Condensed combined 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 2026

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF EQUATE PETROCHEMICAL COMPANY K.S.C.C. AND THE KUWAIT OLEFINS COMPANY K.S.C.C

Introduction

We have reviewed the accompanying interim condensed combined statement of financial position 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, the "Reporting Entity") as of 30 June 2026, and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policy and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting policies described in note 2 to the interim financial information. Our responsibility is to express a conclusion on this interim financial information 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". 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 interim financial information is not prepared, in all material respects, in accordance with the accounting policies described in note 2 to the interim financial information.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to note 2 to the interim financial information, which describes the basis of accounting. The interim financial information has been prepared for internal management reporting purposes and for presentation to the lenders of the EQUATE Group. As a result, the interim financial information may not be suitable for another purpose. Our report is intended solely for management and the lenders of the EQUATE Group, and should not be distributed to or used by parties other than management or lenders of the EQUATE Group. Our conclusion is not modified in respect of this matter.

Other Matter

The combined financial statements of the Reporting Entity for the year ended 31 December 2025 and the interim financial information for the six-months period ended 30 June 2025 were audited and reviewed respectively by another auditor who expressed an unmodified opinion on those statements and an unmodified conclusion on that information on 23 February 2026 and 6 August 2025 respectively.

Talal Y. Al-Muzaini
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Kuwait
12 August 2026

EQUATE Group and TKOC
State of Kuwait

Interim condensed combined statement of financial position (Unaudited)
as at 30 June 2026

	Note	US$ million 30 June 2026 (Unaudited)	US$ million 31 December 2025 (Audited)
Assets			
Property, plant and equipment		2,659	2,647
Goodwill		1,689	1,689
Intangible assets		104	121
Right-of-use assets		274	291
Deferred tax assets		15	15
Deferred charges and other assets		874	909
Non-current assets		5,615	5,672
Inventories		253	233
Due from related parties	5	33	40
Trade and other receivables		572	634
Deferred charges and other assets		70	70
Cash and bank balances	3	1,886	1,070
Current assets		2,814	2,047
Total assets		8,429	7,719
Equity			
Share capital		1,080	1,080
Treasury shares		(450)	(450)
Statutory reserve		540	540
Retained earnings		22	369
Remeasurement of retirement benefit obligation		116	116
Foreign currency translation reserve		5	3
Hedge reserve		28	23
Total equity		1,341	1,681
Liabilities			
Loans and borrowings	4	4,365	3,088
Deferred income		15	61
Lease liabilities		274	293
Deferred tax liabilities		117	92
Retirement benefit obligation		305	329
Long term incentives		5	5
Non-current liabilities		5,081	3,868
Long term incentives		5	5
Loans and borrowings	4	1,235	1,235
Lease liabilities		31	31
Deferred income		39	19
Due to related parties	5	91	122
Trade and other payables		606	758
Current liabilities		2,007	2,170
Total liabilities		7,088	6,038
Total equity and liabilities		8,429	7,719

The attached notes on pages 6 to 17 form an integral part of these condensed combined interim financial information.

Naser Aldousari
President & Chief Executive Officer

Phisanu Sermchaiwong
Chief Financial Officer

EQUATE Group and TKOC
State of Kuwait

Interim condensed combined statement of profit or loss and other comprehensive income (Unaudited)
for the six-month period ended 30 June 2026

	Note	US$ million	
		2026	**2025**
		(Unaudited)	**(Unaudited)**
Sales	6	1,557	1,889
Cost of sales		(1,371)	(1,527)
Gross profit		186	362
Other income		13	10
General, administrative and selling expenses		(50)	(49)
Foreign exchange (loss)/gain		(2)	1
Profit from operations		147	324
Finance income		22	18
Finance costs		(126)	(127)
Profit before contribution to Kuwait Foundation for the Advancement of Sciences (“KFAS”), taxation and Board of Directors’ remuneration		43	215
Contribution to KFAS		-	(3)
Taxation	8	(22)	(8)
Board of Directors’ remuneration		(0)	(0)
Profit for the period		21	204
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Net gain on cash flow hedges		5	-
Foreign currency translation differences		2	11
Other comprehensive income for the period		7	11
Total comprehensive income for the period		28	215

The attached notes on pages 6 to 17 form an integral part of these condensed combined interim financial information.

