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SAUDI BASIC INDUSTRIES CORPORATION (SABIC)

(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 AND
INDEPENDENT AUDITOR'S REVIEW REPORT



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Report on review of condensed consolidated interim financial statements

To the shareholders of Saudi Basic Industries Corporation
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Saudi Basic Industries Corporation and its subsidiaries (the “Group”) as of 31 March 2026 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended 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 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 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



Bader I. Benmohareb
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28 April 2026

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

All amounts in thousands of Saudi Riyals unless otherwise stated

As at	Note	31 March 2026	31 December 2025
Assets			
Non-current assets			
Property, plant and equipment		91,847,462	93,069,696
Right-of-use assets		3,311,895	3,412,073
Intangible assets		18,250,940	18,279,953
Investments in associates and joint ventures		33,229,934	33,326,389
Investments in debt and equity instruments		697,461	636,718
Deferred tax assets		377,495	367,773
Derivative financial instruments		2,421,664	2,421,604
Other assets and receivables		5,039,674	5,204,351
Total non-current assets		155,176,525	156,718,557
Current assets			
Inventories		13,144,469	12,847,432
Trade receivables		16,965,591	16,675,007
Other assets and receivables		7,757,737	8,425,796
Short-term investments		11,361,166	12,917,548
Cash and cash equivalents		24,553,896	27,746,328
		73,782,859	78,612,111
Assets held for sale	4	8,946,720	8,961,521
Total current assets		82,729,579	87,573,632
Total assets		237,906,104	244,292,189

As at	Note	31 March 2026	31 December 2025
Equity and liabilities			
Equity			
Equity attributable to equity holders of the Parent		123,946,142	128,718,634
Non-controlling interests		25,133,570	26,100,907
Total equity		149,079,712	154,819,541
Non-current liabilities			
Debt and lease liabilities		25,301,247	24,335,922
Employee benefits		13,131,582	12,514,849
Deferred tax liabilities		351,783	364,718
Derivative financial instruments		1,870,894	1,870,894
Provisions and other liabilities		1,729,911	1,751,021
Total non-current liabilities		42,385,417	40,837,404
Current liabilities			
Short-term borrowings, current portion of debt and current portion of lease liabilities		13,381,540	12,719,305
Trade payables, provisions and other liabilities		26,781,078	28,928,587
		40,162,618	41,647,892
Liabilities directly associated with assets held for sale	4	6,278,357	6,987,352
Total current liabilities		46,440,975	48,635,244
Total liabilities		88,826,392	89,472,648
Total equity and liabilities		237,906,104	244,292,189

 EVP Corporate Finance
 Chief Executive Officer
 Authorised Board of Directors Member

The accompanying notes from 1 to 11 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

All amounts in thousands of Saudi Riyals unless otherwise stated

For the three-month period ended 31 March	2026	2025
Revenue (Note 7)	26,151,935	29,266,658
Cost of sales	(21,023,696)	(24,222,976)
Gross profit	5,128,239	5,043,682
General and administrative expenses	(1,634,429)	(1,947,335)
Research and development expenses	(393,790)	(465,165)
Selling and distribution expenses	(1,845,127)	(1,592,595)
Results from integral joint ventures	59,778	74,901
Other operating income	161,635	264,525
Other operating expenses	(29,975)	(1,078,595)
Income from operations	1,446,331	299,418
Results from associates and non-integral joint ventures	185,791	107,592
Finance income	493,290	769,234
Finance costs	(677,832)	(709,538)
Income before zakat and income tax	1,447,580	466,706
Zakat expense	(256,760)	(410,171)
Income tax expense	(103,446)	(147,883)
Net income (loss) from continuing operations	1,087,374	(91,348)
Net loss from discontinued operations	(803,283)	(1,072,311)
Net income (loss)	284,091	(1,163,659)

For the three-month period ended 31 March	2026	2025
Net income (loss) from continuing operations		
Attributable to:		
• Equity holders of the Parent	816,478	(138,484)
• Non-controlling interests	270,896	47,136
	1,087,374	(91,348)
Net income (loss)		
Attributable to:		
• Equity holders of the Parent	13,195	(1,210,795)
• Non-controlling interests	270,896	47,136
	284,091	(1,163,659)
Basic and diluted earnings per share from net income (loss) attributable to equity holders of the Parent (Saudi Riyals)		
• Net income (loss) from continuing operations	0.27	(0.05)
• Net income (loss)	0.004	(0.40)

