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SAUDI BASIC INDUSTRIES CORPORATION (SABIC)

(A SAUDI JOINT STOCK COMPANY)

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT

CONTENTS

Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi Basic Industries Corporation (the "Company") and its subsidiaries (together the "Group") as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited
The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (continued)

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our audit approach

Overview

Key audit matter	Assessment of the presentation and measurement of businesses as held for sale and discontinued operations

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Assessment of the presentation and measurement of businesses as held for sale and discontinued operations

As at 31 December 2025, the assets and liabilities of the Group’s European Petrochemicals business (“EP”) and Engineering Thermoplastics business in the Americas and Europe (“ETP”) (together the “disposal groups”) were presented and measured as ‘held for sale’ and their results for the year then ended were presented as ‘discontinued operations’ in accordance with International Financial Reporting Standards (“IFRS”) 5 ‘Non-current Assets Held for Sale and Discontinued Operations’, that is endorsed in the Kingdom of Saudi Arabia.

The assets and liabilities, including goodwill, attributable to the disposal groups were segregated and measured at the lower of their carrying amounts and fair values less costs to sell.

The fair values were determined in accordance with the considerations, that include contingent and deferred proceeds as well as certain adjustments, agreed as part of the transaction agreements. The fair values of the contingent and deferred proceeds were determined based on cash flow projections (EP and ETP) and estimates of net exit proceeds (ETP), discounted to reflect the timing and risk characteristics of the proceeds.

As a result of these re-measurements, losses of SR 9,847 million and SR 5,329 million were recorded for EP and ETP, respectively, in the consolidated financial statements.

We considered this to be a key audit matter given the significant judgment and estimates involved in determining the fair values of the considerations as well as the uncertainty inherent in the underlying forecasts and assumptions. The key inputs to the fair value measurements included the following, where applicable:

- Cash flow projections;
- Net exit proceeds (including exit multiple and timing); and
- Discount rates.

Refer to Note 3.1.8, Note 6.23, Note 34.1 and Note 34.2 to the consolidated financial statements for further information.

How our audit addressed the Key audit matter

Our procedures included the following:

- We considered the appropriateness of management’s classification of the disposal groups as ‘held for sale’ and their presentation as ‘discontinued operations’ in accordance with the requirements of IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’, that is endorsed in the Kingdom of Saudi Arabia.
- We read the transaction agreements to understand the key terms of the arrangements, including the considerations.
- We assessed the completeness of the carrying amounts of the assets held for sale, including the allocated goodwill, and of the liabilities directly associated with these assets.
- With input from internal valuation experts, where considered necessary, we performed the following procedures over the fair values of the considerations, as deemed appropriate:
    - Considered the consistency of the bases for determining the considerations with the transaction agreements;
    - Assessed the reasonableness of the valuation methodologies and the key inputs used to determine the cash flow projections and the net exit proceeds;
    - Evaluated the reasonableness of the discount rates used by cross-checking the underlying assumptions against observable market data and the risk characteristics of the proceeds;
    - Tested the mathematical accuracy and logical integrity of the fair valuations;
    - Tested management’s sensitivity analyses that considered the impact of changes in key assumptions on the fair value measurements; and
    - Assessed the completeness and accuracy of the adjustments to the considerations based on the terms of the transaction agreements.
- We considered the appropriateness of the related accounting policies, presentation and disclosures in the consolidated financial statements.

Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (continued)

Other information

Management is responsible for the other information. The other information comprises the Integrated Annual Report but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Integrated Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

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C.R.: 1010371622

Bader I. Benmohareb
License No. 471
5 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All amounts in thousands of Saudi Riyals unless otherwise stated

As at 31 December	Note	2025	2024 (Restated)
Assets			
Non-current assets			
Property, plant and equipment	7	93,069,696	112,580,575
Right-of-use assets	8	3,412,073	4,835,543
Intangible assets	9	18,279,953	19,141,633
Investments in associates and joint ventures	10, 42	33,326,389	34,960,835
Investments in debt instruments	11	332,458	332,458
Investments in equity instruments	12	304,260	253,402
Deferred tax assets	31	367,773	2,365,609
Derivative financial instruments	13	2,421,604	3,669,688
Other assets and receivables	14	5,204,351	8,020,234
Total non-current assets		156,718,557	186,159,977
Current assets			
Inventories	16	12,847,432	18,813,581
Trade receivables	17	16,675,007	20,439,823
Other assets and receivables	14	8,425,796	10,298,362
Short-term investments	11	12,917,548	7,668,807
Cash and cash equivalents	18	27,746,328	30,539,668
		78,612,111	87,760,241
Assets held for sale	34, 35	8,961,521	3,623,625
Total current assets		87,573,632	91,383,866
Total assets		244,292,189	277,543,843

