SAUDI KAYAN PETROCHEMICAL COMPANY (SAUDI KAYAN)

(A SAUDI JOINT STOCK COMPANY)

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

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Report on review of interim condensed financial statements

To the shareholders of Saudi Kayan Petrochemical Company (Saudi Kayan)
(A Saudi Joint Stock Company)

Introduction

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim 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, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471

برايس وترهاوس كوبرز
محاسبون قانونيون
س.ت: ١٠١٠٣٧١٦٢٢
PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTS
C.R.: 1010371622

27 July 2026

Branch of PricewaterhouseCoopers Public Accountants (Professional Limited Liability Company), Al Hugayet Tower, floor 15
T: +966 (13) 849-6311, F: +966 (13) 849-6281

UN No. 7003482499, CR No. 2051062384 (Main CR No. 1010371622,main UN No. 7000928734), Capital SR 500,000, National Address: 5374 King Salman Bin Abdulaziz Road, Al Hizam Al Akhdar District, Postal Code 34433, Secondary No. 6676, Al Khobar, Kingdom of Saudi Arabia

SAUDI KAYAN PETROCHEMICAL COMPANY (SAUDI KAYAN)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

	Note	30 June 2026	31 December 2025
ASSETS		**(Unaudited)**	(Audited)
Non-current assets			
Property, plant and equipment	8	**17,491,450**	18,269,271
Right-of-use assets	9	**149,583**	172,665
Intangible assets		**136,926**	146,949
Other assets and receivables		**112,556**	110,058
Total non-current assets		**17,890,515**	18,698,943
Current assets			
Inventories	10	**1,972,125**	1,370,809
Trade receivables		**2,056,687**	2,050,529
Prepayments		**46,273**	88,722
Other assets and receivables		**367,210**	344,786
Cash and cash equivalents		**722,836**	171,036
Total current assets	2	**5,165,131**	4,025,882
Total assets		**23,055,646**	22,724,825
EQUITY AND LIABILITIES			
Equity			
Share capital		**15,000,000**	15,000,000
Other components of equity	4	**-**	620,874
Actuarial reserve		**92,092**	80,009
Accumulated losses		**(7,187,525)**	(6,521,035)
Total equity		**7,904,567**	9,179,848
Liabilities			
Non-current liabilities			
Debt	11	**7,691,289**	7,763,791
Lease liabilities		**170,414**	181,789
Employees' benefits		**895,476**	859,705
Total non-current liabilities		**8,757,179**	8,805,285
Current liabilities			
Current portion of debt	11	**1,176,382**	1,176,306
Current portion of lease liabilities		**17,549**	18,864
Current portion of employees' benefits		**141,105**	131,336
Trade payables		**3,583,747**	2,346,317
Accruals and other current liabilities		**1,474,033**	1,057,367
Zakat provision	7	**1,084**	9,502
Total current liabilities	2	**6,393,900**	4,739,692
Total liabilities		**15,151,079**	13,544,977
Total equity and liabilities		**23,055,646**	22,724,825

Abdullah Al-Shehri (General Manager Finance and Planning)	Sameeh Al-Sahafi (Company's President)	Majed Nouraddin (Designated Member)

The accompanying notes from 1 to 14 form an integral part of these interim condensed financial statements.

SAUDI KAYAN PETROCHEMICAL COMPANY (SAUDI KAYAN)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

	Note	For the three-month period ended		For the six-month period ended	
		30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Revenue		**2,008,868**	2,231,290	**3,496,585**	4,293,080
Cost of revenue	2	**(2,347,633)**	(2,343,677)	**(4,119,611)**	(4,794,120)
Gross loss		**(338,765)**	(112,387)	**(623,026)**	(501,040)
Selling and distribution expenses		**(70,773)**	(67,460)	**(154,893)**	(133,584)
General and administrative expenses		**(114,935)**	(137,155)	**(209,691)**	(265,956)
Other operating income (loss), net		**2,234**	11,163	**3,513**	(54,119)
Operating loss		**(522,239)**	(305,839)	**(984,097)**	(954,699)
Finance income		**2,694**	1,636	**3,401**	4,214
Finance cost		**(152,938)**	(191,788)	**(305,993)**	(321,249)
Loss before zakat		**(672,483)**	(495,991)	**(1,286,689)**	(1,271,734)
Zakat expense		**(276)**	(363)	**(675)**	(402)
Loss for the period		**(672,759)**	(496,354)	**(1,287,364)**	(1,272,136)
Other comprehensive income					
Items that will not be reclassified to the statement of profit or loss:					
Re-measurement of defined benefit plans		**36,222**	2,057	**12,083**	6,361
Other comprehensive income for the period		**36,222**	2,057	**12,083**	6,361
Total comprehensive loss for the period		**(636,537)**	(494,297)	**(1,275,281)**	(1,265,775)
Loss per share					
Number of shares outstanding (in thousands)		**1,500,000**	1,500,000	**1,500,000**	1,500,000
Basic and diluted loss per share attributable to the shareholders of the Company (Saudi Riyals)		**(0.45)**	(0.33)	**(0.86)**	(0.85)