 EVP Corporate Finance
 Chief Executive Officer
 Authorised Board of Directors Member

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

All amounts in thousands of Saudi Riyals unless otherwise stated

For the three-month period ended 31 March	2026	2025
Net income (loss)	284,091	(1,163,659)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to the consolidated statement of income</i>		
• Re-measurement loss on defined benefit plans and others, net of tax	(282,938)	(381,689)
• Share of other comprehensive (loss) income of associates and joint ventures	(97,986)	128,295
	(380,924)	(253,394)
<i>Items that may be reclassified subsequently to the consolidated statement of income</i>		
• Exchange difference on translation	136,371	1,012,238
• Share of other comprehensive (loss) income of associates and joint ventures	(85,454)	249,221
	50,917	1,261,459
<i>Reclassification of other comprehensive income related to assets held for sale</i>		
• Share of other comprehensive loss of an associate	-	(30,955)
	-	(30,955)
Net movement of other comprehensive income	(330,007)	977,110
Total comprehensive loss	(45,916)	(186,549)

For the three-month period ended 31 March	2026	2025
Total comprehensive (loss) income		
Attributable to:		
• Equity holders of the Parent	(272,492)	(246,789)
• Non-controlling interests	226,576	60,240
	(45,916)	(186,549)
Total comprehensive income (loss) attributable to equity holders of the Parent		
Attributable to:		
• Continuing operations	423,510	410,067
• Discontinued operations	(696,002)	(656,856)
	(272,492)	(246,789)





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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

All amounts in thousands of Saudi Riyals unless otherwise stated

	Note	Attributable to the equity holders of the Parent				Total	Non-controlling interests	Total equity
		Share capital	General reserve	Other reserves	Retained earnings			
Balance as at 1 January 2025		30,000,000	110,889,032	(4,112,475)	19,581,626	156,358,183	27,085,026	183,443,209
Net (loss) income		-	-	-	(1,210,795)	(1,210,795)	47,136	(1,163,659)
Other comprehensive income		-	-	964,006	-	964,006	13,104	977,110
Total comprehensive (loss) income		-	-	964,006	(1,210,795)	(246,789)	60,240	(186,549)
Dividends and others	10	-	-	-	-	-	(33,974)	(33,974)
Balance as at 31 March 2025		30,000,000	110,889,032	(3,148,469)	18,370,831	156,111,394	27,111,292	183,222,686
Balance as at 1 January 2026		30,000,000	-	(1,472,793)	100,191,427	128,718,634	26,100,907	154,819,541
Net income		-	-	-	13,195	13,195	270,896	284,091
Other comprehensive loss		-	-	(285,687)	-	(285,687)	(44,320)	(330,007)
Total comprehensive (loss) income		-	-	(285,687)	13,195	(272,492)	226,576	(45,916)
Dividends and others	10	-	-	-	(4,500,000)	(4,500,000)	(1,193,913)	(5,693,913)
Balance as at 31 March 2026		30,000,000	-	(1,758,480)	95,704,622	123,946,142	25,133,570	149,079,712





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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

All amounts in thousands of Saudi Riyals unless otherwise stated

For the three-month period ended 31 March	2026	2025
Operating activities		
Income (loss) before zakat and income tax		
• from continuing operations	1,447,580	466,706
• from discontinued operation	(794,958)	(1,077,461)
Adjustments to reconcile income (loss) before zakat and income tax to net cash from operating activities:		
• Depreciation, amortisation and impairment	2,701,493	3,276,459
• Fair value re-measurement on assets held for sale	175,603	-
• Results of associates and non-integral joint ventures	(185,791)	(130,365)
• Finance income	(494,429)	(774,066)
• Finance costs	689,451	741,783
• Other movements	(53,015)	8,729
Change in operating assets and liabilities:		
Changes in inventories, trade receivables and payables	(3,220,150)	(1,240,948)
Increase (decrease) in employee benefits	140,268	(1,200,353)
Changes in other operating assets and liabilities	648,618	67,877
	1,054,670	138,361
Interest received	441,361	690,941
Interest paid	(499,615)	(557,611)
Zakat and income tax paid	(125,550)	(120,913)
Net cash from operating activities	870,866	150,778

