**Sahara International Petrochemical Company**
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three and six-month periods ended 30 June 2026
and Independent Auditor’s Review Report

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# Report on review of condensed consolidated interim financial statements

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

## Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Sahara International Petrochemical Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2026 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods then ended and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period ended 30 June 2026 and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Waleed A. Alhidiri
License Number 559

27 July 2026

برايس وترهاوس كوبرز
محاسبون قانونيون
ترخيص ٣٢٣/١١/٢٥/٢
س.ت ٢٠٥١٠٦٢٣٨٤
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SAHARA INTERNATIONAL PETROCHEMICAL COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED

| | Note | As at 30 June 2026 (Unaudited) | As at 31 December 2025 (Audited) |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 6 | **10,639,788** | 10,768,901 |
| Right-of-use assets | 15 | **138,840** | 107,156 |
| Intangible assets | | **557,319** | 593,305 |
| Goodwill | 7 | **630,483** | 630,483 |
| Investments in equity accounted investees | 8 | **3,149,394** | 3,632,785 |
| Long term investments | | **65,374** | 63,564 |
| Long term prepaid employees' benefits | | **464,953** | 506,109 |
| Derivative financial instruments | | **-** | 10,767 |
| Other non-current assets | | **40,351** | 39,627 |
| **Total non-current assets** | | **15,686,502** | 16,352,697 |
| | | | |
| **Current assets** | | | |
| Inventories | 16 | **1,206,148** | 960,123 |
| Trade receivables | 10 | **974,630** | 1,202,313 |
| Prepayments and other current assets | 11 | **547,404** | 415,036 |
| Derivative financial instruments | 10 | **7,438** | - |
| Short term investments | 14 | **50,200** | 47,500 |
| Cash and cash equivalents | | **2,471,229** | 1,338,709 |
| **Total current assets** | | **5,257,049** | 3,963,681 |
| **Total assets** | | **20,943,551** | 20,316,378 |
| | | | |
| **Equity and liabilities** | | | |
| Share capital | | **7,333,333** | 7,333,333 |
| Share premium | | **4,017,710** | 4,017,710 |
| Treasury shares | | **(84,758)** | (85,311) |
| Other reserves | | **(340,845)** | (336,371) |
| Retained earnings | | **1,895,817** | 2,703,002 |
| **Equity attributable to the equity holders of the Company** | | **12,821,257** | 13,632,363 |
| Non-controlling interests | | **667,251** | 700,412 |
| **Total equity** | | **13,488,508** | 14,332,775 |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Long term borrowings | 9 | **2,891,814** | 1,879,558 |
| Contractual liabilities | | **28,911** | 28,911 |
| Lease liabilities | 15 | **160,701** | 143,739 |
| Employees' benefits | | **828,199** | 795,167 |
| Deferred tax liabilities | | **100,764** | 100,764 |
| Provision for decommissioning costs | | **165,028** | 160,974 |
| Other non-current liabilities | | **8,556** | 8,556 |
| **Total non-current liabilities** | | **4,183,973** | 3,117,669 |

*(continued)*

EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED

| | Note | **As at 30 June 2026 (Unaudited)** | As at 31 December 2025 (Audited) |
|---|---|---|---|
| **Current liabilities** | | | |
| Current portion of long term borrowings | 9 | **454,855** | 575,106 |
| Short term borrowings | 9 | **800,000** | 250,000 |
| Current portion of contractual liabilities | | **190,850** | 137,471 |
| Current portion of lease liabilities | | **39,348** | 19,187 |
| Trade payables | | **289,674** | 315,122 |
| Accrued expenses and other current liabilities | | **1,038,681** | 1,179,840 |
| Provision for precious metals | | **365,098** | 297,624 |
| Zakat and income tax payable | 5 | **92,564** | 91,584 |
| **Total current liabilities** | | **3,271,070** | 2,865,934 |
| **Total liabilities** | | **7,455,043** | 5,983,603 |
| **Total equity and liabilities** | | **20,943,551** | 20,316,378 |

The condensed consolidated interim financial statements were approved by the Board of Directors of the Company on 07 Safar 1448H (corresponding to 21 July 2026) and have been signed on their behalf by:

| | | |
|---|---|---|
| **Khalid Abdullah Al- Zamil**<br>Chairman of the Board | **Ibrahim A. Al-Rushoud**<br>Chief Executive Officer | **Abdulaziz M. Al-Thukair**<br>General Manager – Financial Planning & Controlling |

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**SAHARA INTERNATIONAL PETROCHEMICAL COMPANY**
**A SAUDI JOINT STOCK COMPANY**
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**
**EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED**

| | Note | **Three months from 1 April to 30 June (Unaudited)** | | Six months from 1 January to 30 June (Unaudited) | |
|---|---|---|---|---|---|
| | | **2026** | 2025 | **2026** | 2025 |
| Revenue | 1,3 | **860,928** | 1,906,267 | **2,088,013** | 3,876,073 |
| Cost of revenues | | **(886,814)** | (1,613,092) | **(2,035,897)** | (3,423,371) |
| **Gross (loss)/ profit** | 1 | **(25,886)** | 293,175 | **52,116** | 452,702 |
| Selling and distribution expenses | | **(12,942)** | (54,337) | **(38,155)** | (146,388) |
| General and administrative expenses | | **(148,307)** | (152,239) | **(269,797)** | (275,283) |
| **Operating (loss) / profit** | | **(187,135)** | 86,599 | **(255,836)** | 31,031 |
| Share of (loss) / profit from equity accounted investees | 8 | **(398,414)** | (199,810) | **(486,722)** | 187,216 |
| Finance income | | **23,243** | 7,276 | **30,539** | 8,933 |
| Finance costs | | **(54,350)** | (21,430) | **(107,162)** | (61,624) |
| Other income, net | | **13,482** | 6,566 | **20,397** | 10,711 |
| **(Loss) / profit before zakat and income tax** | | **(603,174)** | (120,799) | **(798,784)** | 176,267 |
| Zakat | 5 | **(20,238)** | (16,048) | **(33,500)** | (74,090) |
| Income tax | | **(5,944)** | (5,849) | **(8,062)** | (14,579) |
| **(Loss) / profit for the period** | | **(629,356)** | (142,696) | **(840,346)** | 87,598 |
| | | | | | |
| **(Loss) / profit is attributable to:** | | | | | |
| Equity holders of the Company | | **(591,901)** | (169,179) | **(807,185)** | 26,141 |
| Non-controlling interests | | **(37,455)** | 26,483 | **(33,161)** | 61,457 |
| **(Loss) / profit for the period** | | **(629,356)** | (142,696) | **(840,346)** | 87,598 |
| | | | | | |
| **(Loss) / earnings per share (Saudi Riyals):** | | | | | |
| Basic (loss) / earnings per share | 17 | **(0.82)** | (0.23) | **(1.11)** | 0.04 |
| Diluted (loss) / earnings per share | 17 | **(0.82)** | (0.23) | **(1.11)** | 0.04 |