Abdullah Al-Shehri
(General Manager Finance and Planning)

Sameeh Al-Sahafi
(Company's President)

Majed Nouraddin
(Designated Member)

The accompanying notes from 1 to 14 form an integral part of these interim condensed financial statements.

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SAUDI KAYAN PETROCHEMICAL COMPANY (SAUDI KAYAN)

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

	Share capital	Statutory reserve	Other components of equity	Actuarial reserve	Accumulated losses	Total
As at 1 January 2025 (audited)	15,000,000	288,470	620,874	109,125	(4,515,622)	11,502,847
Loss for the period	-	-	-	-	(1,272,136)	(1,272,136)
Other comprehensive income for the period	-	-	-	6,361	-	6,361
Total comprehensive loss for the period	-	-	-	6,361	(1,272,136)	**(1,265,775)**
Transfer from statutory reserve	-	(288,470)	-	-	288,470	-
As at 30 June 2025 (unaudited)	15,000,000	-	620,874	115,486	(5,499,288)	**10,237,072**
As at 1 January 2026 (audited)	**15,000,000**	-	**620,874**	**80,009**	**(6,521,035)**	**9,179,848**
Loss for the period	-	-	-	-	(1,287,364)	(1,287,364)
Other comprehensive income for the period	-	-	-	12,083	-	12,083
Total comprehensive loss for the period	-	-	-	12,083	(1,287,364)	(1,275,281)
Transfer of other components of equity (Note 4)	-	-	(620,874)	-	620,874	-
As at 30 June 2026 (unaudited)	15,000,000	-	-	92,092	(7,187,525)	7,904,567

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SAUDI KAYAN PETROCHEMICAL COMPANY (SAUDI KAYAN)

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

For the six-month period ended	Note	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Cash flows from operating activities			
Loss before zakat		**(1,286,689)**	(1,271,734)
Adjustment for:			
Depreciation of property, plant and equipment and right-of-use assets	8, 9	**1,143,257**	1,187,473
Amortisation of intangible assets		**10,023**	11,558
Loss on termination of right-of-use assets		**1,724**	-
Employees' benefits		**51,725**	60,985
Loss on disposal of property, plant and equipment		**-**	6,957
Write-off of property, plant and equipment		**-**	-
Finance cost		**305,993**	321,249
Finance income		**(3,401)**	(4,214)
		222,632	312,274
Changes in:			
Inventories		**(601,316)**	27,691
Trade receivables		**(6,158)**	40,421
Prepayments		**42,449**	81,457
Other current and non-current assets		**(24,922)**	20,643
Trade payables		**1,237,430**	(506,958)
Accruals and other current liabilities		**416,666**	(208,365)
Cash generated from (used in) operations		**1,286,781**	(232,837)
Insurance proceeds received for business interruption losses		**-**	74,555
Finance cost paid		**(274,077)**	(113,077)
Finance income received		**3,401**	4,270
Employees' benefits paid		**(17,444)**	(37,491)
Zakat paid		**(9,093)**	-
Net cash generated from (used in) operations		**989,568**	(304,580)
Cash flows from investing activity			
Additions to property, plant and equipment	8	**(351,242)**	(199,746)
Net cash used in investing activity		**(351,242)**	**(199,746)**

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SAUDI KAYAN PETROCHEMICAL COMPANY (SAUDI KAYAN)

(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (CONTINUED)
(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

For the six-month period ended	Note	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Cash flows from financing activities			
Net debt proceeds		-	7,993,150
Repayment of debt		(81,000)	(7,155,448)
Repayment of the principal portion of lease liabilities		(5,526)	(17,868)
Net cash (used in) generated from financing activities		(86,526)	819,834
Net increase in cash and cash equivalents		551,800	315,508
Cash and cash equivalents at the beginning of the period		171,036	296,353
Cash and cash equivalents at the end of the period		722,836	611,861