As at 31 December	Note	2025	2024 (Restated)
Equity and liabilities			
Equity			
Share capital	19	30,000,000	30,000,000
General reserve	20	-	110,889,032
Other reserves	20	(1,472,793)	(4,112,475)
Retained earnings	42	100,191,427	19,581,626
Equity attributable to equity holders of the Parent		128,718,634	156,358,183
Non-controlling interests	21	26,100,907	27,085,026
Total equity		154,819,541	183,443,209
Non-current liabilities			
Debt	22	21,311,688	26,165,086
Lease liabilities	22	3,024,234	3,983,960
Employee benefits	23	12,514,849	13,507,010
Deferred tax liabilities	31	364,718	611,582
Derivative financial instruments	13	1,870,894	1,975,894
Provisions	24	237,933	870,565
Other liabilities	25	1,513,088	1,605,249
Total non-current liabilities		40,837,404	48,719,346
Current liabilities			
Short-term borrowings	22	998,944	2,080,922
Current portion of debt	22	11,235,731	2,022,996
Current portion of lease liabilities	22	484,630	945,105
Trade payables	26	17,103,449	19,793,604
Provisions	24	83,392	137,248
Other liabilities	25	10,687,055	19,695,999
Income tax payable	31	419,488	587,075
Zakat payable	31	635,203	118,339
		41,647,892	45,381,288
Liabilities directly associated with assets held for sale	34	6,987,352	-
Total current liabilities		48,635,244	45,381,288
Total liabilities		89,472,648	94,100,634
Total equity and liabilities		244,292,189	277,543,843

EVP Corporate Finance | Chief Executive Officer | Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

All amounts in thousands of Saudi Riyals unless otherwise stated

For the years ended 31 December	Note	2025	2024
Revenue	27	116,525,214	117,736,492
Cost of sales	28	(95,528,226)	(92,375,651)
Gross profit		20,996,988	25,360,841
General and administrative expenses	28	(7,823,915)	(8,516,977)
Research and development expenses	28	(1,629,979)	(1,741,214)
Selling and distribution expenses	28	(6,684,738)	(6,417,287)
Results from integral joint ventures	10	443,363	765,158
Other operating income	29	959,650	1,286,075
Other operating expenses	29	(1,894,375)	(1,310,083)
Income from operations		4,366,994	9,426,513
Results from associates and non-integral joint ventures	10	33,455	913,507
Impairment loss from associates and non-integral joint ventures	10	(1,493,344)	(1,387,437)
Finance income	30	2,389,890	1,912,096
Finance costs	30	(4,038,693)	(2,768,639)
Income before zakat and income tax		1,258,302	8,096,040
Zakat expense	31	(907,776)	(213,827)
Income tax expense	31	(696,178)	(607,246)
Net (loss) income from continuing operations		(345,652)	7,274,967
Net loss from discontinued operations	34	(24,379,314)	(3,551,832)
Net (loss) income		(24,724,966)	3,723,135

For the years ended 31 December	Note	2025	2024
Net (loss) income from continuing operations			
Attributable to:			
• Equity holders of the Parent		(1,533,112)	5,090,374
• Non-controlling interests		1,187,460	2,184,593
		(345,652)	7,274,967
Net (loss) income			
Attributable to:			
• Equity holders of the Parent		(25,779,231)	1,538,542
• Non-controlling interests		1,054,265	2,184,593
		(24,724,966)	3,723,135
Basic and diluted earnings per share from net (loss) income attributable to equity holders of the Parent (Saudi Riyals)	32		
• Net (loss) income from continuing operations		(0.51)	1.70
• Net (loss) income		(8.59)	0.51

EVP Corporate Finance

Chief Executive Officer

Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All amounts in thousands of Saudi Riyals unless otherwise stated

For the years ended 31 December	Note	2025	2024
Net (loss) income		(24,724,966)	3,723,135
Other comprehensive income			
Items that will not be reclassified subsequently to the consolidated statement of income			
• Re-measurement (loss) gain on defined benefit plans	23	(69,703)	323,152
• Share of other comprehensive income (loss) of associates and joint ventures	10, 20	153,475	(135,099)
• Net change on revaluation of investments in equity instruments classified as fair value through other comprehensive income	20	(155,040)	(19,297)
• Tax (expense) benefit	31	(175,382)	36,794
		(246,650)	205,550
Items that may be reclassified subsequently to the consolidated statement of income			
• Foreign exchange difference on translation	20	1,777,550	(1,255,981)
• Share of other comprehensive income (loss) of associates and joint ventures	10, 20	1,099,398	(847,156)
		2,876,948	(2,103,137)
Reclassification of other comprehensive income related to disposal groups			
• Share of other comprehensive loss of a joint venture	34, 35	(30,955)	(2,111)
		(30,955)	(2,111)
Net movement of other comprehensive income		2,599,343	(1,899,698)
Total comprehensive (loss) income		(22,125,623)	1,823,437

