

**Combined condensed interim financial information  
of  
EQUATE Petrochemical Company K.S.C.C. and subsidiaries  
("EQUATE Group")  
and  
The Kuwait Olefins Company K.S.C.C. ("TKOC")  
for the six-month period ended 30 June 2025**

**EQUATE Group and TKOC**  
**State of Kuwait**

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## Independent Auditors' Report on Review of Combined Condensed Interim Financial Information

### The Shareholders

EQUATE Petrochemical Company K.S.C.C. and The Kuwait Olefins Company K.S.C.C.  
State of Kuwait

#### Introduction

We have reviewed the accompanying combined condensed interim financial information of EQUATE Petrochemical Company K.S.C.C. ("EQUATE") and its subsidiaries (together "EQUATE Group") and The Kuwait Olefins Company K.S.C.C. ("TKOC") (together referred to as "the Reporting Entity"), which comprises the combined condensed statement of financial position as at 30 June 2025, the combined condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the combined condensed interim financial information. Management is responsible for the preparation and presentation of this combined condensed interim financial information in accordance with IAS 34, '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on this combined condensed interim financial information based on our review.

#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently 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 combined condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.



#### Emphasis of Matter – Basis of preparation

We draw attention to Note 1 and 2 to the combined condensed interim financial information, which describes their basis of preparation, including the approach to and the purpose of preparing them. The combined condensed interim financial information was prepared to assist the Reporting Entity for internal management reporting purposes and for presentation to the lenders of EQUATE Group. Our conclusion is not modified in respect of this matter.

A handwritten signature in blue ink, appearing to read 'R. Al-Qenae', with a stylized flourish at the end.

Dr. Rasheed M. Al-Qenae  
License No 130  
of KPMG Al-Qenae & Partners  
Member firm of KPMG International

Kuwait: 6 August 2025

**EQUATE Group and TKOC**  
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**Combined condensed statement of financial position**  
*as at 30 June 2025*

		US\$ million	
		30 June 2025	31 December 2024 (Audited)
<b>Assets</b>	<b>Note</b>		
Property, plant and equipment		2,647	2,660
Goodwill		1,689	1,689
Intangible assets		158	177
Right-of-use assets		293	308
Deferred tax assets		48	33
Deferred charges and other assets		696	724
<b>Non-current assets</b>		<b>5,531</b>	<b>5,591</b>
Inventories		219	212
Due from related parties	5	25	25
Trade and other receivables		779	728
Deferred charges and other assets		56	56
Cash and cash equivalents	3	934	1,222
<b>Current assets</b>		<b>2,013</b>	<b>2,243</b>
<b>Total assets</b>		<b>7,544</b>	<b>7,834</b>
<b>Equity</b>			
Share capital		1,080	1,080
Treasury shares		(450)	(450)
Statutory reserve		540	540
Retained earnings		206	264
Remeasurement of retirement benefit obligation		88	88
Foreign currency translation reserve		3	(8)
Hedge reserve		21	21
<b>Total equity</b>		<b>1,488</b>	<b>1,535</b>
<b>Liabilities</b>			
Loans and borrowings	4	4,170	3,578
Deferred income		87	96
Lease liabilities		292	310
Deferred tax liabilities		128	120
Retirement benefit obligation		354	341
Long term incentives		4	7
<b>Non-current liabilities</b>		<b>5,035</b>	<b>4,452</b>
Long term incentives		4	4
Loans and borrowings	4	150	1,000
Lease liabilities		28	28
Deferred income		19	19
Due to related parties	5	172	187
Trade and other payables		648	609
<b>Current liabilities</b>		<b>1,021</b>	<b>1,847</b>
<b>Total liabilities</b>		<b>6,056</b>	<b>6,299</b>
<b>Total equity and liabilities</b>		<b>7,544</b>	<b>7,834</b>

The attached notes on pages 7 to 20 form an integral part of these combined condensed interim financial information.



Naser Aldousari  
*President & Chief Executive Officer*



Phisanu Sermchaiwong  
*Chief Financial Officer*

**EQUATE Group and TKOC  
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**Combined condensed statement of profit or loss and other comprehensive income**  
*for the six-month period ended 30 June 2025*