For the three-month period ended 31 March	2026	2025
Investing activities		
Purchase of property, plant and equipment and intangible assets	(1,145,074)	(1,500,908)
Investments in associates and non-integral joint ventures	(256,458)	(237,090)
Dividend received from associates and non-integral joint ventures	168,750	393,750
Short-term investments, net	1,524,229	(4,441,339)
Changes in other assets	77,979	4,061
Net cash flow from disposal of discontinued operation	-	173,005
Net cash flow from sale of assets held for sale	-	3,605,726
Net cash from (used in) investing activities	369,426	(2,002,795)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

For the three-month period ended 31 March	2026	2025
Financing activities		
Proceeds from debt	1,461,953	15,161,250
Debt and lease repayments	(277,923)	(13,318,853)
Dividends paid to shareholders	(4,465,014)	(5,101,975)
Dividends paid to non-controlling interests	(1,194,609)	(1,215,198)
Net cash used in financing activities	(4,475,593)	(4,474,776)
Decrease in cash and cash equivalents	(3,235,301)	(6,326,793)
Net foreign exchange (loss) gain on cash and cash equivalents	(5,317)	17,706
Cash and cash equivalents at the beginning of the period	27,950,605	30,536,409
Cash and cash equivalents at the end of the period	24,709,987	24,227,322
Cash and cash equivalents	24,553,896	24,659,305
Cash and cash equivalents (included in assets held for sale)	432,591	-
Less: Short-term borrowings (bank overdrafts)	(276,500)	(431,983)
Cash and cash equivalents at the end of the period	24,709,987	24,227,322





EVP Corporate Finance Chief Executive Officer Authorised Board of Directors Member

The accompanying notes from 1 to 11 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

All amounts in thousands of Saudi Riyals unless otherwise stated

1. CORPORATE INFORMATION

Saudi Basic Industries Corporation (“SABIC” or “the Parent”) is a Saudi Joint Stock Company established pursuant to Royal Decree Number M/66 dated 13 Ramadan 1396H (corresponding to 6 September 1976) registered in Riyadh under commercial registration No. 1010010813 dated 14 Muharram 1397H (corresponding to 4 January 1977). The registered office is located at Qurtubah district, P.O. Box 5101, Riyadh 11422, Kingdom of Saudi Arabia (“KSA”).

Saudi Arabian Oil Company (“Saudi Aramco”) owns 70% of SABIC through one of its subsidiaries, Aramco Downstream Company (formerly, Aramco Chemicals Company). The Saudi Arabian Government is the largest shareholder by 81.48% direct shareholding in Saudi Aramco. The remaining 30% of SABIC shares are held by the private sector.

SABIC and its subsidiaries (collectively the “Group”) are engaged in the manufacturing, marketing and distribution of chemicals, polymers, plastics and agri-nutrients products in global markets.

The condensed consolidated interim financial statements of the Group for the three-month period ended 31 March 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 28 April 2026.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 ‘*Interim Financial Reporting*’ (“IAS 34”) as endorsed in KSA and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRS as endorsed in KSA”).

These condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

An interim period is considered an integral part of the whole fiscal year. However, the results of operations for interim periods may not be a fair indication of the results of the full year operations.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in preparing the Group’s annual consolidated 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 consolidated interim financial statements.

The Group has not early adopted any new accounting standards, interpretations or amendments that are issued but which are not yet effective.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

4. DISCONTINUED OPERATIONS

4.1 DISPOSAL OF SABIC EUROPE B.V.

On 16 December 2025, SABIC Board authorized the divestiture of its entire European Petrochemicals business (“EP”) engaged in the production and sales of ethylene, propylene, low-density polyethylene (LDPE) and high-density polyethylene (HDPE), polypropylene (PP), and value-added polymer compounds, which was part of its Petrochemicals segment. The sale forms part of management’s strategic repositioning to divest structurally challenged assets, rationalize the Group’s geographic footprint, and redeploy capital to core growth areas.

Following the SABIC Board’s approval, EP business is classified as a disposal group held for sale and presented as a ‘discontinued operation’ under IFRS 5 ‘*Non-current Assets Held for Sale and Discontinued Operations*’. The classification date reflects the point when management formally committed to a disposal plan. The assets and liabilities pertaining to this disposal group are segregated and disclosed separately as ‘held for sale’ within these condensed consolidated interim financial statements. These items are measured at the lower of the carrying amount and fair value less costs to sell. Accordingly, depreciation and amortisation of assets within the disposal group have ceased from the date of classification.

The results of EP business are reported as discontinued operation in the condensed consolidated interim statement of income and condensed consolidated interim statement of cash flows for all periods presented.