EQUATE Group and TKOC
State of Kuwait

Interim condensed combined statement of changes in equity (Unaudited)
for the six-month period ended 30 June 2026

	US$ million							
	(Unaudited)							
	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 2025 (audited)	1,080	(450)	540	264	88	(8)	21	1,535
Profit for the period	-	-	-	204	-	-	-	204
Other comprehensive income	-	-	-	-	-	11	-	11
Total comprehensive income for the period	-	-	-	204	-	11	-	215
Dividends paid (Note 10)	-	-	-	(262)	-	-	-	(262)
Balance as at 30 June 2025	1,080	(450)	540	206	88	3	21	1,488
Balances as at 1 January 2026 (audited)	1,080	(450)	540	369	116	3	23	1,681
Profit for the period	-	-	-	21	-	-	-	21
Other comprehensive income	-	-	-	-	-	2	5	7
Total comprehensive income for the period	-	-	-	21	-	2	5	28
Dividends paid (Note 10)	-	-	-	(368)	-	-	-	(368)
Balance as at 30 June 2026	1,080	(450)	540	22	116	5	28	1,341

The attached notes on pages 6 to 17 form an integral part of these condensed combined interim financial information.

EQUATE Group and TKOC
State of Kuwait

Interim condensed combined statement of cash flows (Unaudited)
for the six-month period ended 30 June 2026

	Note	US$ million	
		2026	**2025**
		(Unaudited)	**(Unaudited)**
Cash flows from operating activities			
Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), taxation and Board of Directors' remuneration		43	215
Adjustments for:			
Depreciation		138	138
Amortisation of intangible assets, right of use assets and deferred charges and other assets		52	48
Reservation right fees		(9)	(9)
Finance costs		126	127
Finance income		(22)	(18)
Provision for retirement benefit obligation		21	22
Provision for leave salary		1	1
Unrealised foreign exchange loss		3	-
Provision for long term incentives		4	2
Cash flows from operating activities before working capital changes		357	526
Changes in:			
Inventories		(20)	(7)
Due from related parties		7	-
Trade and other receivables		62	(51)
Due to related parties		(31)	(15)
Trade and other payables		(121)	37
Cash generated from operations		254	490
Retirement benefit obligation paid		(45)	(8)
Long term incentives paid		(4)	(4)
Taxes paid		(19)	(27)
Net cash from operating activities		186	451
Cash flows from investing activities			
Purchase of property, plant and equipment		(150)	(97)
Investment in staff saving scheme		(2)	(1)
Finance income received		13	23
Movement in deposits with original maturity of more than three months		(1,000)	-
Net cash used in investing activities		(1,139)	(75)
Cash flows from financing activities			
Bond / Sukuk repayment	4	-	(1,000)
Proceeds from term loan and revolving facilities	4	1,300	750
Repayment of term loan and revolving facilities		(18)	-
Principal portion of lease liabilities		(27)	(25)
Finance costs paid		(116)	(128)
Dividends paid	10	(368)	(262)
Net cash from/ (used in) financing activities		771	(665)
Net decrease in cash and cash equivalents		(182)	(289)
Cash and cash equivalents at beginning of the period		1,000	1,159
Cash and cash equivalents at end of the period		818	870

The attached notes on pages 6 to 17 form an integral part of these condensed combined interim financial information.

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.

The shares of EQUATE and TKOC are held by Dow Europe Holding B.V. ("DEHBV") (42.5%), Petrochemical Industries Company K.S.C. ("PIC") (42.5%), Boubyan Petrochemical Company K.S.C. ("BPC") (9%) and Kuwait Projects Company (Holding) ("KIPCO") (6%). 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 condensed combined 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 condensed combined interim financial information is being prepared by and at the level of the common shareholders of EQUATE and TKOC. This condensed combined interim financial information of the Reporting Entity was prepared for presentation to lenders of EQUATE Group.