	Note	US\$ million	
		2025	2024
Sales	6	1,889	1,861
Cost of sales		(1,527)	(1,360)
<b>Gross profit</b>		<b>362</b>	<b>501</b>
Management fee	5	3	3
Reservation right fees		9	9
General, administrative and selling expenses		(49)	(44)
Other (expenses) / income		(2)	3
Foreign exchange gain / (loss)		1	(5)
<b>Profit from operations</b>		<b>324</b>	<b>467</b>
Finance income		18	12
Finance costs		(127)	(121)
<b>Profit before contribution to Kuwait Foundation for the Advancement of Sciences (“KFAS”), Zakat, tax on subsidiaries and Board of Directors’ remuneration</b>		<b>215</b>	<b>358</b>
Contribution to KFAS		(2)	(4)
Contribution to Zakat		(1)	(2)
Income tax expense	8	(3)	-
Tax on subsidiaries		(5)	(4)
Board of Directors’ remuneration		0	0
<b>Net profit for the period</b>		<b>204</b>	<b>348</b>
<b>Other comprehensive income / (loss)</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences		11	(8)
<b>Other comprehensive loss for the period</b>		<b>11</b>	<b>(8)</b>
<b>Total comprehensive income for the period</b>		<b>215</b>	<b>340</b>

The attached notes on pages 7 to 20 form an integral part of these combined condensed interim financial information.

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**Combined condensed statement of statement of changes in equity**  
*for the six-month period ended 30 June 2025*

	US\$ million							Total
	Share capital	Treasury shares	Statutory reserve	Retained earnings	Remeasurement of retirement benefit obligation	Foreign currency translation reserve	Hedge reserve	
<b>Balances as at 1 January 2024</b>	1,080	(450)	540	179	45	13	25	1,432
Net profit for the period	-	-	-	348	-	-	-	348
Other comprehensive loss	-	-	-	-	-	(8)	-	(8)
<b>Total comprehensive income for the period</b>	-	-	-	348	-	(8)	-	340
Dividends paid (Note 10)	-	-	-	(313)	-	-	-	(313)
<b>Balance as at 30 June 2024</b>	<u>1,080</u>	<u>(450)</u>	<u>540</u>	<u>214</u>	<u>45</u>	<u>5</u>	<u>25</u>	<u>1,459</u>
<b>Balances as at 1 January 2025</b>	1,080	(450)	540	264	88	(8)	21	1,535
Net profit for the period	-	-	-	204	-	-	-	204
Other comprehensive income	-	-	-	-	-	11	-	11
<b>Total comprehensive income for the period</b>	-	-	-	204	-	11	-	215
Dividends paid (Note 10)	-	-	-	(262)	-	-	-	(262)
<b>Balance as at 30 June 2025</b>	<u>1,080</u>	<u>(450)</u>	<u>540</u>	<u>206</u>	<u>88</u>	<u>3</u>	<u>21</u>	<u>1,488</u>

The attached notes on pages 7 to 20 form an integral part of these combined condensed interim financial information.

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**Combined condensed statement of cash flows**  
*for the six-month period ended 30 June 2025*

		US\$ million	
	Note	2025	2024
<b>Cash flows from operating activities</b>			
Net profit for the period		204	348
<i>Adjustments for:</i>			
Depreciation		142	144
Amortisation of intangibles and deferred assets		48	48
Reservation right fees		(9)	(9)
Tax expense		11	10
Finance costs		127	121
Finance income		(18)	(12)
Provision for retirement benefit obligation		22	19
Provision for leave salary		1	-
Provision for long term incentives		2	1
		530	670
<i>Changes in:</i>			
Inventories		(7)	(5)
Due from related parties		-	8
Trade and other receivables		(51)	(125)
Due to related parties		(15)	42
Trade and other payables		33	(3)
Retirement benefit obligation paid		(8)	(10)
Long term incentives paid		(4)	(3)
Taxes paid		(27)	(28)
<b>Net cash from operating activities</b>		451	546
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(97)	(54)
Investment in staff saving scheme		(1)	(1)
Finance income received		23	12
<b>Net cash used in investing activities</b>		(75)	(43)
<b>Cash flows from financing activities</b>			
Loan origination fee paid	4	(11)	(2)
Bond / Sukuk repayment	4	(1,000)	(500)
Proceeds from term loan facilities	4	750	500
Payment of lease liabilities		(25)	(24)
Finance costs paid		(117)	(113)
Dividends paid	10	(262)	(313)
<b>Net cash used in financing activities</b>		(665)	(452)
Net (decrease) / increase in cash and cash equivalents		(289)	51
Cash and cash equivalents at beginning of the period		1,159	595
<b>Cash and cash equivalents at end of the period</b>	3	870	646

The attached notes on pages 7 to 20 form an integral part of these combined condensed interim financial information.



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**Notes to the combined condensed interim financial information**  
*for the six-month period ended 30 June 2025*

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**1. Reporting entity**

EQUATE Petrochemical Company K.S.C.C. ("EQUATE") is a Closed Kuwaiti Shareholding Company incorporated in the State of Kuwait on 20 November 1995. EQUATE is primarily engaged in manufacturing and sale of Ethylene Glycol ("EG"), polyethylene ("PE") and polyethylene terephthalate ("PET"). EQUATE also operates and maintains Olefins II, Styrene, Aromatics and Polypropylene plants on behalf of its related entities in Kuwait.