In determining fair value, the risk-adjusted forecasted cash flows remain consistent with year-end 2025 assumptions. The primary significant unobservable input used in this Level 3 fair value measurement was discount rate. A discount rate of 12% was applied in determining the fair value of the EP business. A 100 basis point change in the discount rate would alter the fair value by around ₪ 34 million.

As at 31 March 2026, the completion of the transaction remains contingent upon the fulfilment of standard conditions and receipt of necessary approvals. It is anticipated that the closing will occur prior to the conclusion of the fourth quarter of 2026.

4.1.1 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

Following table presents the financial performance of discontinued operation after capturing the effects of fair value re-measurement at initial recognition:

For the three-month period ended 31 March	2026	2025
Revenue	3,114,960	3,605,714
Depreciation, amortisation and impairment	(633)	(333,109)
Cost of sales and other expenses, net	(3,420,335)	(3,714,965)
Finance income and expenses, net	(958)	(18,260)
Results from non-integral joint ventures and associates	-	22,773
Loss before income tax	(306,966)	(437,847)
Income tax (expense) benefit	(971)	20,553
Loss from discontinued operation	(307,937)	(417,294)
OCI items (i)	(13,041)	442,395
Total comprehensive loss from discontinued operation	(320,978)	25,101

(i) OCI items include re-measurement on defined benefit plans and foreign currency translation adjustments.

Following table presents the cash flow information of discontinued operation for the following periods:

For the three-month period ended 31 March	2026	2025
Net cash generated from (used in) operating activities	43,509	(1,995,348)
Net cash used in investing activities	-	(231,087)
Net cash used in financing activities	(37,920)	(52,184)
Net increase (decrease) in cash and cash equivalents	5,589	(2,278,619)

Loss before zakat and income tax from discontinued operation, as presented in the condensed consolidated interim statement of cash flows, amounted to ₪ 307 million (31 March 2025: ₪ 438 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

4. DISCONTINUED OPERATIONS (CONTINUED)

4.1 DISPOSAL OF SABIC EUROPE B.V. (CONTINUED)

4.1.2 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The carrying amounts of assets and liabilities of disposal group classified as held for sale were:

As at	31 March 2026	31 December 2025
Assets held for sale		
Inventories	1,621,341	2,190,427
Trade receivables	1,754,533	1,500,400
Other assets	379,700	115,491
Cash and cash equivalents	16,255	10,666
	3,771,829	3,816,984
Liabilities directly associated with assets held for sale		
Employee benefits	331,300	353,000
Other liabilities	2,639,592	2,516,435
Trade payables	833,782	1,482,961
	3,804,674	4,352,396
Net assets	(32,845)	(535,412)

4.2 DISPOSAL OF ENGINEERING THERMOPLASTICS BUSINESS IN THE AMERICAS AND EUROPE

On 16 December 2025, SABIC Board authorized the divestiture of its entire Engineering Thermoplastics business in the Americas and Europe (“ETP in Americas and Europe”) including major production sites and related activities, which was part of its Petrochemicals segment. The sale forms part of management’s strategic repositioning to divest structurally challenged assets, rationalize the Group’s geographic footprint, and redeploy capital to core growth areas.

Following the SABIC Board’s approval, ETP in Americas and Europe is classified as a disposal group held for sale and presented as a ‘discontinued operation’ under IFRS 5 ‘*Non-current Assets Held for Sale and Discontinued Operations*’ as at 31 December 2025. The assets and liabilities pertaining to this disposal group are segregated and disclosed separately as ‘held for sale’ within these condensed consolidated interim financial statements. These items are measured at lower of the carrying amount and fair value less costs to sell. Accordingly, depreciation and amortisation of assets within the disposal group have ceased from the date of classification.

The results of ETP in Americas and Europe are reported as discontinued operation in the condensed consolidated interim statement of income and condensed consolidated interim statement of cash flows for all periods presented.

In determining fair value, the used risk-adjusted forecasted cash flows remain consistent with year-end 2025 assumptions. The primary significant unobservable inputs used in this Level 3 fair value measurement were discount rate and valuation multiples. The discount rates utilised in the assessment were 11% and 14%, and a change in the discount rate by 100 basis points would result in a corresponding change in fair value of around ₪ 132 million. The valuation multiple applied for anticipated monetization was 8x; a change in multiple by 1x would cause the fair value to change by around ₪ 232 million.

