

Arab Center For Pharmaceutical & Chemical Industries Company

(Public Shareholding Company)

Amman Jordan

Interim condensed Financial Statements for

The period ended June 30, 2026

With Auditors' report

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June 30, 2026

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Review Report

To the esteemed Chairman and Members of the Board of Directors
Arab Center For Pharmaceutical & Chemical Industries Company
Public Shareholding Company
Amman, Jordan

Introduction

We have reviewed the attached condensed interim consolidated financial statements of **Arab Center For Pharmaceutical & Chemical Industries Company (a Public Shareholding Company)**, which comprise the interim consolidated statement of financial position as of June 30, 2026, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity, and the interim consolidated statement of cash flows for the six-months period ended on that date. The preparation and presentation of the condensed consolidated financial data in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting," are the responsibility of the company's management. Our responsibility is to issue a report on these statements based on our review procedures.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." This review primarily consisted of performing analytical procedures on the financial information and making inquiries of the officials responsible for financial and accounting matters of the company. Our review procedures are substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs). Because a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, we do not express an audit opinion on the attached condensed interim consolidated financial statements.

Significant Doubt About Company's Continuity

We would like to draw attention to Note (4) to the interim financial statements, which indicates that, as of 30 June 2026, the Company's accumulated losses amounted to JOD 3,245,588, representing 649% of its share capital, following the partial offset of accumulated losses through a reduction in share capital and the utilization of the statutory reserve balance. In addition, the Company's current liabilities exceeded its current assets by JOD 2,696,849.

These matters affect the Company's ability to continue as a going concern, and its continuation depends on securing the necessary financing to settle its obligations and on the success of its future operations. At the Extraordinary General Assembly meeting held on 29 March 2026, a capital restructuring was approved with the objective of reducing the percentage of accumulated

losses to below 75% of the Company's share capital in order to ensure the Company's ability to continue as a going concern. The restructuring is currently in its final stages of implementation.

Conclusion

Based on our review procedures performed, we have not become aware of any material modifications that should be made to the attached condensed interim consolidated financial statements in order for them to be in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting."

Emphasis of Matter Paragraph

We draw attention to the following matters:

- There are attachments and legal liens on the company's land, buildings, vehicles, machinery, and bank current accounts, in addition to a restriction on the company's registration as reflected in the company's registration certificate with the Ministry of Industry and Trade – Companies Control Department.
- We also draw attention to Note No. (5), which indicates that the construction-in-progress project, which commenced in March 2013 and is still ongoing to date, has not been completed. It is noted that the dispute with the contractor is currently under arbitration for settlement.

Khalifeh & Rayyan Auditors and Financial Consultants

Imad Al-Rayyan

License No. 719


KHALIFEH & RAYYAN
Auditors And Financial Consultants

Amman – Jordan

As of: 30 Aug 2026

Arab Center For Pharmaceutical & Chemical Industries
Public Shareholding Company
Interim Statement of Financial Position AS AT 30 June 2026

	<u>Notes</u>	<u>30-Jun-26</u>	<u>31-Dec-25</u>
		JOD	JOD
Assets			
Non-Current assets			
Properties and equipments	5	4,418,789	4,430,803
Investment in an associate company	3	0	0
Due from related parties		5,542	5,542
Financial assets at fair value (Comprehensive income)		1	1
		<u>4,424,332</u>	<u>4,436,345</u>
Current assets			
Inventory		90,103	81,620
Other Debit balances		51,530	51,808
Trade receivables		1,199	1
Total Current assets		<u>142,833</u>	<u>133,429</u>
TOTAL ASSETS		<u>4,567,165</u>	<u>4,569,775</u>
EQUITY AND LIABILITIES			
EQUITY			
Declared and paid in capital		500,000	5,000,000
Statutory reserve		0	1,138,105
Accumulated changes in fair value of financial assets		(115,457)	(115,457)
Accumulated losses	4	(3,245,588)	(8,865,940)
Net Equity		<u>(2,861,046)</u>	<u>(2,843,292)</u>
LIABILITIES			
Non -Current liabilities			
Due from shareholders		4,588,529	4,544,496
Total non -current liabilities		<u>4,588,529</u>	<u>4,544,496</u>
Current liabilities			
Due to related parties		1,544,549	1,564,716
Shareholders' deposits		208,330	208,330
Other credit balances		685,124	685,271
Trade payable		401,679	410,255
Total current liabilities		<u>2,839,682</u>	<u>2,868,572</u>
Total liabilities		<u>7,428,211</u>	<u>7,413,067</u>
TOTAL EQUITY AND LIABILITIES		<u>4,567,165</u>	<u>4,569,775</u>

(The accompanying notes are an integral part of these financial statements)

Arab Center For Pharmaceutical & Chemical Industries
Public Shareholding Company

Interim Statement of Profit or Loss For the six months ended

	For the six months ended		For the three months ended	
	<u>30-Jun-26</u>	<u>30-Jun-25</u>	<u>30-Jun-26</u>	<u>30-Jun-25</u>
	JOD	JOD	JOD	JOD
Sales	107,034	71,925	69,590	38,706
Cost of sales	(77,593)	(64,949)	(48,720)	(38,643)
Gross profit (loss)	29,441	6,976	20,870	63
Other income	18,016	13,641	8,937	6,816
Administrative expenses	(65,210)	(27,043)	(44,715)	(12,007)
Profit (loss) for the period	(17,753)	(6,426)	(14,908)	(5,128)
Other comprehensive income items:				
Changes in fair value of financial assets	-	-	-	-
Total comprehensive income (loss) for the period	(17,753)	(6,426)	(14,908)	(5,128)
Weighted average numbers of shares	5,000,000	5,000,000		
Basic and diluted earnings (loss) per share	(0.0036)	(0.0013)		