The Kuwait Olefins Company K.S.C.C. ("TKOC") is a Closed Kuwaiti Shareholding Company incorporated in the State of Kuwait on 10 October 2004 and is primarily engaged in the manufacturing and sale of Ethylene and Ethylene Glycol ("EG"). TKOC is owned by EQUATE's shareholders and is managed by EQUATE's management. Additionally, the manufacturing plants of both EQUATE and TKOC are integrated and operated and managed by EQUATE's management under various agreements.

EQUATE and TKOC are owned by Dow Europe Holding B.V. ("DEHBV"), Petrochemical Industries Company K.S.C. ("PIC"), Boubyan Petrochemical Company K.S.C. ("BPC") and Kuwait Projects Company (Holding) ("KIPCO"). The shareholding of both the companies are identical and they are under common control. The registered address of both the companies is Central Ahmadi, Block 12, Kuwait.

DEHBV is a subsidiary of the The Dow Chemical Company ("TDCC").

EQUATE and its subsidiaries set out below, together referred as "EQUATE Group" and EQUATE Group and TKOC together referred as "the Reporting Entity".

The combined condensed interim financial information, which is the responsibility of the management of the Reporting Entity, is being presented with the sole purpose of providing, in a single set of financial information related to the combined financial position and combined financial performance of the Reporting Entity. The combined condensed interim financial information is being prepared by and at the level of the common shareholders of EQUATE and TKOC. This combined condensed interim financial information of the Reporting Entity was prepared for presentation to lenders of EQUATE Group.

The combined condensed interim financial information as at and for the period ended 30 June 2025 comprises of the condensed consolidated interim financial information of EQUATE Group and condensed interim financial information of TKOC. List of directly and indirectly owned subsidiaries of EQUATE is as follows:

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**Notes to the combined condensed interim financial information**  
*for the six-month period ended 30 June 2025*

Name of entity	Country of incorporation	Principal business	Percentage of holdings	
			30 June 2025	31 December 2024
MEGlobal B.V (“MEG B.V”)	Netherlands	Holding Company and sales of EG	100%	100%
MEGlobal Canada ULC (“MEGC”)	Canada	Manufacturing and sales of EG	100%	100%
EQUATE Sukuk SPC Limited	UAE	Special Purpose Company	100%	100%
MEGlobal Americas Inc.	USA	Marketing and distribution of EG	100%	100%
EQUATE Marketing Company. S.P.C	Kuwait	Marketing of PE & EBSM	100%	100%
MEGlobal Mexico S.A. de C.V.	Mexico	Marketing and distribution of EG	100%	100%
MEGlobal Trading Group	China	Marketing and distribution of EG	100%	100%
MEGlobal Comercio Do Brasil Ltda	Brazil	Marketing and distribution of EG	100%	100%
MEGlobal EG Singapore Pte. Ltd.	Singapore	Marketing and distribution of EG	100%	100%
Equipolymers GmbH	Germany	Manufacturing and sales of PET	100%	100%
Equipolymers Srl	Italy	Marketing of PET	100%	100%
<b>Held through MEGC</b>				
Alberta & Orient Glycol Company ULC	Canada	Manufacturing and sales of EG	100%	100%

This combined condensed interim financial information was authorised for issue by the President & Chief Executive Officer and Chief Financial Officer of the Reporting Entity on 6 August 2025.

**2. Basis of accounting**

a) Statement of compliance

These combined condensed interim financial information for the six months period ended 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Reporting Entity’s last annual combined financial statements as at and for the year ended 31 December 2024 (“last annual combined financial statements”). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Reporting Entity’s financial position and performance since the last annual combined financial statements.

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**Notes to the combined condensed interim financial information**  
*for the six-month period ended 30 June 2025*

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b) Basis of combination

This combined condensed interim financial information has been prepared by combining condensed consolidated interim financial information of EQUATE Group and condensed interim financial information of TKOC for the six-month period ended 30 June 2025, prepared in accordance with IAS 34 *Interim Financial Reporting*.

This combined condensed interim financial information has been prepared as following:

- Financial information is combined on a line-by-line basis by adding together assets, liabilities, income and expenses.
- Share capital and reserves are aggregated.
- Inter-company transactions and balances are eliminated; and
- Taxes have been determined based on the tax charges recorded by individual entities.

c) Use of Judgments and estimates

In preparing this combined condensed interim financial information, management has made judgements and estimates about the future, including climate – related risks and opportunities 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.

The significant judgements made by management in applying the Reporting Entity's accounting policies and the key sources of estimation uncertainty are the same as those described in the last annual combined financial statements.

d) Material accounting policies

The accounting policies applied in this combined condensed interim financial information are consistent with those in the Reporting Entity's combined financial statements as at and for the year ended 31 December 2024 except for the amendments to IFRS Accounting Standards which are effective for annual accounting period starting from 1 January 2025.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. The Reporting Entity has not early adopted any of the forthcoming new or amended standards in preparing this combined condensed interim financial information.