The condensed combined interim financial information as at and for the period ended 30 June 2026 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:

Name of entity	Country of incorporation	Principal business	Percentage of holdings	
			30 June 2026	31 December 2025
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%
EQUATE Marketing Company. S.P.C	Kuwait	Marketing of PE & EBSM	100%	100%
Held through MEG B.V				
MEGlobal Americas Inc.	USA	Marketing and distribution of EG	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 S.R.L.	Italy	Marketing of PET	100%	100%
Held through MEGC				
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 12 August 2026.

2. Basis of accounting

a) Statement of compliance

These condensed combined interim financial information for the six months period ended 30 June 2026 have been prepared for internal management reporting purposes and for presentation to the lenders of EQUATE Group 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 2025 ("last annual combined financial statements"). They do not include all of the information required for a complete set of financial statements.

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.

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 2026.

This condensed combined 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 condensed combined 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 condensed combined interim financial information are consistent with those in the Reporting Entity's combined financial statements as at and for the year ended 31 December 2025.

3. Cash and bank balances

	US$ million	
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**
Cash balances	0	0
Bank balances	182	194
Term deposits	1,704	876
Cash and bank balances in the combined statement of financial position	1,886	1,070
Less: Amount reserved relating to staff saving scheme	(68)	(70)
Less: Deposits with original maturity exceeding three months	(1,000)	-
Cash and cash equivalents for the combined statement of cash flows	818	1,000

The effective interest rate on time deposits as at 30 June 2026 was 4.24% (as at 31 December 2025: 4.47%) per annum.

4. Loans and borrowings

The movement in loans and borrowings is as follows:

	US$ million	
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**
Balance at 1 January	4,323	4,578
Loan origination fees	(10)	(12)
Amortisation for the period	5	7
Proceeds from revolving facilities	500	-
Bond / Sukuk repayment	-	(1,000)
Proceeds from term loans	800	750
Revolving facility repayment	(18)	-
Balance at 30 June	5,600	4,323

The current and non-current portion of loans and borrowings is set out below:		
Non-current	4,365	3,088
Current	1,235	1,235
	5,600	4,323

At the reporting date, the following loans and borrowings were outstanding before deduction of the unamortised origination fee:

	US$ million	
	30 June 2026	**31 December 2025**
	(Unaudited)	**(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% per annum payable on a semi-annual basis. Euronext bond quote based on level 1 inputs of fair value as of 30 June 2026 is 99.7% (31 December 2025: 99.91%).	1,235	1,235
ii) 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 2026 is 102.04% (31 December 2025: 105.23%).	600	600
iii) 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 2026 is 95.34% (31 December 2025: 96.06%).	699	699
iv) 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 2026 is 100.31% (31 December 2025 101.75%).	742	742
v) The Group has various term loan facilities with total limits amounting to US$ 1,850 million (31 December 2025: US$ 1,125 million). 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 4.64% per annum. During the period, the group utilised US$ 800 million.	1,850	1,050
vi) The Group has multiple revolving credit limits totaling US$ 932.5 million (31 December 2025: US$ 950 million) at the reporting date. These credit limits comprise of both Islamic and conventional structures maturing at different dates through 2029. During the period, the group utilised US$ 500 million and repaid US$ 17.5 million.	483	-
	5,609	4,326

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

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 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").

EQUATE Group provides operating, maintenance and other services to the above entities for which EQUATE 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.

During 2020, EQUATE acquired a sea cooling tower from PIC for a consideration of USD 105 million. Previously, the sea cooling tower was leased by EQUATE and accounted under IFRS 16 and accordingly the right of use assets and the respective lease liability was derecognised, and the sea cooling tower was recognised as a property, plant and equipment in the financial statements. The outputs from the sea cooling tower is reserved by TKOC, TKSC and KPPC for reservation right fees received.

