EQUATE Petrochemical Company K.S.C.C. and its subsidiaries
State of Kuwait

Condensed consolidated interim financial information and independent auditor's report for the six-month period ended 30 June 2025

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Independent auditor's report on review of condensed consolidated interim financial information

The Board of Directors
EQUATE Petrochemical Company K.S.C.C.
State of Kuwait

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of EQUATE Petrochemical Company K.S.C.C. ("the Company") and its subsidiaries (together "the Group") which comprises the condensed consolidated statement of financial position as at 30 June 2025, the related condensed consolidated 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 condensed consolidated interim financial information. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated interim financial information as at and for the six-month ended 30 June 2025 are not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

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

Kuwait: 6 August 2025

EQUATE Petrochemical Company K.S.C.C. and its subsidiaries
State of Kuwait

Condensed consolidated statement of financial position
as at 30 June 2025

	Notes	US$ million 30 June 2025	US$ million 31 December 2024 (Audited)
Assets			
Property, plant and equipment		2,224	2,231
Goodwill		1,689	1,689
Intangible assets		122	139
Right-of-use assets		283	297
Deferred tax assets		48	33
Deferred charges and other assets		696	724
Non-current assets		5,062	5,113
Inventories		214	207
Due from related parties	*5*	35	39
Trade and other receivables		775	725
Deferred charges and other assets		56	56
Cash and cash equivalents	*3*	931	1,219
Current assets		2,011	2,246
Total assets		7,073	7,359
Equity			
Share capital		700	700
Treasury shares		(450)	(450)
Statutory reserve		350	350
Retained earnings		87	162
Remeasurement of retirement benefit obligation		88	88
Foreign currency translation reserve		3	(8)
Hedge reserve		21	21
Total equity		799	863
Liabilities			
Loans and borrowings	*4*	4,170	3,578
Deferred income		164	183
Lease liabilities		283	300
Deferred tax liabilities		128	120
Retirement benefit obligation		354	341
Long term incentives		4	7
Non-current liabilities		5,103	4,529
Loans and borrowings	*4*	150	1,000
Long term incentives		4	4
Lease liabilities		26	26
Deferred income		38	39
Due to related parties	*5*	187	207
Notes payables to a related party	*5*	133	98
Trade and other payables		633	593
Current liabilities		1,171	1,967
Total liabilities		6,274	6,496
Total equity and liabilities		7,073	7,359

The attached notes on pages 6 to 19 form an integral part of these condensed consolidated interim financial information.

Nadia Al-Hajji
Chairperson

Naser Aldousari
President & Chief Executive Officer

Condensed consolidated statement of profit or loss and other comprehensive income

for the six month period ended 30 June 2025

	Notes	US$ million 2025	US$ million 2024
Sales	*6*	1,930	1,912
Cost of sales		(1,698)	(1,543)
Gross profit		232	369
Management fee	*5*	4	4
Reservation right fees		19	19
General, administrative and selling expenses		(48)	(42)
Other (expenses) / income		(2)	3
Foreign exchange gain / (loss)		1	(5)
Profit from operations		206	348
Finance income		19	13
Finance costs		(130)	(124)
Profit/(loss) before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), Zakat, tax on subsidiaries and Board of Directors' remuneration		95	237
Contribution to KFAS		(1)	(3)
Contribution to Zakat		(0)	(1)
Income tax expense	*8*	(3)	-
Tax on subsidiaries		(5)	(4)
Board of Directors' remuneration		(0)	(0)
Net profit for the period		86	229
Other comprehensive income / (loss)			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		11	(8)
Other comprehensive income / (loss) for the period		11	(8)
Total comprehensive income / (loss) for the period		97	221

The attached notes on pages 6 to 19 form an integral part of these condensed consolidated interim financial information.

EQUATE Petrochemical Company K.S.C.C. and its subsidiaries
State of Kuwait

Condensed consolidated statement of changes in equity
for the six month period ended 30 June 2025