**3. Cash and cash equivalents**

	<b>US\$ million</b>	
	<b>30 June 2025</b>	<b>31 December 2024</b>
		<b>(Audited)</b>
Cash balances	0	0
Bank balances	186	197
Term deposits	748	1,025
Total cash and cash equivalents for the statement of financial position	934	1,222
Less: Amount reserved relating to staff saving scheme	(64)	(63)
Cash and cash equivalents for the statement of cash flows	870	1,159

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*for the six-month period ended 30 June 2025*

The effective interest rate on time deposits as at 30 June 2025 was 4.73% (as at 31 December 2024: 5.31%) per annum.

**4. Loans and borrowings**

The movement in loans and borrowings is as follows:

	<b>US\$ million</b>	
	<b>30 June 2025</b>	<b>31 December 2024</b>
		<b>(Audited)</b>
Balance at 1 January	4,578	4,334
Loan origination fees	(11)	(14)
Amortisation for the period	3	8
Proceeds from term loan facilities	750	500
Repayment of bridge loan	-	(500)
Bond / Sukuk repayment	(1,000)	(500)
Issue of Sukuk	-	750
Balance at 30 June	<u>4,320</u>	<u>4,578</u>

The current and non-current portion of loans and borrowings is set out below:

Non-current	4,170	3,578
Current	<u>150</u>	<u>1,000</u>
	<u>4,320</u>	<u>4,578</u>

At the reporting date, the following loans and borrowings were outstanding:

	<b>US\$ million</b>	
	<b>30 June 2025</b>	<b>31 December 2024</b>
		<b>(Audited)</b>
i) Fixed interest rate Notes (GMTN 1) amounting to US\$ 1,250 million (net of discount of US\$ 15 million) having a term of 10 years, maturing in November 2026, with an effective interest rate of 4.402% and carrying a coupon rate of 4.25%.  Euronext bond quote based on level 1 inputs of fair value as of 30 June 2025 is 99.18% (31 December 2024: 98.25%).	1,235	1,235
ii) Fixed interest rate Notes (GMTN 2) amounting to US\$ 1,000 million having a term of 5 years, matured in May 2025, with an effective interest rate and coupon rate of 5.000% per annum payable on a semi-annual basis.  Euronext bond quote based on level 1 inputs of fair value as of 30 June 2025 is nil (31 December 2024: 99.78%).	-	1,000

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iii) Fixed interest rate Notes (GMTN 2) amounting to US\$ 600 million having a term of 10 years, maturing in May 2030, with an effective interest rate and coupon rate of 5.875% per annum payable on a semi-annual basis.	Euronext bond quote based on level 1 inputs of fair value as of 30 June 2025 is 103.77% (31 December 2024: 102.27%).	600	600
iv) Fixed interest rate Notes (GMTN 3) amounting to US\$ 700 million (net of discount of US\$ 1 million) having a term of 7 years, maturing in April 2028, with an effective interest rate of 2.641% and carrying a coupon rate of 2.625% per annum payable on a semiannual basis.	Euronext bond quote based on level 1 inputs of fair value as of 30 June 2025 is 94.346% (31 December 2024: 90.68%).	699	699
v) Fixed profit rate Sukuk amounting to US\$ 750 million (net of discount of US\$ 8 million) having a term of 7 years, maturing in September 2031, with a profit rate of 5.00% per annum payable on a semi-annual basis. Euronext bond quote based on level 1 input of fair value as 30 June 2025 is 99.94% (31 December 2024 100.09%)		742	742
vi) The Reporting Entity has various term loan facilities amounting to US\$ 1,125 million, of which the outstanding facilities amount to US\$ 1,050 million at the reporting date. These facilities comprise of both conventional and Islamic structures maturing at different dates over the next 5 years. All facilities bear floating interest or profit rates. The weighted average effective interest rate across these borrowings is 5.22% per annum.		1,050 4,326	300 4,576

The payments due in respect of the loans and borrowings described above are unconditionally and irrevocably guaranteed, jointly and severally, and not severally, by the Company and TKOC.

In addition, the Group has multiple Revolving Facilities totalling US\$ 950 million (31 Dec 2024: US\$ 950 million) at the reporting date, these facilities comprise of both Islamic and conventional structures maturing at different dates over the next 5 years.

**5. Related party transactions**

In the normal course of business, the Reporting Entity enters into transactions with its shareholders PIC (directly owned by Kuwait Petroleum Corporation (“KPC”), BPC, KIPCO and DEHBV, part of TDCC.

EQUATE Marketing Company S.P.C, Kuwait (“EMC”), which is owned by PIC and DEHBV, is the exclusive sales agent in certain territories for the marketing of PE produced by the EQUATE. EQUATE reimburses all the actual expenses incurred by EMC.

