Commodity and product price volatility, particularly for goods linked to energy prices or imported through affected trade corridors.
- Availability of goods, including extended lead times from suppliers and changes in sourcing strategies.
- Foreign exchange risk, arising from increased currency volatility in markets linked to the region.

In assessing the carrying values of property, plant and equipment and other non-financial assets, management has not identified any indicators of impairment requiring recognition at the reporting date. However, future adverse developments in the geopolitical environment may result in changes to key valuation assumptions.

The Group's ECL models incorporate forward-looking information reflecting multiple macroeconomic scenarios. In light of the current geopolitical situation, management has reviewed and updated relevant assumptions. While increased uncertainty has been incorporated into ECL calculations, no widespread migration of balances to higher credit-risk stages was identified as at the reporting date, management concluded that the allowance for expected credit losses appropriately reflects the level of credit risk inherent in the Group's trade receivable portfolio.

The Group maintains liquidity buffers and capital resources that management considers sufficient to meet its commitments and operating expenses as they fall due. The Group has assessed the potential impact of adverse market movements on its ability to realise investments or access funding, including under stressed market scenarios. No breaches of liquidity thresholds, investment restrictions, or capital management policies were identified as at the reporting date.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and concluded that the going-concern basis remains appropriate. The geopolitical situation remains dynamic, and the extent and duration of potential impacts on global financial markets are uncertain. Management continues to monitor developments closely and will reflect any material impacts in future valuations, risk disclosures, and financial reporting as appropriate.