Non-cash transactions

Transfer of other components of equity to accumulated losses	620,874	-
Derecognition of right-of-use assets	8,888	-
Derecognition of lease liabilities	7,164	-
Transfer from statutory reserve to retained earnings	-	288,470
Transaction cost adjusted against debt proceeds	-	101,250
Additions to right-of-use assets and lease liabilities	-	2,060
Transfer from property, plant and equipment to other non current assets	-	1,118
Employees' benefits transferred from related parties	-	3,973

Abdullah Al-Shehri (General Manager Finance and Planning)	Sameeh Al-Sahafi (Company's President)	Majed Nouraddin (Designated Member)

The accompanying notes from 1 to 14 form an integral part of these interim condensed financial statements.

1 Corporate information

Saudi Kayan Petrochemical Company (Saudi Kayan) ("the Company'') is a Saudi Joint Stock Company registered under Commercial Registration No. 2055008450, and unique identification number 7001525547, issued in Al Jubail on 26 Jumada'I 1428 H (12 June 2007G). The registered address of the Company is P.O. Box 10302, Al Jubail Industrial City, the Kingdom of Saudi Arabia. 35% of the Company's shares are owned by Saudi Basic Industries Corporation ("SABIC") and the remaining held by the general public.

The Company is engaged in the production of polypropylene, propylene, acetone, polyethylene, ethoxylate, ethylene, ethylene glycol, bisphenol, ethanolamine, industrial fatty alcohol, polycarbonate and other petrochemical products under an industrial license No. 1428100189898 ending on 7 Rabi' al-Awwal 1452H (corresponding to 8 July 2030G) issued by the Ministry of Energy, Industry and Mineral Resources.

The Company has 33.33% interest in Saudi Butanol Company (Sabuco), a Saudi Arabian Mixed Limited Liability Company. Sabuco's principal activities comprise of a Butanol plant in Jubail for the production of N-Butanol and Iso-Butanol. All of the N-Butanol and Iso-Butanol produced by Sabuco is sold to the parties to the joint arrangement (i.e. the Company and other shareholders of Sabuco). Based on these facts and circumstances, it was assessed that the Company has rights to the assets and obligations for the liabilities relating to Sabuco and has therefore been classified as a joint operation. The Company has accounted for its share of assets, liabilities, income and expenses based on its 33.33% shareholding interest.

These interim condensed financial statements have been approved by the Board Audit Committee on 7 Safar 1448H (corresponding to 21 July 2026G).

2 Going concern

During six-month period ended 30 June 2026, the Company incurred a loss before zakat amounting to Saudi Riyals 1,286.7 million (30 June 2025 loss before tax: Saudi Riyals 1,271.7 million) primarily due to decrease in quantities sold which was partially offset by increase in average selling price of certain products of the Company. The accumulated losses as at 30 June 2026 amounted to Saudi Riyals 7,187.5 million (31 December 2025: Saudi Riyals 6,521.0 million) representing 48% (31 December 2025: 43%) of its share capital.

Further, as at 30 June 2026, the Company's current liabilities exceeded its current assets by Saudi Riyals 1,228.8 million (31 December 2025: Saudi Riyals 713.8 million) primarily due to expected scheduled debt repayments of Saudi Riyals 1,176.4 million (31 December 2025: Saudi Riyals 1,176.3 million) over the next twelve months which include Saudi Riyals 998.8 million (31 December 2025: Saudi Riyals 998.3 million) as current liability relating to the revolving credit facility ("RCF") and amounts due to a related party amounting to Saudi Riyals 2,136.2 million (31 December 2025: Saudi Riyals 1,732.1 million).

The management expects improvement in the financial performance mainly on account of improved sales volume. Further, the Company is eligible for an additional feedstock allocation from the Ministry of Energy in the second half of 2026, which is anticipated to reduce costs and improve margins in the long term.

In addition, the management has also prepared the cashflow forecast and considered the Company's ability to coordinate the timing of payments of amounts due to a related party, which constitute significant short-term cash outflows, as a measure to better manage working capital requirements.