EQUATE Group owns and operates petrochemical complexes in Kuwait, North America and Europe through its subsidiary MEGlobal and the Greater EQUATE joint venture which holds under one fully integrated operational umbrella each of EQUATE, The Kuwait Styrene Company (“TKSC”), Kuwait Paraxylene Production Company (“KPPC”) and The Kuwait Olefins Company (“TKOC”).

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EQUATE Group provides operating, maintenance and other services to the above entities for which the Company receives a fixed management fee over and above the actual operating cost under the Operations, Maintenance and Services Agreement (“OMSA”) and received a reservation right fee that equals the total capital construction costs incurred by the Company on the new utilities and infrastructure facilities under the Materials and Utility Supply Agreement (“MUSA”).

On 2 December 2004, EQUATE signed an Operations, Maintenance and Services Agreement (“OMSA”) with TKOC, TKSC and KARO and PIC. Under the terms of the OMSA, EQUATE provides operating, maintenance and other services to the above entities and for which EQUATE receives a fixed management fee over and above the actual operating cost.

On 2 December 2004, TKOC signed an Ethylene supply agreement with EQUATE and TKSC. Under the terms of the agreement, the price per metric tonne of ethylene is paid by TKSC based on the quantity delivered to them at contract price.

During 2005, services agreements were signed between DEHBV, PIC and EQUATE with TKOC, TKSC, KARO and PIC for the provision of various services to the Olefins II projects. An agreement to amend MUSA and service agreements (“primary agreements”) was signed between the parties to the primary agreements on 8 February 2006 releasing KARO from its obligations and liabilities under the primary agreements and appointing Kuwait Paraxylene Production Company K.S.C.C. (“KPPC”) in place of KARO to assume and perform all obligations of KARO as if KPPC were and had been a party to the primary agreements. KPPC is a 100% owned subsidiary of KARO.

**Operational Facility**—Under the cash management services provided by MEG B.V, the EQUATE Group’s subsidiaries and TKOC have an overnight cash sweeping facility with MEG B.V. Under this arrangement, the EQUATE Group entities and TKOC sweep selected bank accounts with MEG B.V. This allows the EQUATE Group entities and TKOC to either invest or borrow funds on an overnight basis. Under the terms of the agreement, the subsidiaries and TKOC can borrow or deposit with MEG B.V at an interest rate of Term SOFR plus a positive spread set by the Management.

The spread is determined by taking into consideration of economic factors such as the creditworthiness of counterpart, characteristics of the debt financing arrangement etc. These are indefinite credit arrangements subject to termination by either party of which the interest is accrued monthly.

All transactions with related parties are carried out on a negotiated contract basis.

The following is a description of significant related party agreements and transactions, other than described above:

- a) Supply by Union Carbide Corporation (“UCC”) of technology and licences relating to manufacture of PE and EG
- b) Feed gas and fuel agreement with PIC
- c) Supply by the EQUATE Group of certain materials and services required by PIC to operate and maintain the polypropylene plant
- d) Excess EG Marketing Agreement
- e) General Services Agreement
- f) Secrecy Agreement
- g) Long Term Land Lease Agreement
- h) Site Services Agreement
- i) Employee Seconding Agreement
- j) Catalyst License Agreement

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**Notes to the combined condensed interim financial information**  
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- k) Binding Term sheet – Gulf Coast
- l) Other Assignment and Assumption Agreements
- m) Ethylene supply agreement by MEGC with DEHBV / TDCC
- n) Feedstock supply agreement by MEGC with DEHBV / TDCC for the USGC Project
- o) Master service agreement with DEHBV / TDCC
- p) Ethylene Oxide (EO)/EG Swap Agreement (MEGC)
- q) Technology License Intellectual Property (IP) Agreement (MEGC)
- r) Catalyst Supply Agreement (MEGC)
- s) Storage Sublease (MEGC)
- t) Ground Lease (MEGC)
- u) Utilities Services Agreements (MEGC)
- v) Technical Services Agreement (MEGC)

Details of significant related party transactions are disclosed below:

US\$ million		
	30 June 2025	30 June 2024
<b>a) Sales and management fee</b>		
Styrene plant management fees from TKSC	1	1
Aromatics Plant management fees from KPPC	2	2
Sale of ethylene, utilities and services to KPPC, TKSC and PIC	27	26
Sales of MEG to TDCC	2	-
Sale of TEG to Dow Chemical Canada ULC	2	2
Sale of DEG to TDCC	3	0
Sale of DEG to Dow Europe GMBH	2	4
Service cost charged to Dow Chemical Canada ULC	5	6
Operating cost reimbursed by PIC for running of Polypropylene plant	2	2
Operating and utility cost reimbursed by TKSC for running of Styrene plant	24	23
Operating and utility cost reimbursed by KPPC for running of Aromatics plant	37	34
US\$ million		
	30 June 2025	30 June 2024
<b>b) Purchases and expenses</b>		
Feed gas and fuel gas purchased from KPC	214	217
Ethylene purchase from Dow Europe GMBH	94	91
Ethylene Purchase from TDCC	83	84
Service cost reimbursed to Dow Chemical Canada ULC	29	46
Service cost reimbursed to TDCC	4	4
Glycol purchased from Dow Europe GMBH	39	32
Glycol purchase from TDCC	6	17
Catalyst purchased from UNIVATION	7	5
Catalyst extension fee Dow Chemical Canada ULC	-	1