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 based on the creditworthiness of counterpart, and characteristics of the debt financing arrangement. 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 Dow Europe (formerly known as 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
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)

Transactions and balances with related parties in this condensed combined interim financial information are as follows:

	US$ million	
	30 June 2026 (Unaudited)	**30 June 2025 (Unaudited)**
a) Sales and other income		
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	5	27
Sales of Monoethylene Glycol (MEG) to TDCC	5	2
Sale of MEG to Dow Chemical Canada ULC	2	2
Sale of Diethylene Glycol (DEG) to TDCC	3	3
Sale of DEG to Dow Europe GMBH	3	2
Service cost charged to Dow Chemical Canada ULC	6	5
Operating cost reimbursed by PIC for running of Polypropylene plant	2	2
Operating and utility cost reimbursed by TKSC for running of Styrene plant	25	24
Operating and utility cost reimbursed by KPPC for running of Aromatics plant	26	37

	US$ million	
	30 June 2026 (Unaudited)	**30 June 2025 (Unaudited)**
b) Purchases and expenses		
Feed gas and fuel gas purchased from KPC	118	214
Ethylene purchase from Dow Europe GMBH	91	94
Ethylene Purchase from TDCC	98	83
Service cost reimbursed to Dow Chemical Canada ULC	24	29
Service cost reimbursed to TDCC	3	4
Glycol purchased from Dow Europe GMBH	46	39
Glycol purchase from TDCC	7	6
Catalyst purchased from UNIVATION	4	7
Tugging fees payments to Kuwait Oil Company K.S.C.C. (“KOC”)	3	4

	US$ million	
	30 June 2026	**30 June 2025**
	(Unaudited)	**(Unaudited)**
c) Key management compensation		
Salaries, short term and terminal benefits	3	3

	US$ million	
	30 June 2026	**31 December 2025**
	(Unaudited)	**(Audited)**
d) Due from related parties		
Due from PIC	1	1
Due from UCC	3	1
Due from TDCC	4	1
Due from Dow Chemical Canada ULC	3	3
Due from Dow Europe GMBH	2	-
Due from TKSC	3	12
Due from KPPC	17	22
	33	40

	US$ million	
	30 June 2026	**31 December 2025**
	(Unaudited)	**(Audited)**
e) Due to related parties		
Due to KPC	29	74
Due to PIC	3	3
Due to KNPC	-	2
Due to Kuwait Oil Company K.S.C	-	5
Due to TKSC	-	1
Due to TDCC	14	0
Due to Dow Olefinverbund GMBH	8	4
Due from Dow Chemical Canada ULC	7	6
Due to Dow Canada Limited	-	0
Due to Dow Europe GMBH	30	26
Due to KPPC	-	1
	91	122

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 Reporting Entity's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities. In addition to PMC business, the Reporting Entity 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 2026			30 June 2025		
	PMC	Others	Total	PMC	Others	Total
	(Unaudited)			(Unaudited)		
External segment revenue	1,497	60	1,557	1,791	98	1,889
EBITDA	303	24	327	477	24	501
Net profit for the period	15	6	21	198	6	204
Finance income	(22)	-	(22)	(18)	(0)	(18)
Finance cost	124	2	126	126	1	127
Depreciation, amortization and reservation rights	164	16	180	160	17	177
Taxation and contribution KFAS	22	-	22	11	0	11

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 Reporting Entity's revenue by region. In presenting the geographical information, the segment revenue has been based on geographic location of customers.