Further, the master facility agreement for the RCF is valid until 16 November 2027 and based on the terms of the agreement, a cash settlement cannot be enforced by the lender except in the case of non-compliance with the underlying non-financial covenants, a situation that management considers to be an unlikely event given the nature of these covenants. Accordingly, management of the Company believes that the repayment date of amounts due under the RCF will continue to be rolled over beyond the twelve-month period, as was done by the Bank in the prior years and throughout the six months to 30 June 2026, and that the Company will have sufficient liquidity available over the next twelve months. The Company has initiated communications with the bank to extend the RCF facility beyond November 2027.

2 Going concern (continued)

Based on the above considerations, management believes that the Company will be able to continue its operations and meet its obligations as they fall due within the next twelve months from the date of approval of these interim condensed financial statements and have prepared these interim condensed financial statements on a going concern basis.

Furthermore, in accordance with relevant laws and regulations applicable to the Company, if the accumulated losses of the Company amount to half of the issued capital, the Board of Directors are required to announce the losses and the recommendations relating thereto, and call for an extraordinary general assembly meeting to consider the continuation of the Company by taking measures necessary to resolve such losses or the dissolution of the Company within a specified period of time.

3 Conflict in the Middle East

The sustained geopolitical conflict in the Middle East has created widespread disturbances in economic conditions and business environments. The Company continuously monitors risks and uncertainties related to its operations, including disruptions of transport routes to customers, plant underutilizations or shutdowns, elevated logistical cost as well as feedstock supply dynamics, besides upward price movements of certain finished products.

In response to the geopolitical tensions, the Company continues to leverage SABIC’s operating model, operational flexibility, resilient supply chain network, and integration with Saudi Aramco to manage these risks and uncertainties. Furthermore, the Company has assessed its significant accounting estimates and judgments mainly related to asset impairments, recoverability of trade receivables, inventory valuation and gross margin forecast.

While the impact on business and operations were considered temporary in nature, it reflects a combination of favorable and unfavorable factors. The financial performance during the six month period ended 30 June 2026 was impacted by lower sales volumes and higher variable production costs, due to increased prices of liquid feedstock, which was partially offset by increase in average selling prices of certain products as compared to pre-conflict levels. Logistics costs also increased because of war-risk insurance premiums and additional transportation costs arising from the rerouting of shipments through alternative routes to Red Sea ports.

Management continues to assess these events for any potential material impact on the Company’s operations and financial performance.

4 Transfer of other components of equity

During the six-month period ended 30 June 2026, the General Assembly of the Company in an extraordinary assembly meeting held on 11 Shawwal 1447H (corresponding to 30 March 2026) approved the transfer of other components of equity balance, related to subordinated loan provided by a shareholder amounting to Saudi Riyals 620.9 million, to the accumulated losses reducing the accumulated losses balance as at 30 June 2026.

5 Basis of preparation

5.1 Statement of compliance

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

These condensed interim financial statements do not include all the information and disclosures required in a full set of annual financial statements and should therefore be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025. An interim period is considered as an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

5.2 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in preparing the annual financial statements for the year ended 31 December 2025.

There are no new standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2026 that have a material impact on the condensed interim financial statements.

5.3 IFRS issued but not yet effective

Implementation of IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 *'Presentation and Disclosure in Financial Statements'* is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 replaces IAS 1 'Presentation of Financial Statements', which sets out presentation and base disclosure requirements for financial statements. The new standard is effective for annual reporting periods beginning on or after 1 January 2027 and will modify the Company's statement of profit or loss presentation. Further the IFRS 18 also introduces consequential amendments to IAS 7 'Statement of Cash Flows' impacting statement of cash flows. The Company is currently in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its interim condensed financial statements. Based on the preliminary assessment, the expected impact of IFRS 18 is described below:

<u>Presentation of interim condensed statement of profit or loss</u>

All items of income and expenses in the interim condensed statement of income should be classified in one of five categories i.e., operating, investing, financing, zakat and discontinued operations. The Company has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

IFRS 18 introduces the requirement to present 'operating profit' and 'profit or loss before financing and income taxes', which is different from the current presentation. The Company expects changes to the current structure of the interim condensed statement of profit or loss to result from the following:

- A new subtotal, 'Income before financing and zakat' will be presented to show the income from operating category and investing category separately; and
- 'Bank charges' not related to raising finance or changes in interest rates will be re-classified and presented under operating category.

5 Basis of preparation (continued)

5.3 IFRS issued but not yet effective (continued)

Presentation of Interim Condensed Statement of Cash Flows

- The starting point for the interim condensed statement of cash flows will be 'operating profit'. Certain adjusting items included in the reconciliation will change as a result of the new starting point; and
- 'Finance cost paid' and 'Finance income received' will be re-classified and presented under the financing and investing activities respectively.