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Tugging fees payments to Kuwait Oil Company K.S.C.C. ("KOC")	4	4
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**c) Key management compensation**

Salaries, short term and terminal benefits

US\$ million	
30 June 2025	30 June 2024

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**d) Due from related parties**

Due from PIC  
Due from UCC  
Due from TDCC  
Due from Dow Chemical Canada ULC  
Due to Dow Europe GMBH  
Due from TKSC  
Due from KPPC

US\$ million	
30 June 2025	31 December 2024
	(Audited)

1 1  
2 -  
3 0  
1 3  
1 1  
8 9  
9 11  
25 25

US\$ million	
30 June 2025	31 December 2024
	(Audited)

**e) Due to related parties**

Due to KPC  
Due to PIC  
Due to KNPC  
Due to Kuwait Oil Company K.S.C  
Due to TKSC  
Due to TDCC  
Due to Dow Olefinverbund GMBH  
Due from Dow Chemical Canada ULC  
Due to Dow Canada Limited  
Due to Dow Europe GMBH  
Due to KPPC

112 94  
4 4  
- 2  
3 4  
1 -  
11 44  
7 4  
5 7  
- 2  
28 25  
1 1  
172 187



**EQUATE Group and TKOC  
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**Notes to the combined condensed interim financial information**  
*for the six-month period ended 30 June 2025*

**6. Additional Business and Geographical Information**

***Basis for segmentation***

The Reporting Entity have one significant business segment i.e, Performance Materials & Chemicals (“PMC”), which is the reportable segment. This business segment manufactures and markets different types of basic petrochemical products.

Equate Management Team (“EMT”), a committee comprises of certain board members of EQUATE Group and TKOC and key members of management, reviews the internal management reports of segments to monitor the performance and allocate capital. Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”) is the key measure used to monitor the performance of business because management believes that this information is the most relevant in evaluating the results of the business relative to other entities that operate in the similar industries. EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of interest income, interest expenses, depreciation, amortization and reservations rights fees and taxation. EBITDA is not a defined performance measure in IFRS Accounting Standards. The Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

In addition to PMC business, EQUATE is engaged in managing operations of petrochemical plants of certain related parties, which did not meet the quantitative threshold for reportable segment.

***Information about reportable segments***

	US\$ million					
	30 June 2025			30 June 2024		
	PMC	Others	Total	PMC	Others	Total
External segment revenue	1,791	98	1,889	1,772	89	1,861
EBITDA	477	24	501	625	25	650
Net profit for the period	198	6	204	342	6	348
Finance income	(18)	(0)	(18)	(12)	(0)	(12)
Finance cost	126	1	127	119	2	121
Depreciation, amortization and reservation rights	160	17	177	166	17	183
Income tax / KFAS / Zakat	11	0	11	10	0	10

***Geographical information***

PMC business is managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Kuwait, Canada, Germany, Singapore and United States of America. The geographical information analyses the Reporting Entity's revenue by the Company's country of domicile and other countries. In presenting the geographical information, the segment revenue has been based on geographic location of customers.

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**Notes to the combined condensed interim financial information  
for the six-month period ended 30 June 2025**

Revenue by product / services and geography	US\$ million				
	EG	PE	PET	Others	Total
<b>30 June 2025</b>					
Americas	209	-	-	5	214
North Asia	608	88	-	-	696
India sub-continental	273	39	-	-	312
Europe	146	44	120	-	310
Rest of the World*	88	176	-	93	357
External revenue	1,324	347	120	98	1,889

Revenue by product / services and geography	US\$ million				
	EG	PE	PET	Others	Total
<b>30 June 2024</b>					
Americas	205	-	-	-	205
North Asia	569	106	-	-	675
India sub-continental	251	53	-	-	304
Europe	152	52	130	-	334
Rest of the World*	59	195	-	89	343
External revenue	1,236	406	130	89	1,861

**Timing of revenue recognition**

	US\$ million	
	30 June 2025	30 June 2024
Products transferred at a point in time	1,650	1,638
Products and services transferred over time	141	134
Revenue from contracts with customers	1,791	1,772
Other revenue	98	89
	1,889	1,861

EBITDA by product line	US\$ million				
	EG	PE	PET	Others	Total
<b>30 June 2025</b>	362	128	(13)	24	501
<b>30 June 2024</b>	436	191	(2)	25	650

**Notes to the combined condensed interim financial information**  
*for the six-month period ended 30 June 2025*

**7. Financial instruments**

*Fair value measurement*

The fair value of the financial instrument is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

When measuring the fair value of an asset or a liability, the Reporting Entity uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

*Forward foreign exchange contracts*

Foreign currency exposure risks are managed by dealing in forward contracts within the pre-approved limits. The EQUATE Group deals in forward foreign exchange contracts to manage its foreign currency positions and cash flows.