	US$ million				
	EG	PE	PET	Others	Total
30 June 2026					
Americas	234	-	-	5	239
North Asia	494	22	-	-	516
India sub-continental	154	31	-	-	185
Europe	186	29	137	-	352
Rest of the World*	73	132	-	60	265
External revenue	1,141	214	137	65	1,557

	US$ million				
	EG	PE	PET	Others	Total
30 June 2025					
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

Timing of revenue recognition

	US$ million	
	30 June 2026 (Unaudited)	**30 June 2025 (Unaudited)**
Products transferred at a point in time	1,376	1,650
Products and services transferred over time	181	239
Revenue from contracts with customers	1,557	1,889

	US$ million				
EBITDA by product line	***EG***	***PE***	***PET***	***Others***	***Total***
30 June 2026	240	62	1	24	327
30 June 2025	362	128	(13)	24	501

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) is as follows:

	US$ million	
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**
Long position		
KD	810	1,074
CAD	51	43
Euro	155	156
Others	10	14
Short position		
KD	419	526
CAD	116	111
Euro	308	285
Others	19	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 2026 amounting to US$ 3 million (31 December 2025: US$ 4 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 US$ 25 million was accumulated in the in the hedge reserve. During the prior year, the EQUATE Group had issued the Sukuk amounting to US$ 750 million having a term of 7 years, and hence the accumulated hedge reserve has been amortised to combined 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 consolidated financial statements of EQUATE Group and financial statements of TKOC for the year ended 31 December 2025.

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, Mexico and in Singapore. There is no material impact of the top-up tax in Mexico. In Kuwait, the statutory tax rate is zero percent, and the top-up tax is levied on the EQUATE Group 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 income of US$ 18.5 million related to top-up tax in the six-month period ended 30 June 2026 (six -month period ended June 2025: tax expense of US$ 3.4 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 2025: 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 2026.

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.

The Reporting entity has entered into short term arrangements to obtain the right to use 13 million troy ounces (2025: 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 2026-2027 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 2026 under such arrangements:

	30 June 2026		31 December 2025	
	Qty (TOZ)	**Value US$ million**	**Qty (TOZ)**	**Value US$ million**
	(Unaudited)	**(Unaudited)**	**(Audited)**	**(Audited)**
Silver	13,157,843	959	13,252,480	632
Palladium	1,130	1	1,131	1
Total	13,158,973	960	13,253,611	633

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

	US$ million	
	30 June 2026	**31 December 2025**
	(Unaudited)	**(Audited)**
Letters of credit and letters of guarantee	149	150
Capital commitments	48	49

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, 2019 and 2020, 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$43.4 million) for 2013, CAD 75 million (US$ 52.8 million) for 2014, CAD 75.8 million (US$ 53.4 million) for 2015, CAD 82.3 million (US$ 57.9 million) for 2016, CAD 140.5 million (US$ 98.9 million) for 2017, CAD 202.9 million (US$ 142.8 million) for 2018, CAD 133.3 million (US$ 93.8 million) for 2019 and CAD 16.1 million (US$ 11.3 million) for 2020. This has resulted in additional assessed federal taxes, provincial taxes, Part XIII taxes, interest and penalties of CAD 45.2 million (US$ 31.8 million) for 2013, CAD 51.7 million (US$ 36.4 million) for 2014, CAD 52.8 million (US$ 37.2 million) for 2015, CAD 57.3 million (US$ 40.3 million) for 2016, CAD 106.4 million (US$ 74.9 million) for 2017 and CAD 157.3 million for 2018 (US$ 110.7 million) for 2018, CAD 72.3 million (US$ 50.9 million) for 2019 and CAD 11.6 million (US$ 8.2 million) for 2020.

The management of EQUATE Group has filed notices of objections for each of the re-assessments for the years 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020. The management of EQUATE Group 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 of EQUATE Group is also of the view that no additional tax liabilities are required for these commitments as of June 30, 2026. The Management is currently awaiting to get a date for the hearing from the appeals officer.