	US$ million							
	Share capital	**Treasury shares**	**Statutory reserve**	**Retained earnings**	**Remeasurement of retirement benefit obligation**	**Foreign currency translation reserve**	**Hedge reserve**	**Total**
Balances as at 1 January 2024 (audited)	700	(450)	350	99	45	13	25	782
Net profit for the period	-	-	-	229	-	-	-	229
Other comprehensive loss	-	-	-	-	-	(8)	-	(8)
Total comprehensive income/ (loss) for the period	-	-	-	229	-	(8)	-	221
Dividends paid (Note 10)	-	-	-	(189)	-	-	-	(189)
Balance as at 30 June 2024	700	(450)	350	139	45	5	25	814
Balances as at 1 January 2025 (audited)	700	(450)	350	162	88	(8)	21	863
Net profit for the period	-	-	-	86	-	-	-	86
Other comprehensive income	-	-	-	-	-	11	-	11
Total comprehensive income for the period	-	-	-	86	-	11	-	97
Dividends paid (Note 10)	-	-	-	(161)	-	-	-	(161)
Balance as at 30 June 2025	700	(450)	350	87	88	3	21	799

The attached notes on pages 6 to 19 form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of cash flows

for the six month period ended 30 June 2025

		US$ million	
	Notes	**2025**	**2024**
Cash flows from operating activities			
Net profit for the period		86	229
Adjustments for:			
Depreciation		115	117
Amortisation of intangible and deferred assets		45	45
Reservation right fees		(19)	(19)
Tax expense		9	8
Finance costs		130	124
Finance income		(19)	(13)
Provision for retirement benefit obligation		22	19
Provision for Leave salary		1	-
Foreign exchange loss on retirement benefit obligations		-	0
Provision for long term incentives		2	1
		372	511
Changes in:			
Inventories		(7)	(5)
Due from related parties		4	8
Trade and other receivables		(50)	(119)
Due to related parties		(20)	44
Trade and other payables		33	(2)
Retirement benefit obligation paid		(8)	(10)
Long term incentives paid		(4)	(3)
Taxes paid		(23)	(28)
Net cash from operating activities		297	396
Cash flows from investing activities			
Purchase of property, plant and equipment		(78)	(48)
Investment in staff saving scheme		(1)	(1)
Finance income received		24	13
Net cash used in investing activities		(55)	(36)
Cash flows from financing activities			
Movement in notes payables		35	19
Bond / Sukuk repayment	*4*	(1,000)	(500)
Proceeds from term loan facilities	*4*	750	500
Loan origination fee paid	*4*	(11)	(2)
Lease payments		(23)	(22)
Finance costs paid		(121)	(115)
Dividends paid	*10*	(161)	(189)
Net cash used in financing activities		(531)	(309)
Net (decrease) / increase in cash and cash equivalents		(289)	51
Cash and cash equivalents at beginning of the period		1,156	595
Cash and cash equivalents at end of the period	*3*	867	646

The attached notes on pages 6 to 19 form an integral part of these condensed consolidated interim financial information.

1. Reporting entity

EQUATE Petrochemical Company K.S.C.C. ("the Company") is a Closed Kuwaiti Shareholding Company incorporated in the State of Kuwait on 20 November 1995 with commercial registration number 63392 dated 20 November 1995.

The Company is 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").

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

The objective of the Company is to manufacture all kinds of petrochemical products. The Company may have interests in, or in any way associate itself with entities, which are carrying on activities similar to its own or which may help the Company to realise its objectives, whether in the State of Kuwait or abroad.

The Group is primarily engaged in the manufacture and sale of ethylene glycol ("EG"), polyethylene ("PE") and polyethylene terephthalate ("PET"). The Company also operates and maintains Olefins II, Styrene, Aromatics and Polypropylene plants on behalf of related entities in Kuwait.

The address of the Company's registered office is Central Ahmadi, Block 12, State of Kuwait.

This condensed consolidated interim financial information comprises the financial information of the Company and its following directly and indirectly owned subsidiaries (together referred as "the Group" or "EQUATE Group" and individually "the Group entities").

A list of significant directly owned subsidiaries are as follows:

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%
Held through MEGC				
Alberta & Orient Glycol Company ULC	Canada	Manufacturing and sales of EG	100%	100%

This condensed consolidated interim financial information was authorised for issue by the Chairperson and President & Chief Executive Officer of the Group on 6 August 2025.

2. Basis of accounting

a) Statement of compliance

These condensed consolidated 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 Group's last annual consolidated financial statements as at and for the year ended 31 December 2024 ("last annual consolidated 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 Group's financial position and performance since the last annual consolidated financial statements.

b) Use of judgments and estimates

In preparing this condensed consolidated 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 Group's accounting policies and the key sources of estimation uncertainty are the same as those described in the last annual consolidated financial statements.

c) Material accounting policies

The accounting policies applied in this condensed consolidated interim financial information are consistent with those in the last annual consolidated 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, but they did not have any material effect on the Group's condensed consolidated interim financial information.