As at 31 March 2026, the completion of the transaction remains contingent upon the fulfilment of standard conditions and receipt of requisite regulatory approvals. It is anticipated that the closing will occur prior to the conclusion of the third quarter of 2026.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

4. DISCONTINUED OPERATIONS (CONTINUED)

4.2 DISPOSAL OF ENGINEERING THERMOPLASTICS BUSINESS IN THE AMERICAS AND EUROPE (CONTINUED)

4.2.1 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

Following table presents the financial performance of discontinued operation capturing the effects of fair value re-measurement at initial recognition:

For the three-month period ended 31 March	2026	2025
Revenue	1,802,581	1,721,873
Depreciation, amortisation and impairment	(80)	(227,686)
Cost of sales and other expenses, net	(2,105,368)	(2,124,648)
Finance income and expenses	(9,522)	(9,153)
Loss before income tax	(312,389)	(639,614)
Income tax expense	(7,354)	(15,403)
Loss after income tax	(319,743)	(655,017)
Fair value re-measurement loss	(175,603)	-
Loss from discontinued operation	(495,346)	(655,017)
OCI items (i)	120,322	(26,940)
Total comprehensive loss from discontinued operation	(375,024)	(681,957)

(i) OCI items include re-measurement on defined benefit plans and foreign currency translation adjustments.

Following table presents the cash flow information of discontinued operation for the following periods:

For the three-month period ended 31 March	2026	2025
Net cash generated from operating activities	228,345	307,517
Net cash used in investing activities	-	(106,738)
Net cash used in financing activities	(6,219)	(8,560)
Net increase in cash and cash equivalents	222,126	192,219

Loss before zakat and income tax from discontinued operation, as presented in the condensed consolidated interim statement of cash flows, amounted to ₪488 million including the fair value re-measurement on assets held for sale (31 March 2025: ₪640 million).

4.2.2 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The carrying amounts of assets and liabilities of disposal group classified as held for sale were:

As at	31 March 2026	31 December 2025
Assets held for sale		
Property, plant and equipment, right-of-use assets and intangible assets	1,463,766	1,703,045
Inventories	2,134,598	2,234,950
Trade receivables	905,602	714,876
Other assets	254,589	297,456
Cash and cash equivalents	416,336	194,210
	5,174,891	5,144,537
Liabilities directly associated with assets held for sale		
Employee benefits	659,359	678,269
Other liabilities	942,354	1,053,718
Trade payables	871,970	902,969
	2,473,683	2,634,956
Net assets	2,701,208	2,509,581

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

5. SIGNIFICANT MATTERS DURING THE PERIOD

5.1 CONFLICT IN THE MIDDLE EAST

The sustained geopolitical conflict in the Middle East has created widespread disturbances in economic conditions and business environments. SABIC is monitoring risks and uncertainties related to its operations, including disruptions of transport routes to customers, plant underutilizations or shutdowns, asset conditions, elevated logistical cost as well as feedstock supply dynamics, besides upward price movements of certain finished products. In response to the geopolitical tensions, SABIC continues to leverage its global operating model, operational flexibility, resilient supply chain network, and integration with Saudi Aramco to manage these risks and uncertainties.

SABIC has assessed its significant accounting estimates and judgments mainly related to asset impairments, recoverability of trade receivables, inventory valuation and gross margin forecast. As of 31 March 2026, Management concluded that these factors have not had a material impact on these condensed consolidated interim financial statements.

As of the date of approval of these condensed consolidated interim financial statements, the geopolitical situation continues to remain volatile and uncertain. Based on current assessments, implications on SABIC's future financial performance and position are likely with the prospect of a continuous closure of the Strait of Hormuz, potential threats to SABIC's manufacturing facilities and unstable feedstock supply. While SABIC will continue to monitor the developments and will actively manage any exposures, the potential financial impact cannot be reliably estimated at this time in light of the prevailing uncertainties.