The net notional value of the forward exchange contracts (off Balance Sheet exposure) as at 30 June 2025 is as follows:

	<b>US\$ million</b>	
	<b>30 June 2025</b>	<b>31 December 2024</b>
		<b>(Audited)</b>
<b>Long position</b>		
KD	990	1,128
CAD	58	55
Euro	146	104
Others	14	14
<b>Short position</b>		
KD	483	540
CAD	156	123
Euro	271	200
Others	26	23

The fair value of forward foreign exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. These are classified as Level II. The fair value of the forward foreign exchange contract as at 30 June 2025 amounting to US\$ 3.5 million (31 December 2024: US\$ 2 million).

**Notes to the combined condensed interim financial information**  
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*Cash flow hedge*

In the prior years, the hedging instrument was sold prior to maturity, accordingly the hedge accounting was discontinued prospectively and amount of US\$ 25 million was accumulated in the in the hedge reserve. During the prior year, the EQUATE Group has issued the Sukuk amounting to US\$ 750 million having a term of 7 years, and hence the accumulated hedge reserve has been amortised to consolidated statement of profit or loss in the same periods as the hedged expected future cash flows affect profit or loss. Further, EQUATE has also entered into commodity forward contracts in the current period and the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the hedge reserve.

*Financial risk management*

All aspects of the Reporting Entity's financial risk management objectives and policies are consistent with those disclosed in the combined financial statements of EQUATE Group and financial statements of TKOC for the year ended 31 December 2024.

**8. Global minimum top-up tax**

The EQUATE Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the EQUATE Group's operations in Kuwait and in Singapore. In Kuwait, the statutory tax rate is zero percent, and the top-up tax is levied on EQUATE under the Domestic Minimum Top-Up Tax Rule in Kuwait.

In Singapore, the subsidiary MEGlobal EG Singapore Pte Ltd., receives a tax incentive making the effective tax rate to below 15% and is subject to a domestic minimum top-up tax which became effective in January 2025. The EQUATE Group recognised a current tax expense of US\$ 3.4 million related to top-up tax in the six-month period ended 30 June 2025 (six -month period ended June 2024: US\$ 0 million).

The EQUATE Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

**9. Commitments and contingent liabilities**

The Reporting Entity has a fixed gas purchase commitment with a related party of approximately US\$ 1 million (31 December 2024: US\$ 1 million) per day until the agreement is cancelled in writing by the parties.

The Reporting Entity under the excess EG marketing agreement has a commitment to purchase from Dow an annual volume for a term to 2024.

The EQUATE Group under the Ethylene Supply Agreement has a commitment to purchase and obligates DCC ULC to supply a contract quantity of ethylene each year through 2024 with an additional two five-year extensions through to 2034 in respect of manufacturing plants in Alberta. The EQUATE Group under the Ethylene Supply Agreement has a commitment to purchase and obligates The Dow Chemical Company to supply 26.7% of output of one of Dow's ethylene crackers (TX-9), for USGC project, through the earlier of A) Dow Cracker facility permanently cease to operate or B) MEGlobal USGC plants cease to operate, subject to certain other conditions. The useful life of this asset is 25 years, starting from 2019.

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The Reporting entity has entered into short term arrangements to obtain the right to use 19 million troy ounces (2024: 15 million troy ounces) of silver with a variety of banks. The title and ownership of the silver rests with banks. These arrangements mature over various dates in 2024-2025 and are guaranteed by MEGlobal BV. The subsidiaries pays lease fees for these arrangements which are expensed over the terms of such arrangements. The subsidiaries also bear the risk of loss of silver resulting from usage.