EVP Corporate Finance

Chief Executive Officer

Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

For the years ended 31 December	2025	2024
Total comprehensive (loss) income		
Attributable to:		
• Equity holders of the Parent	(23,139,549)	(395,481)
• Non-controlling interests	1,013,926	2,218,918
	(22,125,623)	1,823,437
Total comprehensive income (loss) attributable to equity holders of the Parent		
• Continuing operations	12,588	3,937,604
• Discontinued operations	(23,152,137)	(4,333,085)
	(23,139,549)	(395,481)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in thousands of Saudi Riyals unless otherwise stated

		Attributable to the equity holders of the Parent						
	Note	Share capital	General reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2024 (as previously reported)		30,000,000	110,889,032	(1,576,557)	28,116,139	167,428,614	27,853,926	195,282,540
Restatement	*42*	-	-	-	(474,950)	(474,950)	-	(474,950)
Balance as at 1 January 2024 (restated)		30,000,000	110,889,032	(1,576,557)	27,641,189	166,953,664	27,853,926	194,807,590
Net income		-	-	-	1,538,542	1,538,542	2,184,593	3,723,135
Other comprehensive (loss) income		-	-	(1,934,023)	-	(1,934,023)	34,325	(1,899,698)
Total comprehensive (loss) income		-	-	(1,934,023)	1,538,542	(395,481)	2,218,918	1,823,437
Reclassification of re-measurement gain on defined benefit plans related to discontinued operation		-	-	(601,895)	601,895	-	-	-
Dividends and others	*40*	-	-	-	(10,200,000)	(10,200,000)	(2,987,818)	(13,187,818)
Balance as at 31 December 2024 (restated)		30,000,000	110,889,032	(4,112,475)	19,581,626	156,358,183	27,085,026	183,443,209
Balance as at 1 January 2025		30,000,000	110,889,032	(4,112,475)	19,581,626	156,358,183	27,085,026	183,443,209
Net (loss) income		-	-	-	(25,779,231)	(25,779,231)	1,054,265	(24,724,966)
Other comprehensive income (loss)		-	-	2,639,682	-	2,639,682	(40,339)	2,599,343
Total comprehensive (loss) income		-	-	2,639,682	(25,779,231)	(23,139,549)	1,013,926	(22,125,623)
Transfer of general reserve	*20*	-	(110,889,032)	-	110,889,032	-	-	-
Non-controlling interests recognised on acquisition of subsidiary	*10.3*	-	-	-	-	-	129,634	129,634
Dividends and others	*40*	-	-	-	(4,500,000)	(4,500,000)	(2,127,679)	(6,627,679)
Balance as at 31 December 2025		30,000,000	-	(1,472,793)	100,191,427	128,718,634	26,100,907	154,819,541

EVP Corporate Finance

Chief Executive Officer

Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts in thousands of Saudi Riyals unless otherwise stated

For the years ended 31 December	Note	2025	2024
Operating activities			
Income (loss) before zakat and income tax			
• from continuing operations		1,258,302	8,096,040
• from discontinued operations	34	(22,357,920)	(4,192,674)
Adjustment to reconcile income (loss) before zakat and income tax to net cash from operating activities:			
• Depreciation of property, plant and equipment	7	11,185,373	11,494,649
• Depreciation of right-of-use assets	8	1,184,728	1,155,390
• Amortisation of intangible assets and other assets		527,578	359,066
• Impairments and write-offs	7,8,9	4,598,013	720,359
• Fair value re-measurement on assets held for sale	34	15,175,854	304,129
• Gain on sale of assets held for sale		-	(291,359)
• Results of associates and non-integral joint ventures	10	(94,419)	(952,803)
• Impairment loss from associates and non-integral joint ventures	10	1,493,344	1,387,437
• Results of integral joint ventures	10	(443,363)	(765,158)
• Inventory write-down charge (reversal)	16	136,839	(190,164)
• Loss on disposals of property, plant and equipment		177,622	38,693
• Finance income	30	(2,409,657)	(1,933,971)
• Finance costs	30	4,193,360	2,820,297
Change in operating assets and liabilities:			
Decrease in other non-current assets and receivables		3,079,518	278,093
Decrease (Increase) in inventories		1,403,933	(777,132)
Decrease (Increase) in trade receivables		1,549,541	(1,166,810)
(Increase) decrease in other current assets and receivables		(1,843,395)	1,986,411
Decrease in other non-current liabilities		(198,338)	(6,796)
Increase (decrease) in provisions		331,438	(1,258,522)
Decrease in trade payables		(304,226)	(668,661)
(Decrease) Increase in employee benefits		(911,535)	307,597
(Decrease) increase in other current liabilities		(1,203,471)	399,486
		16,529,117	17,143,597