5.2 BORROWING

On 24 February 2026, the Group signed an agreement with Bank of China Limited to obtain a revolving loan amounting to CNY 2,086 million (equivalent to ₪ 1,125 million). The revolving loan facility is available for three years at a fixed rate of 2.11% per annum. The revolving loan amount has been drawn in full to meet the working capital requirements and is presented as a non-current liability in these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

6. FAIR VALUE MEASUREMENT

The table below presents the assets and liabilities which are measured at fair value on a recurring basis:

	As at 31 March 2026				As at 31 December 2025			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Financial assets								
Investment in equity instruments	-	36,644	328,359	365,003	-	36,582	267,678	304,260
Derivative financial instruments	-	-	2,421,664	2,421,664	-	-	2,421,604	2,421,604
Certificates of deposits and equity instruments	233,548	561,162	-	794,710	310,199	592,608	-	902,807
	233,548	597,806	2,750,023	3,581,377	310,199	629,190	2,689,282	3,628,671
Financial liabilities								
Derivative financial instruments	-	-	911,250	911,250	-	-	911,250	911,250
Obligations to acquire the remaining shares of certain subsidiaries	-	-	959,644	959,644	-	-	959,644	959,644
	-	-	1,870,894	1,870,894	-	-	1,870,894	1,870,894

There were no assets or liabilities measured on a non-recurring basis. The valuation methods, assumptions and classification methodology used in this disclosure are in line with the annual consolidated financial statements for the year ended 31 December 2025. No transfers were recorded between Level I, Level II or Level III during the period ended 31 March 2026 and 2025.

The following table summarises information about the significant non-observable inputs used in level III fair value measurements:

Description	Fair value as at		Significant non-observable input	Range		Relationship of unobservable inputs to fair value	
	31 March 2026	31 December 2025		31 March 2026	31 December 2025		
Derivative financial assets	2,421,664	2,421,604	Call option valuation:			+/- 10% change would result in change in fair value by ₪ 497,936 / ₪ (454,409) (2025: ₪ 497,936 / ₪ (454,409))	
			Equity value to EBITDA multiple	7.0	7.0		
			Implied volatility	25%	25%		+/- 10% change would result in change in fair value by ₪ 377,861 / ₪ (280,675) (2025: ₪ 377,861 / ₪ (280,675))
			Assumed dividend yield	0% to 9.5%	0% to 9.5%		+/- 10% change would result in change in fair value by ₪ 226,641 / ₪ (206,379) (2025: ₪ 226,641 / ₪ (206,379))
			Risk free rate	3.6% to 4.9%	3.6% to 4.9%		+/- 10% change would result in change in fair value by ₪ 42,777 (2025: ₪ 42,777)
Derivative financial liabilities	911,250	911,250	Put options and forward contracts:			+/- 10% change would result in change in fair value by ₪ 131,220 (2025: ₪ 131,220)	
			Equity value to EBITDA multiple	6.50	6.50		+/- 10% change would result in change in fair value by ₪ 48,296 (2025: ₪ 48,296)
			Dividend to EBITDA %	33.1%	33.1%		+/-100 bps change in discount rate would result in change in fair value by ₪ 13,669 (2025: ₪ 13,669)
			Discount rate	10.6%	10.6%		

The fair values of trade receivables, short-term investments, cash and cash equivalents, trade payables and other financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

SABIC accounts for a number of financial instruments, which are measured at amortised cost. The fair value of the majority of these instruments approximates their carrying values, except for debt which has a carrying value amounting to ₪ 35,250 million and fair value amounting to ₪ 34,297 million as at 31 March 2026 (31 December 2025: carrying value amounting to ₪ 33,546 million and fair value amounting to ₪ 32,766 million).

There is no material unquoted equity instrument to be disclosed separately.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

7. REVENUE

Revenue can be broken down as follows:

For the three-month period ended 31 March	2026	2025
Sales of goods	25,566,119	28,314,704
Logistic services	454,561	837,925
Other revenue	131,255	114,029
	26,151,935	29,266,658

Refer Note 9 for the segment and geographical distribution of revenue.

8. RELATED PARTY TRANSACTIONS AND BALANCES

Significant related party transactions and balances can be broken down as follows:

	For the three-month period ended 31 March 2026		As at 31 March 2026	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associates	18,497	948,464	17,678	95,550
Joint ventures	1,423,628	4,442,461	1,520,295	3,209,336
Saudi Aramco	27,527	5,321,501	45,792	3,534,988
Saudi Aramco's subsidiaries, joint ventures and associates	2,876,433	3,365,001	1,508,715	1,228,399

	For the three-month period ended 31 March 2025		As at 31 December 2025	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associates	22,408	1,340,034	37,159	719,429
Joint ventures	1,671,783	5,142,121	3,603,302	5,520,211
Saudi Aramco	4,697	5,932,849	15,317	3,655,683
Saudi Aramco's subsidiaries, joint ventures and associates	2,820,934	5,397,531	1,304,334	2,401,573

	As at 31 March 2026		As at 31 December 2025	
	Loans to related parties	Loan from related parties	Loans to related parties	Loan from related parties
Associates	28,216	-	28,908	-
Joint ventures	338,943	-	423,409	-
Saudi Aramco's subsidiary	-	10,693,427	-	10,397,249

During the three-month period ended 31 March 2026, finance income from loans owed by related parties and finance expense from loans owed to related parties amounted to ₪ 74 million and ₪ 318 million respectively (31 March 2025: finance income and finance expense amounted to ₪ 66 million and ₪ 130 million respectively).