(The accompanying notes are an integral part of these financial statements)

Arab Center For Pharmaceutical & Chemical Industries
Public Shareholding Company
Interim Statement of Cash Flows For the six months ended

	<u>30-Jun-26</u>	<u>30-Jun-25</u>
	JOD	JOD
Operating activities		
Profit (loss) for the period	(17,753)	(6,426)
Adjustments for:		
Depreciation	12,013	11,556
Net Operating Cash Profit (Loss)	<u>(5,740)</u>	<u>5,130</u>
Changes in working capital		
Inventory	(8,483)	(9,066)
Other Debit balances	278	4,840
Trade receivables	(1,198)	386
Other credit balances	(146)	(6,718)
Trade payable	(8,576)	8,314
Total Changes in Working Capital Items	<u>(18,125)</u>	<u>(2,244)</u>
Net cash from operating activities	<u>(23,865)</u>	<u>2,886</u>
Investing activities		
Proceeds from disposal of property and equipment	-	-
Net cash from operating activities	-	-
Financing activities		
Due to related parties	(20,168)	(2,396)
Shareholders' deposits	44,033	-
Net cash from financing activities	<u>23,865</u>	<u>(2,396)</u>
Net changes in cash and cash equivalent	-	490
Cash and cash equivalent at beginning of period	-	-
Cash and cash equivalent at end of period	<u>-</u>	<u>490</u>

(The accompanying notes are an integral part of these financial statements)

Arab Center For Pharmaceutical & Chemical Industries
Public Shareholding Company
Interim Statements of changes in equity for the six months ended at 30 June 2026

	<u>Paid in capital</u>	<u>Statutory reserve</u>	<u>Accumulated changes in fair value</u>	<u>Accumulated losses</u>	<u>Total equity</u>
	JOD	JOD	JOD	JOD	JOD
Balance as at 01/01/2026	5,000,000	1,138,105	(115,457)	(8,865,940)	(2,843,292)
Decrease share capital	(4,500,000)	(1,138,105)	-	5,638,105	-
Total comprehensive loss for the period	-	-	-	(17,753)	(17,753)
Balance as at 30/06/2026	500,000	-	(115,457)	(3,245,588)	(2,861,045)
Balance as at 01/01/2025	5,000,000	1,138,105	(115,457)	(8,829,316)	(2,806,668)
Total comprehensive income for the period	-	-	-	(6,426)	(6,426)
Balance as at 30/06/2025	5,000,000	1,138,105	(115,457)	(8,835,742)	(2,813,094)

* As of January 1, 2026, accumulated losses amounting to JOD 5,638,105 were offset through a reduction in share capital of JOD 4,500,000 and the utilization of the entire statutory reserve balance of JOD 1,138,105.

(The accompanying notes are an integral part of these financial statements)

Arab Center For Pharmaceutical & Chemical Industries
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 June 2026

1- GENERAL

Arab Center For Pharmaceutical & Chemical Industries Company, was established as a Public Shareholding Company on 05 July 1983 under number (260). The company's head office is in the Hashemite Kingdom of Jordan.

The main objectives and purposes of the company are as follows:

- * Manufacturing of human pharmaceutical liquid dosage forms
- * Manufacturing of human pharmaceutical tablets
- * Manufacturing of human pharmaceutical suppositories
- * Manufacturing of veterinary antibiotics
- * Manufacturing of veterinary antibacterial products
- * Manufacturing of veterinary vitamins and anti-infective products
- * Manufacturing of gelatin capsules

2- Summary of significant accounting policies

A- Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis, except for financial assets which have been measured at fair value.

The financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the period.

B- Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3- Investment in an associate company

	<u>31-Mar-26</u>	<u>31-Dec-25</u>
	JD	JD
Cost (Middle East Pharmaceutical & Chemical Industries Co.)	394,016	394,016
Share of the company in the results of the associated company	<u>(394,016)</u>	<u>(394,016)</u>
	<u>-</u>	<u>-</u>

Arab Center For Pharmaceutical & Chemical Industries
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 June 2026

4- Accumulated losses

The accumulated losses of the company as of the statement of financial position date amounted to JOD 3,245,588, representing 649% of the company's share capital. In addition, the company's current liabilities exceeded its current assets by JOD 2,696,849, which may affect the company's ability to continue as a going concern and requires compliance with Article No. (266) of the Jordanian Companies Law.

5- Property, plant and equipment

This item consists of the following:

Description	Cost as at 2026/01/01	Additions	Cost as at 2026/06/30	Accumulated depreciation as at 2026/01/01	Depreciation for the period	Accumulated depreciation as at 2026/06/30	Net book value
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Land	322,476	-	322,476	-	-	-	322,476
Buildings	1,216,723	-	1,216,723	778,934	11,564	790,498	426,225
Machinery and equipment	3,367,818	-	3,367,818	3,358,132	449	3,358,582	9,236
Furniture and decorations	208,255	-	208,255	207,829	-	207,829	426
Electrical equipment and air conditioning	114,481	-	114,481	114,410	-	114,410	71
Tools and equipment	27,007	-	27,007	27,002	-	27,002	5
Vehicles	36,582	-	36,582	36,579	-	36,579	3
Computer hardware and software	200,705	-	200,705	200,598	-	200,598	107
Project under construction	3,660,240	-	3,660,240	-	-	-	3,660,240
Total	9,154,287	-	9,154,287	4,723,485	12,013	4,735,498	4,418,789