**Khalid Abdullah Al- Zamil**
Chairman of the Board

**Ibrahim A. Al-Rushoud**
Chief Executive Officer

**Abdulaziz M. Al-Thukair**
General Manager – Financial Planning & Controlling

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**SAHARA INTERNATIONAL PETROCHEMICAL COMPANY**
**A SAUDI JOINT STOCK COMPANY**
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**
**EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED**

| | **Three months from 1 April to 30 June (Unaudited)** | | Six months from 1 January to 30 June (Unaudited) | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| **(Loss) / profit for the period** | **(629,356)** | (142,696) | **(840,346)** | 87,598 |
| **Other comprehensive income** | | | | |
| ***Items that will be reclassified to profit or* loss *in subsequent periods:*** | | | | |
| Exchange difference on translation of foreign operations | **817** | (944) | **(386)** | (1,973) |
| Changes in fair value of derivative financial instruments designated as hedges | **(2,073)** | (4,412) | **(3,329)** | (9,091) |
| | **(1,256)** | (5,356) | **(3,715)** | (11,064) |
| ***Items that will not be reclassified to* profit *or loss in subsequent periods:*** | | | | |
| Changes in fair value of financial assets classified at fair value through other comprehensive income | **(687)** | (1,304) | **1,229** | (2,002) |
| **Total other comprehensive loss for the period** | **(1,943)** | (6,660) | **(2,486)** | (13,066) |
| **Total comprehensive (loss) / income for the period** | **(631,299)** | (149,356) | **(842,832)** | 74,532 |
| **Total comprehensive (loss) / income is attributable to:** | | | | |
| Equity holders of the Company | **(593,844)** | (175,839) | **(809,671)** | 13,075 |
| Non-controlling interests | **(37,455)** | 26,483 | **(33,161)** | 61,457 |
| **Total comprehensive (loss) / income for the period** | **(631,299)** | (149,356) | **(842,832)** | 74,532 |

| **Khalid Abdullah Al- Zamil** | **Ibrahim A. Al-Rushoud** | **Abdulaziz M. Al-Thukair** |
|---|---|---|
| Chairman of the Board | Chief Executive Officer | General Manager – Financial Planning & Controlling |

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

SAHARA INTERNATIONAL PETROCHEMICAL COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED

| | Attributable to the equity holders of Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Treasury shares | Other reserves | Retained earnings | Total | Non-controlling interests | Total |
| As at 1 January 2026 (Audited) | 7,333,333 | 4,017,710 | (85,311) | (336,371) | 2,703,002 | 13,632,363 | 700,412 | 14,332,775 |
| Loss for the period (Unaudited) | - | - | - | - | (807,185) | (807,185) | (33,161) | (840,346) |
| Other comprehensive loss for the period (Unaudited) | - | - | - | (2,486) | - | (2,486) | - | (2,486) |
| Total comprehensive loss for the period (Unaudited) | - | - | - | (2,486) | (807,185) | (809,671) | (33,161) | (842,832) |
| Net change in treasury shares (Unaudited) | - | - | 553 | - | - | 553 | - | 553 |
| Net change in other reserves (Unaudited) | - | - | - | (1,988) | - | (1,988) | - | (1,988) |
| As at 30 June 2026 (Unaudited) | 7,333,333 | 4,017,710 | (84,758) | (340,845) | 1,895,817 | 12,821,257 | 667,251 | 13,488,508 |

| | Attributable to the equity holders of Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Treasury shares | Other reserves | Retained earnings | Total | Non-controlling interests | Total |
| As at 1 January 2025 (Audited) | 7,333,333 | 4,019,662 | (84,249) | (318,127) | 4,288,583 | 15,239,202 | 731,099 | 15,970,301 |
| Profit for the period (Unaudited) | - | - | - | - | 26,141 | 26,141 | 61,457 | 87,598 |
| Other comprehensive loss for the period (Unaudited) | - | - | - | (13,066) | - | (13,066) | - | (13,066) |
| Total comprehensive (loss) / income for the period (Unaudited) | - | - | - | (13,066) | 26,141 | 13,075 | 61,457 | 74,532 |
| Net change in treasury shares (Unaudited) | - | - | 611 | - | - | 611 | - | 611 |
| Net change in other reserves (Unaudited) | - | - | - | (230) | - | (230) | - | (230) |
| Dividends (Unaudited) (Note 18) | - | - | - | - | (362,561) | (362,561) | - | (362,561) |
| As at 30 June 2025 (Unaudited) | 7,333,333 | 4,019,662 | (83,638) | (331,423) | 3,952,163 | 14,890,097 | 792,556 | 15,682,653 |