Aggregation and Disaggregation

IFRS 18 provides enhanced guidance on the principles of aggregation and disaggregation which focus on grouping items based on their shared characteristics, including specific presentation or disclosure matters identified through management's implementation assessment. These principles are applied across the financial statements, and they are used in defining which line items are presented in the primary financial statements and what information is disclosed in the notes.

The management is considering the characteristics of the assets, liabilities, equity items, income, expenses and cash flows when determining which information should be aggregated and what information should be disaggregated. Based on which the management will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

Management-Defined Performance Measures (MPMs)

MPMs are defined as a subtotal of income and expenses used in public communications outside the financial statements is presumed to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole. The new change will require to disclose specific information about MPMs in the notes to the financial statements together with explanation and reconciliation.

Based on preliminary assessment, the Company hasn't identified any financial performance indicator as MPMs.

The Company continues to assess the estimated impact that the initial application of IFRS 18 will have on its financial statements and will adopt the new standard when applicable. The Company has not early adopted any new standard, interpretation or amendment that have been issued but which are not yet effective.

(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

6 Related party transactions and balances

The immediate controlling party of the Company is SABIC (a listed company registered in the Kingdom of Saudi Arabia). Saudi Aramco owns 70% of SABIC through one of its subsidiaries, “Aramco Chemicals Company”. The Saudi Arabian Government is the largest shareholder of Saudi Aramco by 81.484% direct shareholding. Related parties comprise the shareholders, directors, associated companies (representing entities directly or indirectly controlled by or under the significant influence of the Company’s shareholders or ultimate controlling party) and key management personnel of the Company.

Following is the list of the major related parties of the Company:

Name of related party	Nature of relationship
Saudi Aramco	Ultimate parent company
SABIC	Parent company
SABIC affiliates	Associated companies
Power and Water Utility Company for Jubail and Yanbu (“Marafiq”)	Associate of the parent and the ultimate parent company
Saudi Butanol Company (“Sabuco”)	Joint operation

The following table provides the significant transactions that have been entered into with related parties:

		For the three-month period ended		For the six-month period ended	
Related party	Nature of Transaction	30 June 2026	30 June 2025	30 June 2026	30 June 2025
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SABIC	Sales	1,891,371	2,148,525	3,335,578	4,125,432
	Marketing fee	64,553	86,437	123,201	166,565
	Purchase of materials and other services	149,527	210,624	329,206	376,634
	Shared services charges	29,712	35,034	61,820	71,077
	Technology and innovation cost	39,069	43,514	65,500	84,080
	Purchase of insurance policies through the parent company	8,557	9,249	17,113	18,497
Saudi Aramco	Purchase of materials and other services	1,230,756	994,190	2,181,759	2,098,421
Marafiq	Purchase of utilities	17,248	15,601	34,292	30,343
SABIC affiliates	Sales	37,678	686	37,806	523
	Purchase of inventory, capital goods and services	17,267	19,846	39,746	34,073
	Supply chain services	57,011	32,127	95,413	72,177
Entities controlled by Saudi government	Purchases of goods and services	80,610	95,814	167,568	182,769
	Finance costs on loans	97,463	169,577	194,266	252,344
	Interest of lease	1,722	1,786	3,425	3,553

(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

6 Related party transactions and balances (continued)

The following table provides the related party balances as at 30 June 2026 and 31 December 2025:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
a. Trade receivables (due from related parties)		
SABIC	2,017,124	2,031,814
SABIC affiliates	39,563	18,715
	2,056,687	2,050,529
b. Advances and other receivables (due from related parties)		
SABIC	158,455	173,156
SABIC affiliates	8,087	21,016
	166,542	194,172
c. Trade payables (due to related parties)		
SABIC	2,136,236	1,732,165
Saudi Aramco	741,633	346,052
SABIC affiliates	134,808	179,437
Entities controlled by the Saudi government	30,563	37,476
	3,043,240	2,295,130
d. Accruals and other current liabilities (due to related parties)		
SABIC	543,591	355,185
Saudi Aramco	504,950	321,037
Marafiq	5,077	3,944
SABIC affiliates	199,763	100,158
Entities controlled by the Saudi government	25,728	31,077
	1,279,109	811,401
e. Loans, leases and cash and cash equivalents with entities controlled by Saudi government		
Bank borrowings	6,443,400	6,542,345
Leases liabilities	108,258	114,035
Cash and cash equivalents held with banks	2,947	11,422
	6,554,605	6,667,802

Composition of key management personnel and their compensation policies remain consistent with 2025. Further as of 30 June 2026, the Company has an outstanding balance of guarantee issued amounting to Saudi Riyals 4.1 million (31 December 2025: Saudi Riyals 4.1 million) in favor of Saudi Aramco.