Composition of key management personnel and their compensation policies remain consistent with 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

GOVERNMENT, SEMI-GOVERNMENT AND OTHER ENTITIES WITH GOVERNMENT OWNERSHIP OR CONTROL

Transactions and balances with entities controlled by the Saudi government can be shown as follows:

For the three-month period ended 31 March	2026	2025
Purchases of goods and services	490,072	442,457
Sales of goods and services	29,455	52,721

As at	31 March 2026	31 December 2025
Payables	101,969	164,584
Receivables (i)	1,951,486	1,959,968
Short-term investments with banks	8,666,238	4,177,078
Cash and cash equivalents held with banks	18,007,459	5,745,786
Borrowings	15,495,676	14,547,785
Lease liabilities	1,362,209	1,385,019

- (i) Receivables include the below balances as at 31 March 2026 with respect to sale of Hadeed, an entity controlled by the Saudi government:
- receivable from PIF amounting to ₪1,956 million (31 December 2025: ₪1,929 million).
 - receivable from Hadeed against services amounting to ₪13 million (31 December 2025: ₪27 million).
- (ii) Property, plant and equipment of certain subsidiaries in the KSA are pledged to the Saudi Industrial Development Fund (“SIDF”) as security for its term loans amounting to ₪3,821 million (31 December 2025: ₪3,837 million).

9. SEGMENT INFORMATION

For internal reporting and management performance purposes, the Group is structured into following business segments:

The **Petrochemicals** segment is comprised of two primary product categories: Chemicals and Polymers.

- Chemicals** products are manufactured from a variety of hydrocarbon feedstock, including Methane, Ethane, Propane, Butane, and light Naphtha. The product range includes Olefins, Methanol, Aromatics, Glycols, Carbon Dioxide, Methyl Tert-Butyl Ether (MTBE).
- Polymers** products include Polyethylene (PE), Polypropylene (PP), Polycarbonate (PC), specialities products and other Polymers:
 - The PE product range encompasses linear low-density polyethylene (LLDPE), low-density polyethylene (LDPE), and high-density polyethylene (HDPE).
 - The PP product lines include homo, random, and impact Polypropylene, as well as Polypropylene compounds, homo polymer, random copolymer, impact copolymer, and specialty automotive grades.
 - Other notable products include Polycarbonate (PC), Polyvinyl Chloride (PVC), Polyethylene Terephthalate (PET), Polystyrene (PS) and Acrylonitrile Butadiene Styrene (ABS).

The **Agri-Nutrients** segment consists of a range of fertiliser products including Urea, Ammonia, Phosphate, as well as compound fertilisers.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

9. SEGMENT INFORMATION (CONTINUED)

Subsequent to year ended 31 December 2025, management has introduced following new reporting changes in segment information in addition to the above which are in line with business operating model and the internal management reporting framework:

- **Specialties** segment, which formerly was part of 'Polymers – Petrochemicals' operation segment – comprises resins branded under NORYL™, ULTEM™, EXTEM™, and SILTEM™, a range of LNP™ compounds and copolymers, and a variety of thermosets and additives.
- **Corporate** segment includes corporate functions such as corporate manufacturing, finance, information technology, human resources, technology and innovations. The Corporate segment generates revenues and income primarily from providing enabling services internally based on the demand of the operating segments. Cost for Group's steering by corporate headquarters and for central or strategic activities, are not charged or allocated to the operating segments and remain within the Corporate segment.
- **Eliminations** cover consolidation effects of inter-segment transactions between the above segments.

Based on above changes, the segment information for prior period of all reporting segments has been restated in line with current period's presentation.

Intersegment revenue may generally be recorded either at values that approximate third-party selling prices or at prices mutually agreed by management of the segments.