The following summarizes the quantity and value of silver outstanding at 30 June 2025 under such arrangements:

	<b>30 June 2025</b>		<b>31 December 2024</b>	
	<b>Qty (TOZ)</b>	<b>Value US\$ million</b>	<b>Qty (TOZ)</b>	<b>Value US\$ million</b>
<b>Silver</b>	18,970,240	611	15,132,571	387
<b>Palladium</b>	1,131	1	1,131	2
<b>Total</b>	<u>18,971,371</u>	<u>612</u>	<u>15,133,702</u>	<u>389</u>

In addition to the above, the Reporting Entity had the following commitments and contingent liabilities outstanding as at 30 June 2025:

	<b>US\$ million</b>	
	<b>30 June 2025</b>	<b>31 December 2024 (Audited)</b>
Letters of credit and letters of guarantee	142	40
Capital commitments	77	65

*Contingent liabilities*

**Corporation Income Tax Assessment from the Canadian Revenue Agency**

Following the completion of audit reports for the tax years 2013, 2014, 2015, 2016, 2017, 2018 and 2019, MEGlobal Canada ULC received Corporation Income Tax re-assessments from the Canada Revenue Agency (CRA) for transfer pricing adjustments amounting to CAD 61.6 million (US\$ 45 million) for 2013, CAD 75 million (US\$ 54.8 million) for 2014, CAD 75.8 million (US\$ 55.4 million) for 2015, CAD 82.3 million (US\$ 60.2 million) for 2016, CAD 140.5 million (US\$ 102.7 million) for 2017, CAD 202.9 million (US\$ 148.3 million) for 2018 and CAD 114.2 million (US\$ 83.5 million) for 2019. This has resulted in additional assessed federal taxes, provincial taxes, Part XIII taxes, interest and penalties of CAD 43.8 million (US\$ 32.1 million) for 2013, CAD 50.4 million (US\$ 36.9 million) for 2014, CAD 51.6 million (US\$ 37.7 million) for 2015, CAD 54 million (US\$ 39.5 million) for 2016, CAD 101.5 million (US\$ 74.2 million) for 2017, and CAD 148.7 million for 2018 (US\$ 108.7 million) and CAD 67.5 million (US\$ 49.3 million) for 2019.

The Management has filed notice of objections for each of the re-assessments for the years 2013, 2014, 2015, 2016, 2017, 2018 and 2019. The Management is confident that it can defend their filed positions using its transfer pricing methodology and get the assessments reversed through the appeal process, similar to prior re-assessments which were appealed. The management is also of the view that no additional tax liabilities are required for these commitments as of 30 June 2025. The Management is currently awaiting to get a date for the hearing from the appeals officer.

*Uncertain tax position*

**Corporation Income Tax Assessment from the Ministry of Finance, Kuwait**

The EQUATE Group received an income tax assessment on EQUATE Petrochemical BV for the years 2016 to 2018 from Ministry of Finance, Kuwait, in August 2023 relating to income tax filings for the respective years for a total tax and penalty value of KD 4,567,975 (US\$ 14,962,265).

The tax filings by the Group claimed double tax treaty exemption based on the Double Taxation avoidance Agreement signed between State of Kuwait and the Government of the Netherlands. The EQUATE Group objected to the tax assessment which was denied by the Ministry of Finance. The EQUATE Group subsequently filed an appeal to the Tax Appeals Committee on 6 February 2024. The Tax Appeals Committee informed the Company that the decision has been postponed till further notice.

In May 2025, the Group further received income tax assessment on EQUATE Petrochemical BV for the years 2019 to 2022 relating to income tax filings for the respective years for a total tax and penalty value of KD 3,792,440 (US\$ 12,422,023).

The tax filings by the EQUATE Group claimed double tax treaty exemption based on the Double Taxation avoidance agreement signed between State of Kuwait and the Government of the Netherlands. The EQUATE Group filed the objection to these assessments on July 2025 and is awaiting a decision.

The EQUATE Group also received nil income tax assessment on MEGlobal BV for the years 2016 and 2017 from the Ministry of Finance, Kuwait relating to income tax filings for the respective years denying the treaty exemption based on the Double Taxation avoidance Agreement signed between State of Kuwait and the Government of Netherlands. The EQUATE Group objected to the tax assessment which was denied by the Ministry of Finance. The EQUATE Group subsequently filed an appeal to the Tax Appeals Committee on 6 February 2024. The Tax Appeals Committee informed the Company that the decision has been postponed till further notice.

The Management is confident that it can defend all the filed positions through the dispute resolution process at the tax courts and using the Mutual Agreement Procedure (MAP) under the tax treaty as the EQUATE Group cannot be taxed twice on the same income and hence is of the view that no additional tax liabilities are required for these commitments as of 30 June 2025.

**10. Annual General Assembly**

At the Annual General meetings held on 13 February 2025 and 4 March 2024, the shareholders authorized the Board of Directors to approve and distribute interim dividends pertaining to the net profits for financial period 2024 and 2025 respectively.

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**Notes to the combined condensed interim financial information**  
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The following dividends were approved by the Board of Directors and paid by the Reporting Entity during the period ended 30 June:

	<b>US\$ million</b>	
	<b>2025</b>	<b>2024</b>
Interim dividend for the current period	-	134
Outstanding dividend from the prior year	262	179
Dividend paid during the period	262	313