7 Zakat

The Company has filed its zakat returns with ZATCA, received the zakat certificates and settled the zakat dues up to the year ended 31 December 2025. As at 30 June 2026, the Company cleared its zakat assessments with ZATCA for all years up to 31 December 2023. Zakat return for 2024 and 2025 were still under ZATCA's review as at 30 June 2026.

During the year ended 31 December 2025, ZATCA has issued an assessment of SR 7.7 million to the Company relating to the year 2023 against which provision for the whole amount was recognised during the year ended 31 December 2025 . The said assessment was cleared after the payment of the assessed amount during the six-month period ended 30 June 2026.

(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

8 Property, plant and equipment

The movement of property, plant and equipment is as follows:

	30 June2026	31 December2025
	(Unaudited)	(Audited)
Carrying value at the beginning of the period / year	18,269,271	19,918,406
Additions	351,242	688,221
Write-offs, net of accumulated depreciation	-	(18,530)
Transfer to intangible assets	-	(1,119)
Depreciation for the period / year	(1,129,063)	(2,317,707)
Carrying value at the end of the period / year	17,491,450	18,269,271

Impairment assessment

As at 30 June 2026, the Company's management identified certain impairment indicators and accordingly, carried out an impairment assessment to determine the recoverable amount of the Company's own non-current assets identified as a single cash generated unit ("CGU"). As a result of such assessment and taking into account a range of plausible changes in key variables, no impairment loss was identified as at 30 June 2026 although the headroom between the recoverable amount and the carrying amount has reduced since the year end making the value in use at 30 June 2026 highly sensitive to changes in key assumption.

The management believes that all constructed plants were pre-conditioned with the gas allocation agreement, and the Company does not have the option to curtail/discontinue any one of these plants without approvals from the regulator. Accordingly, the lowest level of identifiable cash inflows that are largely independent of the cash inflows from other assets or group of assets are the cash inflows generated by all plants together. Therefore, the Company's own non-current assets are considered as a single cash generating unit for the purpose of impairment testing. The group of assets relating to the Company's interest in SABUCO, a jointly controlled operation, are considered a separate cash generating unit as those assets are not bound by the gas allocation agreement referred to above.

In determining the recoverable amount of the Company's own CGU, management estimated the value-in-use of the CGU based on the latest available five-year business plan as approved by the Company's Board of Directors in Q4 2025 updated with management's view of the most recent external market conditions over the six-month period ended 30 June 2026.

The methodology used by management for the impairment assessment is the discounted cash flow analysis to determine value-in-use. Key assumptions used in this calculation include a pre-tax discount rate of 9.25% (2024: 9.00%) per annum, growth rate assumption of 2.50% (2025: 2.50%) for the calculation of the terminal value, sales growth rate of 4.96% (2025: 5.28%) and a EBITDA margin of 17.96% (2025: 20.37%).

Management has performed a sensitivity analysis around the key assumptions used in the value-in-use calculation and believes that the recoverable amount of non-current assets would equal to their carrying amount if the following individual key assumptions were to change as follows:

	30 June 2026		31 December 2025	
	From	To	From	To
Discount rate	9.25%	10.17%	9.00%	10.7%
Sales growth rate	4.96%	4.60%	5.28%	4.60%
EBITDA margin	17.96%	16.60%	20.37%	17.3%
Terminal growth rate	2.50%	1.31%	2.50%	0.2%

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

Assets under construction

The carrying value of property plant and equipment includes balances amounting to Saudi Riyals 1,164.2 million (31 December 2025: Saudi Riyals 859.4 million) relating to asset under construction which relates to major turnaround costs, site projects and other support facilities.