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 Group has not early adopted any of the forthcoming new or amended standards in preparing this condensed consolidated interim financial information.

3. Cash and cash equivalents

	US$ million	
	30 June 2025	**31 December 2024 (Audited)**
Cash balances	0	0
Bank balances	183	194
Term deposits	748	1,025
Cash and cash equivalents in the statement of financial position	931	1,219
Less: Amount reserved relating to staff saving scheme	(64)	(63)
Cash and cash equivalents for the statement of cash flows	867	1,156

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:

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

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

Non-current	4,170	3,578
Current	150	1,000
	4,320	4,578

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

	US$ million	
	June 2025	**December 2024 (Audited)**
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%.	1,235	1,235
Euronext bond quote based on level 1 inputs of fair value as of 30 June 2025 is 99.18% (31 December 2024: 98.25%).		
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.	-	1,000
Euronext bond quote based on level 1 inputs of fair value as of 30 June 2025 is nil (31 December 2024: 99.78%).		
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.	600	600
Euronext bond quote based on level 1 inputs of fair value as of 30 June 2025 is 103.77% (31 December 2024: 102.27%).		
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.	699	699
Euronext bond quote based on level 1 inputs of fair value as of 30 June 2025 is 94.35% (31 December 2024: 90.68%).		
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 Group 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	300
	4,326	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 credit facilities totalling to 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 Group 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 the Company, is the exclusive sales agent in certain territories for the marketing of PE produced by the Company. The Company reimburses all the actual expenses incurred by EMC.

The Company 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”).

The Company 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, the Company signed an Ethylene Supply Agreement with TKOC. Under the terms of the agreement, the price per metric tonne of Ethylene is paid to TKOC based on the quantities delivered by them at the contract price.

During 2005, services agreements were signed between DEHBV, PIC and the Company with TKOC, TKSC, KARO and PIC for the provision of various services to the Olefins II projects. An agreement to amend the 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 Group entities and TKOC have an overnight cash sweeping facility with MEG B.V. Under this arrangement, the Company, the subsidiaries of the Group and TKOC sweep selected bank accounts with MEG B.V. This allows the subsidiaries and TKOC either to 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 of the Group, accrued on a monthly basis. The spread is determined based on the creditworthiness of counterpart and characteristics of the debt financing arrangement.

At 30 June 2025, an amount of US$ 133 million is due to TKOC from the Group under this arrangement (31 December 2024: US$ 98 million is due to TKOC). These are indefinite credit arrangements subject to termination by either party.

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 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
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)

In addition to the above there are number of arrangements with the related parties which are disclosed below.

	US$ million	
	30 June 2025	**30 June 2024**
a) Sales and management fee		
Sale of TEG to Dow Chemical Canada ULC	2	2
Sale of MEG to TDCC	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
Olefins plant management fees from TKOC	1	1
Styrene plant management fees from TKSC	1	1
Aromatics plant management fees from KPPC	2	2
Operating cost reimbursed by PIC for running of Polypropylene plant	2	2

Operating and utility cost reimbursed by TKOC for running of Olefins plant	67	77
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
Interest income on notes receivables from TKOC	1	1
b) Purchases and expenses		
Feed gas and fuel gas purchased from KPC	154	148
Purchase of Ethylene Glycol from TKOC	228	236
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 purchased from TDCC	6	17
Catalyst purchased from UNIVATION	7	5
Catalyst purchased from Dow Chemical Canada ULC	-	0
Catalyst extension fee Dow Chemical Canada ULC	-	1
Ethylene and other purchases from TKOC	34	47
Interest expense on notes payables from TKOC	3	2
Guarantee interest to TKOC	1	1
c) Key management compensation		
Salaries, short term and terminal benefits	3	3

	US$ million	
	30 June 2025	**31 December 2024 (Audited)**
d) Notes payables		
Working capital facility with TKOC	133	98

	US$ million	
	30 June 2025	**31 December 2024**
		(Audited)
e) Due from related parties		
Due from UCC	2	-
Due from TKOC	15	19
Due from TKSC	5	5
Due from KPPC	9	11
Due from TDCC	2	1
Due from Dow Chemical Canada ULC	1	3
Due to Dow Europe GMBH	1	-
	35	39