**Khalid Abdullah Al- Zamil**
Chairman of the Board

**Ibrahim A. Al-Rushoud**
Chief Executive Officer

**Abdulaziz M. Al-Thukair**
General Manager – Financial Planning & Controlling

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

SAHARA INTERNATIONAL PETROCHEMICAL COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED

| | Note | **Six months from 1 January to 30 June 2026 (Unaudited)** | Six months from 1 January to 30 June 2025 (Unaudited) |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| (Loss) / profit before zakat and income tax | | **(798,784)** | 176,267 |
| *Non-cash adjustments to reconcile profit before zakat and income tax to net cash flows:* | | | |
| Depreciation of property, plant and equipment and right of use assets | | **403,890** | 405,143 |
| Impairment of non-financial assets | 6 | **-** | 200,000 |
| Amortization of intangible assets and long term prepaid employees' benefits | | **63,966** | 55,919 |
| Amortization of contractual liabilities | | **(5,924)** | (8,562) |
| Share of loss / (profit) from equity accounted investees | 8 | **486,722** | (187,216) |
| Provision for employees' benefits | | **48,853** | 48,776 |
| Provision for precious metals | | **67,474** | 43,995 |
| (Gain) / loss on disposal of property, plant and equipment and right to use assets | | **(1,623)** | 935 |
| Net foreign exchange difference | | **(55)** | (1,497) |
| Fair value (gain) / loss on investments | | **(581)** | 8,475 |
| Finance income | | **(30,539)** | (8,933) |
| Finance costs | | **107,162** | 61,624 |
| | | **340,561** | 794,926 |
| ***Changes in:*** | | | |
| Trade receivables | | **227,683** | 79,867 |
| Inventories | | **(246,025)** | (75,734) |
| Prepayments and other current assets | | **(123,010)** | (14,410) |
| Trade payables, accrued expenses and other current liabilities | | **(123,541)** | (99,093) |
| Long term prepaid employees' benefits | | **25,857** | 31,996 |
| **Cash flows from operations** | | **101,525** | 717,552 |
| Employees' benefits paid | | **(36,238)** | (9,990) |
| Zakat and income tax paid | | **(43,856)** | (89,972) |
| **Net cash generated from operating activities** | | **21,431** | 617,590 |
| | | | |
| **Cash flow from investing activities** | | | |
| Payments for purchase of property, plant and equipment and intangible asset | 6 | **(252,145)** | (280,824) |
| Proceeds from redemption of long term investments | | **-** | 5,488 |
| Placements in short term investments | | **(53,200)** | (70,000) |
| Proceeds from redemption of short term investments | | **50,500** | 125,000 |
| Finance income received | | **29,092** | 5,383 |
| Dividend received from an associate | | **-** | 65,100 |
| Loan to an associate / joint venture | | **(10,000)** | (16,877) |
| **Net cash used in from investing activities** | | **(235,753)** | (166,730) |

*(continued)*

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

| | Note | **Six months from 1 January to 30 June 2026 (Unaudited)** | Six months from 1 January to 30 June 2025 (Unaudited) |
|---|---|---|---|
| **Cash flow from financing activities** | | | |
| Repayment of long term borrowings | 9 | **(182,223)** | (236,910) |
| Proceeds from long term borrowings | | **1,075,000** | 120,000 |
| Proceeds from short term borrowings | 9 | **800,000** | 208,438 |
| Repayment of short term borrowings | | **(250,000)** | (163,000) |
| Finance costs paid | | **(95,126)** | (71,916) |
| Payment of lease liabilities | | **(478)** | (3,305) |
| **Net cash generated from / (used in) from financing activities** | | **1,347,173** | (146,693) |
| **Net increase in cash and cash equivalents** | | **1,132,851** | 304,167 |
| Cash and cash equivalents at 1 January | | **1,338,709** | 957,994 |
| Effect of exchange rate fluctuations | | **(331)** | (476) |
| **Cash and cash equivalents at 30 June** | | **2,471,229** | 1,261,685 |

**Khalid Abdullah Al- Zamil**
Chairman of the Board

**Ibrahim A. Al-Rushoud**
Chief Executive Officer

**Abdulaziz M. Al-Thukair**
General Manager – Financial Planning & Controlling

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED**

## 1. CORPORATE INFORMATION

Sahara International Petrochemical Company (“Sipchem” or “the Company”), is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia (“KSA”) under commercial registration number 2051023922 dated 30 Shawwal 1420H, corresponding to 6 February 2000. The Company's registered head office is in Al-Khobar, with a branch in the city of Riyadh having commercial registration number 1010156910 dated 14 Ramadan 1420H, corresponding to 22 December 1999, and another branch in Jubail Industrial City having commercial registration number 2055007570 dated 4 Jumada Al-Awal, 1427H, corresponding to 1 June 2006.

The Company's principal place of business is in Al Jubail, Kingdom of Saudi Arabia.

The Company and its subsidiaries hereinafter collectively referred to as the (“Group”) is engaged in the production of petrochemical products, industrial gases, manufacturing of metal equipment and spare parts, provision of industrial utilities to the Group companies and marketing services for the products manufactured by the Group companies.

The accompanying condensed consolidated interim financial information includes the activities of the Company and its following subsidiaries:

| **Subsidiaries** | **Country of incorporation and principal place of business** | **Effective ownership percentage at** | |
|---|---|---|---|
| | | **30 June 2026** | 31 December 2025 |
| Sahara Petrochemicals Company (“Sahara”) | Saudi Arabia | **100%** | 100% |
| International Methanol Company (“IMC”) | Saudi Arabia | **65%** | 65% |
| International Diol Company (“IDC”) | Saudi Arabia | **100%** | 100% |
| International Acetyl Company (“IAC”) | Saudi Arabia | **100%** | 100% |
| International Vinyl Acetate Company (“IVC”) | Saudi Arabia | **100%** | 100% |
| International Gases Company (“ IGC”) | Saudi Arabia | **100%** | 100% |
| Sipchem Marketing Company (“SMC”) | Saudi Arabia | **100%** | 100% |
| Sipchem Europe Cooperative U.A | Netherlands | **100%** | 100% |
| Sipchem Europe B.V. | Netherlands | **100%** | 100% |
| Sipchem Europe SA | Switzerland | **100%** | 100% |
| Sipchem Asia PTE Ltd. | Singapore | **100%** | 100% |
| International Utility Company (“IUC”) | Saudi Arabia | **93%** | 93% |
| International Polymers Company (“IPC”) | Saudi Arabia | **75%** | 75% |
| Sipchem Chemical Company (“SCC”) | Saudi Arabia | **100%** | 100% |
| Saudi Specialized Products Company (“SSPC”) | Saudi Arabia | **100%** | 100% |
| Saudi Advanced Technologies Company (“SAT”) | Saudi Arabia | **100%** | 100% |
| Sipchem InnoVent SA | Switzerland | **100%** | 100% |

### 1.1. Joint operation

The Company, through its subsidiary Sahara, holds 75% equity interest in Al-Waha Petrochemicals Company (“Al-Waha”), a joint operation which is primarily involved in manufacturing of Polypropylene. Al-Waha commenced its commercial operations in 2011.

**EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED**

### 1.2. Equity accounted investees

The Group also holds equity interests in following joint ventures and associates, incorporated and operating in the Kingdom of Saudi Arabia, which are primarily involved in manufacturing of petrochemical and other industrial products:

| | Effective ownership percentage at | |
|---|---|---|
| | **30 June 2026** | 31 December 2025 |
| **Joint ventures** | | |
| Sahara and Ma'aden Petrochemicals Company ("SAMAPCO") | **50%** | 50% |
| Gulf Advanced Cable Insulation Company ("GACI") | **50%** | 50% |
| Linde Sipchem Industrial Gases Company ("LSIG") | **50%** | 50% |
| Portsmouth Arabia Limited ("PAL") | **60%** | 60% |
| **Associates** | | |
| Tasnee and Sahara Olefins Company ("TSOC") | **32.55%** | 32.55% |
| Saudi Acrylic Acid Company ("SAAC") | **43.16%** | 43.16% |
| Khair Inorganic Chemicals Industries Company ("Inochem") | **30%** | 30% |

**Middle East conflict**

During the six-month period ended 30 June 2026, geopolitical tensions in the Middle East commenced and escalated, resulting in increased uncertainty and volatility in regional economic and business conditions. These developments have partially impacted the Group's operating environment, particularly through disruptions to transportation routes to customers, periods of plant underutilization, increased logistics and freight costs, fluctuations in feedstock availability, and changes in certain finished product prices in response to evolving global market dynamics.

Management has addressed the impact of these developments through regular risk assessments, using alternate trade routes, implementing cost optimisation measures, managing plant load and product mix, applying cash management strategies, and optimising storage capacity.

Management continues to monitor the evolving situation and assess its potential impact on the Group's operations, financial performance and key accounting estimates, including impairment of non-financial assets, recoverability of trade receivables and inventory valuation. Any realized impact has already been considered in the accompanying condensed consolidated interim financial statements. Also see Note 6, Note 7, and Note 16.

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

### 2.1. Statement of compliance

These condensed consolidated interim financial statements ("Interim Financial Statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Interim Financial Statements do not include all information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025 ("Last Annual Consolidated Financial Statements"). However, changes in accounting policies (if any) and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the Last Annual Financial Statements. An interim period is considered as an integral part of the whole fiscal year, however, the results of operations for the interim period may not be a fair indication of the results of the full year operations.

## 2.2. Basis of preparation

These Interim Financial Statements have been prepared on a historical cost basis, using accrual basis of accounting, except for the following material items in the condensed consolidated interim statement of financial position:

- Equity securities and certain financial assets (including derivative assets) measured at fair value;
- The defined benefit obligation for employees' end of service liability;
- Certain trade receivables;
- Right-of-use assets and lease liabilities;
- Deferred tax assets and liabilities;
- Provision for decommissioning costs; and
- Provision for precious metals.

## 2.3. Use of judgements and estimates

In preparing these Interim Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. There are no significant changes in judgements and estimates used by management in the preparation of the Interim Financial Statements from those that were applied and disclosed in the Last Annual Consolidated Financial Statements, except as disclosed in Notes 7 and 8.

## 2.4. Material accounting policies

The material accounting policies applied in these condensed consolidated Interim Financial Statements are the same as those applied in the Last Annual Consolidated Financial Statements.

## 2.5. SUMMARY OF CHANGES IN SIGNIFICANT ACCOUNTING POLICIES DUE TO NEW STANDARDS

### *(a)* New and revised standards with no material effect on the Interim Financial Statements

The following revised IFRSs have been adopted during the six month period ended 30 June 2026. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

- Classification and measurement of financial instruments – (Amendments to IFRS 9 and IFRS 7) effective for annual periods beginning on or after 1 January 2026; and
- Contracts referencing Nature-dependent Electricity - (Amendments to IFRS 9 and IFRS 7) effective for annual periods beginning on or after 1 January 2026; and
- Annual improvements to IFRS Accounting Standards - (Volume 11) effective for annual periods beginning on or after 1 January 2026; and

### *(b) New and revised standards issued but not yet effective*

New and revised standards that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these amendments to existing standards, if applicable, when they become effective.

- Subsidiaries without Public Accountability: Disclosures (IFRS 19), effective for annual periods beginning on or after 1 January 2027; and
- Presentation and Disclosure in Financial Statements (IFRS 18), effective for annual periods beginning on or after 1 January 2027.

## 2.6. IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 'Presentation and Disclosure in Financial Statements', as endorsed in Kingdom of Saudi Arabia (IFRS 18) will replace IAS 1 'Presentation of Financial Statements'' as endorsed in the Kingdom of Saudi Arabia, for annual reporting periods beginning on or after 1 January 2027.

The Group has undertaken a preliminary assessment to evaluate the potential impact of IFRS 18 on the presentation and disclosure of information in the consolidated financial statements. Based on this preliminary assessment, the principal impacts of IFRS 18 are anticipated to relate to the classification and presentation of income and expense items within the statement of profit or loss, the aggregation and disaggregation of financial information to enhance transparency; and expanded disclosure requirements in accordance with the new standard's provisions. The adoption of IFRS 18 is not expected to result in a material impact on the Group's net profit or total equity as reported in the consolidated financial statements.

Based on assessment performed to date, following items provide further details regarding the anticipated impacts of IFRS 18:

| **Particulars** | **Potential impact** |
|---|---|
| Presentation of consolidated statement of profit or loss | IFRS 18 requires entities to classify income and expenses into specified categories within the statement of profit or loss and other comprehensive income, namely operating, investing, financing, zakat expenses and discontinued operations. Classification of income and expenses depends on the main business activities of an entity<br><br>The Group determined that it does not have any specified main business activities pertaining to investing in assets and/or providing finance to customers.<br><br>IFRS 18 also introduces mandatory subtotals including ‘Operating Profit’ and ‘Profit Before Financing and Zakat and Income Taxes’. Neither total profit for the period nor total equity is expected to change as a result of adopting IFRS 18. However, operating profit or loss currently presented in consolidated statement of profit or loss differs from the operating profit or loss that will be presented after adoption of IFRS 18.<br><br>The Group has determined that upon adoption of IFRS 18, following reclassifications within the statement of profit or loss will be made to align with the new presentation requirements:<br><br>• A new subtotal, Income before financing and zakat and income taxes’ will be presented;<br>• Bank charges and other charges not related to raising finance or changes in interest rates will be re-classified and presented under operating category;<br>• ‘Dividend income from investments in equity instruments’ will be re-classified and presented under investing category;<br>• Foreign exchange differences shall be classified in the same category as the income and expenses from the items that gave rise to the foreign exchange differences;<br>• Fair value gain / loss on financial instruments held at fair value through profit or loss will be classified as part of investing category;<br>• Finance costs on ‘lease liabilities’, interest expense on “Employees’ benefits”, interest expenses on debt instruments, accretion of interest on provision for decommissioning costs will be presented under financing activities; and<br>• ‘Share of results from equity accounted investees and ‘Finance income’ on ‘short term investments’ and ‘cash and cash equivalents’ will be presented under investing category. |