(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

9 Right-of-use assets

The movement of right of use assets is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Carrying value at the beginning of the period / year	172,665	216,081
Additions	-	3,348
Re-measurement of lease terms	-	(2,375)
Derecognition, net of accumulated depreciation	(8,888)	(6,978)
Depreciation for the period / year	(14,194)	(37,411)
Carrying value at the end of the period / year	149,583	172,665

10 Inventories

As at 30 June 2026, certain inventories were written down to their net realizable value resulting in a write-down of Saudi Riyals 241.8 million (31 December 2025: Saudi Riyals 172.7 million).

11 Debt

The details of debt are as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Long term debt		
Murabaha long term loans – syndicate	7,853,289	7,925,791
Short term debt - revolving credit facility	998,791	998,345
Finance cost payable	15,591	15,961
Total	8,867,671	8,940,097
Total non-current portion	7,691,289	7,763,791
Total current portion	1,176,382	1,176,306

Murabaha long term loans

During 2025, the Company obtained long term murabaha financing from a syndicate of banks which includes Saudi National Bank (acting as the investment agent), Bank Saudi Fransi and Alinma Bank. The total facility amounted to Saudi Riyals 8,100 million before taking into account the upfront transaction fee of Saudi Riyals 106.9 million. The facility was fully utilised as at 30 June 2026 and 31 December 2025. Repayment of the facility is due through unequal instalments over the next ten years ending in December 2034. The financial charges associated with the new facility is SAIBOR plus an agreed margin and the principal repayments started on 31 December 2025 as per the loan repayment schedule.

The facility requires the Company to maintain certain non-financial covenants including cross default clause on any financial indebtedness (except where such financial indebtedness is subordinate to the claims of the Murabaha facility or principal thereof is below a predefined amount) and is secured by pledge over certain bank accounts. Further, as at 30 June 2026, the Company was in compliance with such covenant.

(EXPRESSED IN SAUDI RIYALS IN THOUSANDS, UNLESS OTHERWISE STATED)

11 Debt (continued)

Revolving credit facility

During 2022, the Company entered into a multi-currency Murabaha Revolving Credit Facility (RCF) agreement with a local commercial bank amounting to US dollars 800.0 million (Saudi Riyals 3.0 billion) to finance working capital requirements. During the year ended 31 December 2025, the Company has renegotiated the terms of the loan and reduced the total limit of the facility to US dollars 266.7 million (Saudi Riyals 1.0 billion). The loan bears financial charges based on SIBOR / SOFR plus an agreed margin. Each transaction have an extension option up to a maximum tenor of 12 months. The RCF maturity date is 16 November 2027. As at 30 June 2025 and 31 December 2025, the facility is fully utilised.

12 Fair value measurement

Fair value of trade receivables related to contracts with provisional pricing arrangements is disclosed below.

	Fair value – Level 3	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables related to contracts with provisional pricing arrangements	**2,017,124**	2,031,814

The classification methodology used in this disclosure is in line with the annual financial statements for the year ended December 31, 2025. There were no transfers between Level 1, Level 2 or Level 3 during the six-month period ended 30 June 2026 and 2025.

The Company has a number of financial instruments which are measured at amortised cost and the fair value of all of these instruments approximate their carrying values. Management assessed that the fair value of cash and cash equivalents, other receivables, trade and other payables and accruals approximates their carrying amounts largely due to the short-term maturities of these instruments.

The valuation technique of trade receivables carried at fair value through profit or loss is based on marked-to-market observable inputs of the underlying commodities. The fair value of receivables is directly related to commodity prices and if the underlying prices as at 30 June 2026 increased / decreased by 5% with all other variables held constant, the loss before zakat for the period and trade receivables as at 30 June 2026, would have been lower / higher by Saudi Riyals 100.9 million (31 December 2025: Saudi Riyals 101.6 million).

13 Segment information

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Company’s President and Board of Directors monitors the results of the Company’s operations and have been collectively identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the CODM for the Company as a whole. The various expenses which are included in the measurement of the net result for the Company are disclosed in the respective notes to the financial statements.

The Company operates a fully integrated petrochemical facility. The Company analyzes the financial information of its operations as a whole. Accordingly, segmental analysis of the statement of profit or loss and other comprehensive income and statement of financial position is not carried out. The CODM consider the Company to be a single operating segment based on the nature of its operations and products as substantial portion of the Company's sales are made to one customer based in the Kingdom of Saudi Arabia and all of the Company’s operations are related to one operating segment which is petrochemicals.

14 Subsequent events

No significant subsequent event occurred between 30 June 2026 and the date of authorisation of these interim condensed financial statements by the Board Audit Committee, which may have a material impact on these interim condensed financial statements.