	US$ million	
	30 June 2025	**31 December 2024**
		(Audited)
f) Due to related parties		
Due to KPC	80	75
Due to PIC	4	4
Due to KPPC	1	1
Due to TKSC	1	0
Due to TKOC	48	41
Due to TDCC	11	44
Due to Dow Chemical Canada ULC	5	2
Due to Dow Canada Limited	0	7
Due to KOC	2	2
Due to Dow Europe GMBH	28	4
Due to Dow Olefinverbund GmbH	7	25
Due to Kuwait National Petroleum Company K.S.C. (“KNPC”)	0	2
	187	207

6. Additional Business and Geographical Information

Basis for segmentation

The Group has 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 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, the Group 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

	30 June 2025 (US$ million)			30 June 2024 (US$ million)		
	PMC	**Others**	**Total**	**PMC**	**Others**	**Total**
External segment revenue	1,791	139	1,930	1,772	140	1,912
EBITDA	333	10	343	481	10	491
Net profit for the period	86	-	86	230	(1)	229
Interest income	(19)	-	(19)	(13)	-	(13)
Interest expenses	129	1	130	122	2	124
Depreciation, amortization and reservation rights	128	9	137	134	9	143
Income tax/ KFAS/ Zakat	9	-	9	8	-	8

Revenue by product / services and geography

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 Group'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.

	EG (US$ million)	**PE (US$ million)**	**PET (US$ million)**	**Others (US$ million)**	**Total (US$ million)**
30 June 2025					
Americas	209	-	-	5	214
North-East Asia	608	88	-	-	696
India sub-continental	273	39	-	-	312
Europe	146	44	120	-	310
Rest of the World*	88	176	-	134	398
External revenue	1,324	347	120	139	1,930
30 June 2024					
Americas	205	-	-	-	205
North-East Asia	569	106	-	-	675
India sub-continental	251	53	-	-	304
Europe	152	52	130	-	334
Rest of the World	59	195	-	140	394
External revenue	1,236	406	130	140	1,912

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	139	140
	1,930	1,912

EBITDA by product line	**EG (US$ million)**	**PE (US$ million)**	**PET (US$ million)**	**Others (US$ million)**	**Total (US$ million)**
30 June 2025	218	128	(13)	10	343
30 June 2024	292	191	(2)	10	491

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 Group 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 Group deals in forward foreign exchange contracts to manage its foreign currency positions and cash flows.

As at 30 June 2025, the Group had following net notional forward exchange contracts (off balance sheet exposure):

	US$ million	
	30 June 2025	**31 December 2024**
		(Audited)
Long position		
KD	990	1,128
CAD	58	55
Euro	146	104
Others	14	14
Short position		
KD	483	540
CAD	156	123
Euro	271	199
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).

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 USD 25 was accumulated in the in the hedge reserve. During the prior year, the 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, the Company 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 Group’s financial risk management objectives and policies are consistent with those disclosed in the last annual consolidated financial statements for the year ended 31 December 2024.

8. Global minimum top-up tax

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the 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 the Company 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 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 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

Commitments

The Group 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 both parties.

The Group under the Excess EG marketing agreement has a commitment to purchase from Dow an annual volume for a term to 2026.

The 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 2025 with an additional two five-year extensions to 2034 in respect of the manufacturing plants in Alberta.

The 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.

The Group has entered into short term arrangements to obtain the right to use 15 million troy ounces (2024: 13 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 2025-2026 and are guaranteed by the Company. The subsidiaries pay 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 as at 30 June 2025 under such arrangements:

	30 June 2025		**31 December 2024**	
	Qty (TOZ)	**Value US$ million**	**Qty (TOZ)**	**Value US$ million**
Silver	14,532,592	469	13,119,676	325
Palladium	1,131	1	1,131	2
Total	14,533,723	470	13,120,807	327

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

	US$ million	
	30 June 2025	**31 December 2024 (Audited)**
Letters of credit and letters of guarantee	142	40
Capital commitments	43	57

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 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 (USD 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 Group objected to the tax assessment which was denied by the Ministry of Finance. The 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 (USD 12,422,023). 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 Group filed the objection to these assessments on July 2025 and is awaiting a decision.

The 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 Group objected to the tax assessment which was denied by the Ministry of Finance. The 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 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 periods 2025 and 2024 respectively.

The following dividends were approved by the Board of Directors and paid by the Company during the period ended 30 June:

	US$ million	
	2025	**2024**
Interim dividend for the current period	-	90
Outstanding dividend from the prior year	161	99
Dividend paid during the period	161	189