| | |
|---|---|
| Aggregation and disaggregation principles | 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 consolidated 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.<br><br>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.<br><br>The Group is also expected to disaggregate the line items currently labelled as "Other" and will use more informative labels. |
| Consolidated statement of cash flows | IFRS 18 introduces amendments to IAS 7 that require that under indirect method, operating profit or loss shall be adjusted to determine the net cash flow from operating activities, instead of profit before zakat and tax currently used to determine net cash flow from operating activities. |
| Notes to the consolidated financial statements | Disclosure related to depreciation, amortization, employee benefits, impairment losses and reversals, if any, and write-downs and reversals of write-downs of inventories to be added along with the nature of category it relates to within operating activities. |
| Management-defined performance measures (MPMs) | MPMs are defined as a subtotal of income and expenses used in public communications to communicate to management's view of an aspect of the Group's financial performance. Such measures will be required to be disclosed within a single note to the financial statements together with explanations of their purpose and reconciliations to the most directly comparable IFRS-defined totals or subtotals.<br><br>Based on preliminary assessment performed to date, the Group has not identified any MPMs that are not already presented in the consolidated statement of profit or loss. However, management's assessment will continue as public communications relating to the reporting period in which IFRS 18 is first applied become available. Any measures subsequently identified as MPMs will be subject to the disclosure and reconciliation requirements of IFRS 18. |

EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED

## 3. REVENUE

| | **Six months from 1 January to 30 June 2026 (Unaudited)** | Six months from 1 January to 30 June 2025 (Unaudited) |
|---|---|---|
| Sale at provisional prices | **2,021,951** | 3,783,811 |
| Movement between provisional and final price | **63,362** | (6,361) |
| Sales of specific products | **2,700** | 98,623 |
| **Total revenue** | **2,088,013** | 3,876,073 |

Sale of petrochemical products at provisional prices includes revenue from shipping services recognized over time amounting to Saudi Riyals 60.7 million (six-months period ended 30 June 2025: Saudi Riyals 109.3 million).

**Timing of revenue recognition:**

| | **Six months from 1 January to 30 June 2026 (Unaudited)** | Six months from 1 January to 30 June 2025 (Unaudited) |
|---|---|---|
| At a point in time | **2,027,334** | 3,707,202 |
| Over time | **60,679** | 168,871 |
| | **2,088,013** | 3,876,073 |

***Contract balances***

The following table provides information about receivables from contracts with customers:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Contract assets included in trade receivables | **178,022** | 287,887 |
| Contractual liabilities | **63,024** | 9,645 |

The contract assets primarily relate to the Group’s rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED

## 4. SEGMENT INFORMATION

The Group has the following operating segments:

- **Basic chemicals,** which includes methanol, butane products and carbon monoxide.
- **Intermediate chemicals,** which includes acetic acid, vinyl acetate monomer, ethyl acetate, butyl acetate, and utilities.
- **Polymers,** which includes Low-density polyethylene, polyvinyl acetate, polyvinyl alcohol, PBT, polypropylene, EVA and electrical connecting wire products.
- **Marketing,** which includes trading revenues of SMC and its foreign subsidiaries.
- **Corporate and others,** which includes Sipchem, and tool manufacturing plant. This segment also includes Sahara's enabling functions and support activities.

No operating segments have been aggregated to form the above reportable operating segments.

| For the six month period ended 30 June 2026 (unaudited) | Basic Chemicals | Intermediate Chemicals | Polymers | Marketing | Corporate and others | Inter segment transaction elimination | Total |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| External customers - KSA | 26,105 | - | - | 300,053 | 41,925 | - | 368,083 |
| External customers - foreign countries | 76,433 | 29,759 | 308,969 | 1,304,769 | - | - | 1,719,930 |
| Inter-segment | 338,072 | 445,517 | 590,762 | - | 162,050 | (1,536,401) | - |
| Total revenue | 440,610 | 475,276 | 899,731 | 1,604,822 | 203,975 | (1,536,401) | 2,088,013 |
| Gross profit (loss) | 44,180 | (159,924) | 28,814 | 61,279 | 33,111 | 44,656 | 52,116 |
| Operating costs | (77,154) | (60,108) | (72,549) | (41,491) | (39,175) | (17,475) | (307,952) |
| Operating profit (loss) | (32,974) | (220,032) | (43,735) | 19,788 | (6,064) | 27,181 | (255,836) |
| Share of loss from equity accounted investees | - | (2,723) | - | - | (1,411,880) | 927,881 | (486,722) |
| Profit (loss) before zakat and tax | (54,407) | (241,459) | (79,725) | 22,180 | (1,358,209) | 912,836 | (798,784) |
| Capital expenditure | 107,902 | 19,394 | 134,646 | 3,304 | 20,944 | - | 286,190 |
| Depreciation and amortization | 124,364 | 146,034 | 161,099 | 4,163 | 15,108 | - | 450,768 |
| Finance costs | 26,591 | 31,201 | 37,547 | 1,301 | 68,187 | (57,665) | 107,162 |
| Finance income | 3,088 | 2,342 | 1,500 | - | 23,609 | - | 30,539 |

| As at 30 June 2026 (unaudited) | Basic Chemicals | Intermediate Chemicals | Polymers | Marketing | Corporate and others | Inter segment transaction elimination | Total |
|---|---|---|---|---|---|---|---|
| Total assets | 3,351,692 | 3,780,482 | 6,047,898 | 1,087,200 | 21,113,167 | (14,436,888) | 20,943,551 |
| Total liabilities | 1,589,542 | 2,162,466 | 2,253,551 | 581,162 | 5,183,292 | (4,314,970) | 7,455,043 |

**EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED**

| For the six month period ended 30 June 2025 (unaudited) | Basic chemicals | Intermediate chemicals | Polymers | Marketing | Corporate and others | Inter segment transaction elimination | Total |
|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | |
| External customers - KSA | 66,773 | - | - | 311,375 | 131,726 | - | 509,874 |
| External customers - foreign countries | 238,048 | 110,082 | 692,825 | 2,325,244 | - | - | 3,366,199 |
| Inter-segment | 873,952 | 958,322 | 553,718 | - | 126,325 | (2,512,317) | - |
| Total revenue | 1,178,773 | 1,068,404 | 1,246,543 | 2,636,619 | 258,051 | (2,512,317) | 3,876,073 |
| Gross profit (loss) | 432,893 | (382,200) | 134,907 | 96,591 | 39,778 | 130,733 | 452,702 |
| Operating costs | (71,382) | (74,208) | (78,657) | (52,792) | (41,294) | (103,338) | (421,671) |
| Operating profit (loss) | 361,511 | (456,408) | 56,250 | 43,799 | (1,516) | 27,395 | 31,031 |
| Share of loss from equity accounted investees | - | (4,600) | - | - | 75,595 | 116,221 | 187,216 |
| Profit (loss) before zakat and tax | 336,048 | (483,573) | 15,599 | 47,606 | 142,709 | 117,878 | 176,267 |
| Capital expenditure | 50,819 | 48,344 | 102,536 | 892 | 121,205 | - | 323,796 |
| Depreciation and amortization | 118,984 | 145,939 | 159,402 | 3,830 | 16,292 | (1,884) | 442,563 |
| Finance costs | 25,028 | 32,869 | 41,667 | 1,958 | 21,606 | (61,504) | 61,624 |
| Finance income | 3,474 | 784 | 1,387 | - | 3,288 | - | 8,933 |

| As at 31 December 2025 (Audited) | Basic chemicals | Intermediate chemicals | Polymers | Marketing | Corporate and others | Inter segment transaction elimination | Total |
|---|---|---|---|---|---|---|---|
| Total assets | 3,539,957 | 3,992,373 | 5,622,250 | 1,312,843 | 23,899,620 | (18,050,665) | 20,316,378 |
| Total liabilities | 1,637,499 | 2,128,874 | 1,740,931 | 823,849 | 4,283,154 | (4,630,704) | 5,983,603 |

Segment performance is evaluated based on profit or loss before zakat and tax and is measured consistently with profit or loss before zakat and tax in these Interim Financial Statements.

Capital expenditure and depreciation and amortization relates to property, plant and equipment and intangible assets.

## 5. ZAKAT AND INCOME TAX

The Group is subject to zakat and income tax in accordance with the Zakat, Tax and Customs Authority ("ZATCA") regulations. Zakat and income tax computation involves relevant knowledge and judgment of the zakat and tax rules and regulations to assess the impact of zakat liability at each reporting date. This liability is considered an estimate until the final assessment by ZATCA has been completed, until which the Group retains exposure to additional zakat and tax liability.

**Status of zakat and income tax assessments**

Sipchem has submitted zakat returns up to 31 December 2025 within the statutory deadline and has obtained the corresponding zakat certificates.

Sipchem has finalized its zakat status with the Zakat, Tax, and Customs Authority (ZATCA) for all years up to 2020 and for the year 2023. All zakat assessments for these years have been completed, executed, and settled, with no further liabilities remaining outstanding. Zakat returns for the years 2021, 2022, 2024 and 2025 are currently under review by ZATCA.

As at 30 June 2026, the Group management believes that sufficient provisions are recorded against all open and potential assessments.

Certain Saudi subsidiaries file their zakat returns individually and currently have no additional zakat liabilities outstanding as of the reporting date (31 December 2025: no additional zakat liabilities outstanding).

## 6. PROPERTY, PLANT AND EQUIPMENT

### a. Acquisitions

During the six-month period ended 30 June 2026, the Group acquired assets with a cost of Saudi Riyals 273.2 million (six month period ended 30 June 2025: Saudi Riyals 313.7 million).

### b. Capital work in progress

The Group's capital work-in-progress as at 30 June 2026 amounts to Saudi Riyals 1,549.2 million (as at 31 December 2025: Saudi Riyals 1,309.9 million) comprises mainly advances for purchases of items of property, plant and equipment and other costs incurred related to several projects for construction, expansion, and enhancements of operating plants.

### c. Impairment of non-current assets

As at 30 June 2026, the Group management identified impairment indicators for Acetyls, Polymers, Methanol and Al Waha cash generating units ("CGUs") resulting from adverse performance as compared to their respective approved budgets. Accordingly, the Group management performed a detailed impairment assessment of the non-current assets of such CGUs, with recoverable amount being determined based on value-in-use calculations using the approved forecasts and business plans.

As a result of such impairment assessment, as at 30 June 2026, the recoverable amount of non-current assets of such CGUs were assessed to be higher than their carrying amounts.

The key assumptions used in the value-in-use calculations were as follows:

- Terminal growth rate used to extrapolate cash flow projections, beyond the period covered by the most recent budgets/forecasts, was 2.5% (31 December 2025: 2.5%). Management believes that the terminal growth rate used does not exceed the average growth rate of the activities of such CGUs over the long term.
- A discount rate of 8.25% (31 December 2025: 8.25%) was applied to the cash flow projections, which is based on the weighted average cost of capital.

The management also carried out a sensitivity analysis and concluded that there are no estimates or assumptions used in such impairment assessments, a reasonable possible change in which can result in an impairment loss except as disclosed in Note 7.

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## 7. GOODWILL

The Group management tested Goodwill related to Al Waha CGU for impairment, using discounted cash flow model. As a result of the impairment testing, no impairment loss was identified. The Group uses a discounted cash flow model as the basis to determine the recoverable amounts based on value-in-use. Also see Note 6 for details of key inputs related to the value-in-use model.

The Group management also performed sensitivity analysis around the key assumptions used in the value-in-use calculations and believes that the recoverable amounts of Al Waha CGU equals their carrying amounts with the changes in the following most sensitive assumptions:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Increase in discount rate to | **8.50%** | 9.30% |
| Decrease in projected selling prices by | **4.5%** | 6.0% |

The impairment assessment is more sensitive compared with 31 December 2025, primarily due to changes in the key assumptions used in the value-in-use model, reflecting the impact of certain market and business factors described in Note 1.