Corporation Income Tax Assessment from the Ministry of Finance, Kuwait

The EQUATE Group received income tax assessments on EQUATE Petrochemical BV for the years 2016 to 2018 and for the year 2019 to 2022 from Ministry of Finance, Kuwait relating to income tax filings for the respective years. The assessment is for KD 855,926 (US$ 2,778,980) relating to tax year 2016, KD 2,142,242 (US$ 6,955,331) relating to tax year 2017, KD 1,569,807 (US$ 5,096,776) relating to tax year 2018, KD 1,697,160 (US$ 5,510,260) relating to tax year 2019, KD 204,990 (US$ 665,552) relating to tax year 2020, KD 699,971 (US$ 2,272,633) relating to tax year 2021 and KD 1,190,319 (US$ 3,864,672) relating to tax year 2022. 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 objected to the tax assessments which was denied by the Ministry of Finance. The EQUATE Group has filed two appeals for the years 2016 to 2018 and 2019 to 2022 to the Tax Appeals Committee on February 6, 2024 and October 23, 2025 respectively. On 5 November 2025, the Tax Appeals Committee issued a letter informing the EQUATE Group that the committee has decided to postpone the consideration of the appeal filed by the EQUATE Group for the year 2016 to 2018 till further notice. The second tax appeal for the years 2019 to 2022 is still pending with the Tax Appeals Committee.

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 has filed an appeal to the Tax Appeals Committee on February 6, 2024, which is still pending with the Tax Appeals Committee. On 3 September 2025, the EQUATE Group received two income tax assessments on MEGlobal BV for the years 2018 to 2021 and 2022 to 2024 from Ministry of Finance, Kuwait relating to income tax filings for the respective years. The assessments are for KD 414,875 (US$ 1,346,997) relating to tax year 2018, KD 341,003 (US$ 1,107,153) relating to tax year 2019, KD 139,175 (US$ 451,867) relating to tax year 2020, KD 194,158 (US$ 630,383) relating to tax year 2021, KD 93,363 (US$ 303,127) relating to tax year 2022, KD 2,236,541 (US$ 7,261,497) relating to tax year 2023 and KD 1,498,958 (US$ 4,866,747) relating to tax year 2024. The EQUATE Group objected both tax assessments to the Ministry of Finance on October 30, 2025, which is still pending with the Ministry of Finance.

The management of the EQUATE Group is confident that it can defend both 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 2026.

10. Annual general assembly

At the Annual General meetings held on 10 March 2026 and 13 February 2025, the shareholders authorized the Board of Directors to approve and distribute dividends for the years ended 31 December 2025 and 31 December 2024 respectively. During the period, the Company paid dividends amounting to USD 368 million (30 June 2025: USD 262 million).

11. Impact of geopolitical escalation risk and related uncertainty

Geopolitical events in the Middle East that commenced in late February 2026 have affected GCC countries, including Kuwait, resulting in regional disruptions such as airspace closures, flight cancellations, supply chain delays and heightened uncertainty. These developments continue to evolve and have created increased business and economic uncertainties.

The Reporting Entity is closely monitoring the situation and has activated its business continuity plan and other risk management practices to manage the business disruption in order to strengthen liquidity and sustain the business.

The Reporting Entity made a number of decisions to counter the impact of the ongoing geopolitical event. The key decisions made by the Group are:

- Deploying the required safety measures in accordance with the State of Kuwait respective authorities to ensure running safe operations, and that the safety of the employees, plants and equipments remained as management’s top priority.
- Reviewing key operational contracts to ensure continuance supply of the Reporting Entity’s products globally and to minimize the business interruption to our customers and suppliers.
- Preserving the Reporting Entity’s liquidity and solvency by focusing on timely collection of outstanding receivables, generation of healthy cashflows from operations and the availability of credit lines and facilities with the Reporting Entity’s relationship financial institutions.

The Reporting Entity has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the condensed consolidated interim financial information.

The Reporting Entity has also assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Reporting Entity, customers and suppliers, with a view of potential increase in contingent liabilities and commitments. Based on management assessment there are no additional provision to be recognized or contingent liabilities to be disclosed.

12. Comparative figures

Certain comparative numbers have been reclassified to conform to the current period’s presentation with no effect on the previously reported profits or equity.