The Chief Executive Officer continues to monitor the results of above segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income from operations in the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

9. SEGMENT INFORMATION (CONTINUED)

The segments' financial details are shown below:

	For the three-month period ended 31 March 2026					Continuing operations
	Petrochemicals	Agri-nutrients	Specialities	Corporate	Eliminations	
External revenue	21,764,127	2,710,035	1,677,773	-	-	26,151,935
Intersegment revenue	348,900	14,025	74,081	1,044,000	(1,481,006)	-
Income (loss) before interest, taxes and zakat, depreciation, amortisation and impairment	2,362,894	1,374,566	442,496	(131,220)	99,088	4,147,824
Depreciation, amortisation and impairment	(2,265,267)	(200,921)	(194,115)	(41,190)	-	(2,701,493)
Income (loss) from operations	97,627	1,173,645	248,381	(172,410)	99,088	1,446,331
Share of results of associates and non-integral joint ventures	139,490	46,301	-	-	-	185,791
Purchase of property, plant and equipment and intangible assets	1,108,804	108,068	32,280	120,349	-	1,369,501

	For the three-month period ended 31 March 2025					Continuing operations
	Petrochemicals	Agri-nutrients	Specialities	Corporate	Eliminations	
External revenue	24,585,236	3,087,139	1,594,283	-	-	29,266,658
Intersegment revenue	487,332	10,864	42,075	1,166,250	(1,706,521)	-
Income (loss) before interest, taxes and zakat, depreciation, amortisation and impairment	1,772,355	1,082,225	201,364	(37,470)	(3,392)	3,015,082
Depreciation, amortisation and impairment	(2,313,342)	(215,174)	(146,614)	(40,534)	-	(2,715,664)
(Loss) income from operations	(540,987)	867,051	54,750	(78,004)	(3,392)	299,418
Share of results of associates and non-integral joint ventures	(151,059)	258,651	-	-	-	107,592
Purchase of property, plant and equipment and intangible assets	1,506,980	105,657	27,553	119,653	-	1,759,843

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

9. SEGMENT INFORMATION (CONTINUED)

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As at	31 March 2026	31 December 2025
Petrochemicals	23,938,727	24,213,212
Agri-nutrients	9,291,207	9,113,177
	33,229,934	33,326,389

GEOGRAPHICAL DISTRIBUTION FOR INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at 31 March 2026		As at 31 December 2025	
		%		%
KSA	27,606,753	83	27,619,752	83
Europe	5,080,288	15	5,175,491	15
Americas	542,893	2	531,146	2
	33,229,934	100	33,326,389	100

GEOGRAPHICAL DISTRIBUTION OF REVENUE

	For the three-month period ended 31 March 2026		For the three-month period ended 31 March 2025	
		%		%
KSA	4,210,376	16	4,370,901	15
China	4,940,882	19	6,088,866	21
Rest of Asia	6,557,709	25	8,166,597	28
Europe	2,412,111	9	2,523,403	9
Americas	3,490,956	13	3,073,445	10
Africa	2,210,442	9	2,386,752	8
Others	2,329,459	9	2,656,694	9
	26,151,935	100	29,266,658	100

The revenue information above is based on the locations of the customers.

GEOGRAPHICAL DISTRIBUTION FOR NON-CURRENT ASSETS EXCLUDING FINANCIAL ASSETS AND DEFERRED TAX ASSETS

	As at 31 March 2026		As at 31 December 2025	
		%		%
KSA	76,301,056	66	77,004,852	74
Americas	19,000,877	16	20,515,301	14
Europe	18,479,147	16	17,625,393	10
Asia	2,577,245	2	2,659,930	2
Others	12,191	-	14,709	-
	116,370,516	100	117,820,185	100

10. APPROPRIATIONS

On 12 of Shawwal 1447H (corresponding to 31 March 2026), SABIC distributed interim cash dividends amounting to ₪ 4,500 million (at ₪ 1.50 per share) for the second half of financial year 2025, resulting in a full year cash dividend distribution of ₪ 9,000 million (at ₪ 3.00 per share).

On 4 Ramadan 1446H (corresponding to 4 March 2025), SABIC distributed interim cash dividends amounting to ₪ 5,100 million (at ₪ 1.70 per share) for the second half of 2024.

11. SUBSEQUENT EVENTS

There have been no further significant subsequent events since the period ended 31 March 2026, which would have a material impact on the financial position of the Group as reflected in these condensed consolidated interim financial statements.