## 8. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

| | **Note** | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|---|
| Investment in associates | 8.1 | **3,134,937** | 3,617,336 |
| Investment in joint ventures | 8.2 | **14,457** | 15,449 |
| | | **3,149,394** | 3,632,785 |

### 8.1. Investment in associates

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| TSOC | **3,134,937** | 3,284,864 |
| Inochem (Note 8.1.1) | **-** | 332,472 |
| | **3,134,937** | 3,617,336 |

**8.1.1.** During the six-month period ended 30 June 2026, Group management identified impairment indicators relating to the Group's investment in Inochem, including delays in plant completion, technical defects identified during the period, and underperformance relative to expectations. Accordingly, Group management performed an impairment assessment and determined the carrying amount of investment in Inochem to be irrecoverable and recognised an impairment loss of Saudi Riyals 328.2 million as part of the Group's share of losses from equity accounted investees.

### 8.2. Investment in joint ventures

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| SAMAPCO (Note 8.2.1) | **-** | - |
| GACI | **13,977** | 14,969 |
| LSIG (Note 8.2.1) | **-** | - |
| PAL | **480** | 480 |
| | **14,457** | 15,449 |

**8.2.1.** The Group management has no legal or constructive obligations to provide additional support to SAMAPCO and LSIG. Accordingly, the Group management has not recognized its share of additional losses relating to its investment in SAMAPCO and LSIG amounting to Saudi Riyals 91.3 million for the six-month period ended 30 June 2026 and cumulatively amounting to Saudi Riyals 187.1 million, as the carrying amount of these investments had been restricted to nil.

EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED

## 9. BORROWINGS

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| **Current portion of long-term borrowings** | | |
| Sharia compliant loans | **432,446** | 551,669 |
| Saudi Industrial Development Fund ("SIDF") | **22,409** | 23,437 |
| | **454,855** | 575,106 |
| **Other current loans** | | |
| Short term borrowings | **800,000** | 250,000 |
| **Total current borrowings** | **1,254,855** | 825,106 |
| **Non-current borrowings** | | |
| Shari'a compliant loans | **2,891,814** | 1,879,558 |
| SIDF | **-** | - |
| **Total non-current borrowings** | **2,891,814** | 1,879,558 |
| **Total borrowings** | **4,146,669** | 2,704,664 |

The borrowings bear financial charges at Saudi Arabian Inter Bank Offered Rate ("SAIBOR") plus a specified fixed margin. During the six month period ended 30 June 2026, the Group repaid an amount of Saudi Riyals 182.2 million (six-month period ended 30 June 2025: Saudi Riyals 236.9 million) related to Sharia compliant loans.

Short term borrowings relate to financing obtained by a joint operation and by a subsidiary to finance its working capital requirements. These borrowings bear financial charges at a specified fixed margin.

The borrowing agreements include covenants to maintain certain financial ratios. As at 30 June 2026, the Group was in compliance with such covenants except SAT where SAT was non-compliant with the two loan covenants since 31 December 2025 and accordingly, the non-current portion of such borrowings has been reclassified as current liability.

## 10. FINANCIAL INSTRUMENTS

The Group's principal financial assets include cash and cash equivalents, trade receivable, long term investments and certain other receivables that arise directly from its operations. The Group's principal financial liabilities comprise short and long term loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

**Fair value hierarchy**

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is 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 condensed consolidated interim financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

**EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED**

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value:

| | **Carrying amount** | **Fair value** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|---|---|
| | **As at 30 June 2026 (Unaudited)** | | | | |
| ***Trade receivables*** | **974,630** | **612,923** | **-** | **-** | **612,923** |
| ***Derivative financial instruments*** | **7,438** | **7,438** | **-** | **-** | **7,438** |
| ***Long term investments*** | | | | | |
| **Listed mutual fund** | **18,938** | **18,938** | **18,938** | **-** | **-** |
| **Unlisted mutual fund** | **12,201** | **12,201** | **-** | **12,201** | **-** |
| **Equity shares** | **34,235** | **34,235** | **14,017** | **-** | **20,218** |
| **Total** | **1,047,442** | **685,735** | **32,955** | **12,201** | **640,579** |

| | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| | As at 31 December 2025 (Audited) | | | | |
| *Trade receivables* | 1,202,313 | 830,125 | - | - | 830,125 |
| *Derivative financial Instruments* | 10,767 | 10,767 | - | - | 10,767 |
| *Long term investments* | | | | | |
| Listed mutual fund | 18,600 | 18,600 | 18,600 | - | - |
| Unlisted mutual fund | 11,958 | 11,958 | - | 11,958 | - |
| Equity shares | 33,006 | 33,006 | 12,788 | - | 20,218 |
| Total | 1,276,644 | 904,456 | 31,388 | 11,958 | 861,110 |

## 11. PREPAYMENTS AND OTHER CURRENT ASSETS

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Advances, deposits and prepayments | **163,752** | 137,129 |
| Due from related parties (Note 13) | **278,096** | 191,538 |
| VAT input tax receivable | **71,500** | 71,195 |
| Short term loan to a related party (Note 13) | **10,082** | - |
| Others | **23,974** | 15,174 |
| | **547,404** | 415,036 |

## 12. COMMITMENTS AND CONTINGENCIES

- The capital expenditure contracted by the Group but not incurred till 30 June 2026 was approximately Saudi Riyals 1,127.5 million (31 December 2025: Saudi Riyals 1,153.8 million).
- At 30 June 2026, banks have issued guarantees and letters of credit on behalf of the Group amounting to Saudi Riyals 709.3 million (31 December 2025: Saudi Riyals 850.3 million).
- Also see Note 5 for details on zakat and income tax assessments.

EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED

## 13. RELATED PARTY TRANSACTIONS AND BALANCES

Related party comprises the shareholders that have control or significant influence over the Group, affiliated companies (representing entities which are directly or indirectly controlled by or under significant influence of the Group's shareholders) and key management personnel (including directors) and business over which they exercise control or significant influence. Related parties also include business entities in which certain directors or senior management have control or joint control. During the period, the Group transacted with and had balances with the following related parties.

| Name | Relationship |
|---|---|
| Japan Arabia Methanol Company Limited ("JAMC") | Shareholder of a subsidiary (non-controlling interest) |
| Hanwha Chemical Malaysia Sdn Bhd ("Hanwha") | Shareholder of a subsidiary (non-controlling interest) |
| SAMAPCO | Joint venture |
| LSIG | Joint venture |
| GACI | Joint venture |
| National Industrialization Company ("Tasnee") | Shareholder of an associate |
| Basell Arabia Investments Limited and its associates ("Lyondell Basell") | Shareholder of a joint operation |
| Khair Inorganic Chemicals Industries Company ("Inochem") | Associate |
| Saudi Ethylene and Polyethylene Company ("SEPC") | Indirect associate |

### a) Significant transactions with related parties other than key management personnel

| | | Three months from 1 April to 30 June (Unaudited) | | Six months from 1 January to 30 June (Unaudited) | |
|---|---|---|---|---|---|
| **Related party** | **Nature of transaction** | **2026** | 2025 | **2026** | 2025 |
| Hanwha | Sales made to Hanwha | **36,380** | 67,307 | **74,038** | 148,148 |
| JAMC | Sales made to JAMC | **-** | 94,285 | **71,640** | 165,348 |
| SAMAPCO | Shared service cost charged to SAMAPCO | **25,150** | 26,267 | **46,585** | 48,866 |
| | Allocation of HOP finance cost to SAMAPCO | **101** | 208 | **239** | 253 |
| Lyondell Basell | Sales made to Lyondell Basell | **180,535** | 257,128 | **286,515** | 537,958 |
| | Shared services cost charged to Lyondell Basell | **9,592** | 8,965 | **17,535** | 16,429 |
| | Allocation of HOP finance cost to Lyondell Basell | **31** | 95 | **73** | 109 |
| SEPC | Purchase of ethylene by Al-Waha | **25,502** | 34,989 | **40,509** | 66,184 |
| | Purchase of ethylene by IVC | **14,268** | 106,772 | **68,566** | 224,292 |
| | Purchase of ethylene by SAMAPCO | **-** | 51,032 | **6,732** | 132,776 |
| | Purchase of ethylene by Sipchem | **830** | 160 | **1,727** | 327 |
| LSIG | Finance income on loan to LSIG | **830** | 160 | **1,727** | 327 |
| | Additional loan to LSIG by Sipchem | **-** | - | **-** | 16,877 |
| GACI | Shared service costs charged to GACI | **565** | 500 | **1,050** | 1,079 |
| | Finance income on loan to GACI | **904** | 984 | **1,734** | 1,789 |

**EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED**

The above transactions resulted in the following unsecured balances with related parties:

**i) Trade receivables**

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Lyondell Basell | **156,067** | 115,708 |
| Hanwha | **36,790** | 42,622 |
| JAMC | **-** | 36,004 |
| | **192,857** | 194,334 |

**ii) Prepayments and other current assets**

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| SAMAPCO | **256,193** | 168,504 |
| LSIG | **13,281** | 12,875 |
| Lyondell Basell | **7,376** | 9,741 |
| GACI | **1,246** | 418 |
| | **278,096** | 191,538 |

Short term loan to a related party included in prepayments and other current assets relates to financing provided to InoChem having maturity of less than 12 months.

**iii) Accrued expenses and other current liabilities**

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| SAMAPCO | **25,275** | 38,635 |
| Lyondell Basell | **78,557** | 57,585 |
| GACI | **56** | 24 |
| | **103,888** | 96,244 |

**b) Key management personnel**

Key management personnel of the Group comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation is as follows:

| | **Three months from 1 April to 30 June (Unaudited)** | | **Six months from 1 January to 30 June (Unaudited)** | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Short-term employee benefits | **1,800** | 3,134 | **3,569** | 6,112 |
| End of service benefits | **438** | 2,238 | **518** | 2,620 |
| Thrift plan | **199** | 365 | **395** | 712 |
| Share based payment transactions | **36** | 63 | **68** | 138 |
| Total compensation related to key management personnel | **2,473** | 5,800 | **4,550** | 9,582 |

## 14. SHORT TERM INVESTMENTS

Short term investments represent deposits with commercial banks, carrying profit at prevailing market rates, having maturity of more than three months but less than a year from date of placement.

## 15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the six month period ended 30 June 2026, the Group in agreement with lessor entered into revised agreement for the lease of certain land along with facilities at revised rates resulting in modification in existing lease agreement and recognition of lease modification effect in related right of use asset and lease liability amounting to Saudi Riyals 31.2 million.

**EXPRESSED IN SAUDI RIYALS IN THOUSANDS UNLESS OTHERWISE STATED**

## 16. INVENTORIES

During the six month period ended 30 June 2026, write-downs of inventories to net realisable value amounted to Saudi Riyals 49.1 million (31 December 2025: Saudi Riyals 44.6 million). These were recognised as an expense and included in cost of sales in the condensed consolidated interim statement of profit or loss.

## 17. EARNINGS PER SHARE

Basic earnings per share for profit attributable to ordinary shareholders for the three and six month periods ended 30 June 2026 and 2025 are computed based on the weighted average number of shares outstanding during such periods. Diluted earnings per share for profit attributable to ordinary shareholders for the three and six month periods ended 30 June 2026 and 2025 are computed based on the weighted average number of shares outstanding during such periods adjusted for treasury shares.

| | **Three months from 1 April to 30 June** | | **Six months from 1 January to 30 June** | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| (Loss) / profit for the period attributable to equity holders of parent company | **(591,901)** | (169,179) | **(807,185)** | 26,141 |
| Weighted average number of shares used in calculating basic earnings per share | **725,122** | 725,122 | **725,122** | 725,122 |
| Weighted average number of shares used in calculating dilutive earnings per share | **733,333** | 733,333 | **733,333** | 733,333 |
| Basic (loss) earnings per share | **(0.82)** | (0.23) | **(1.11)** | 0.04 |
| Diluted (loss) earnings per share (Note 17.1) | **(0.82)** | (0.23) | **(1.11)** | 0.04 |

**17.1** In the period of losses, the calculation of diluted earnings per share resulted in anti-dilutive effects. Consequently, diluted loss per share is equivalent to basic loss per share, and no separate dilution adjustment has been applied.

## 18. DIVIDENDS

During the three and six month periods ended 30 June 2026, no interim cash dividend was approved by the Board of Directors of the Company (During the three and six month periods ended 30 June 2025: interim cash dividends amounting to Saudi Riyals 362.6 million, i.e. Saudi Riyals 0.5 per share was approved by the Board of Directors of the Company for distribution paid on 17 July 2025).

## 19. SUBSEQUENT EVENTS

No subsequent event occurred between 30 June 2026 and the date of approval of these condensed consolidated interim financial statements which may have an impact on these condensed consolidated interim financial statements.