For the years ended 31 December	Note	2025	2024
Dividends received from integral joint ventures	10	1,334,917	1,756,390
Interest received		2,354,784	1,906,610
Interest paid		(2,216,133)	(2,130,000)
Zakat and income tax paid	31	(2,043,686)	(2,318,001)
Net cash from operating activities		15,958,999	16,358,596

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

For the years ended 31 December	Note	2025	2024
Investing activities			
Purchase of property, plant and equipment		(8,750,028)	(10,114,320)
Purchase of investments in equity instruments	12	(502,346)	(42,124)
Proceeds on the maturity of investments in debt	11	-	50,000
Additions of intangible assets	9	(24,777)	(85,909)
Proceeds from sale of property, plant and equipment		82,308	33,343
Capital contribution and acquisition in associates and joint ventures	10	(1,628,510)	(1,047,703)
Dividend received from associates and non-integral joint ventures	10	1,211,374	841,891
Proceeds from sale and divestiture of equity investments		-	855
Short-term investments, net		(4,883,950)	2,160,060
Proceeds from sale of discontinued operation	34	3,173,005	1,163,045
Cash and cash equivalents transferred	34	-	(1,365,147)
Net cash flow from disposal of discontinued operation		3,173,005	(202,102)
Proceeds from sale of assets held for sale		3,605,726	562,424
Cash and cash equivalents transferred		-	(142,781)
Net cash flow from disposal of assets held for sale		3,605,726	419,643
Net cash used in investing activities		**(7,717,198)**	**(7,986,366)**

For the years ended 31 December	Note	2025	2024
Financing activities			
Proceeds from debt	18	18,495,107	12,643,750
Repayment of debt	18	(15,288,056)	(10,405,275)
Lease payments	18	(1,102,688)	(1,075,329)
Dividends paid to shareholders	18	(9,625,654)	(10,100,547)
Dividends paid to non-controlling interests	18	(3,352,421)	(2,618,770)
Net cash used in financing activities		**(10,873,712)**	**(11,556,171)**
Decrease in cash and cash equivalents		(2,631,911)	(3,183,941)
Net foreign exchange gain (loss) on cash and cash equivalents		46,107	(75,025)
Cash and cash equivalents at the beginning of the year	18	30,536,409	33,795,375
Cash and cash equivalents at the end of the year	18	**27,950,605**	**30,536,409**
Cash and cash equivalents	18	27,746,328	30,539,668
Cash and cash equivalents (included in assets held for sale)	34	204,876	-
Less: Short-term borrowings (bank overdrafts)		(599)	(3,259)
Cash and cash equivalents at the end of the year		**27,950,605**	**30,536,409**
Cash flows of discontinued operations	34		

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The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in thousands of Saudi Riyals unless otherwise stated

1. CORPORATE INFORMATION

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

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

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

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 3 March 2026.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as endorsed in KSA and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern.

These consolidated financial statements are prepared under the historical cost convention, except for certain items, which are primarily investment in debt instruments, short-term investments, derivative financial instruments and post-employment benefit plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of the transaction. Certain comparative amounts have been reclassified to conform to the current year presentation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date, regardless whether that price is directly observable or estimated using another technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *'Leases'*, and measurements that have some similarities to fair value but are not, such as net realizable value in IAS 2 *'Inventories'*, value in use in IAS 36 *'Impairment of Assets'* or net present value for employee benefits in IAS 19 *'Employee Benefits'*.

The Group has categorised its financial assets and liabilities into a three-level fair value hierarchy, based on the degree to which the lowest level inputs to fair value measurement are observable and the significance of the inputs to the fair value measurement, which are described as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

2. BASIS OF PREPARATION (CONTINUED)

2.1 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of SABIC, and subsidiaries controlled by SABIC, besides joint operations which are consolidated based on the Group's relative share in the arrangement.

Consolidation of a subsidiary begins when SABIC obtains control over the subsidiary and ceases when SABIC loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the period are included in the consolidated financial statements from the date SABIC gains control until the date SABIC ceases to control the subsidiary. Refer to Note 3.2.3 for judgements applied by SABIC to assess control. SABIC re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to the elements of control.

Net income or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the Parent of the Group and to the non-controlling interests ("NCI"), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group asset and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of financial position, income, comprehensive income and changes in equity. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction between shareholders.

If SABIC loses control over a subsidiary, it de-recognises the related assets (including goodwill, if applicable), liabilities, non-controlling interests and other components of equity, while any resulting gain or loss is recognised in the consolidated statement of income.

2.2 FOREIGN CURRENCIES

The consolidated financial statements are presented in Saudi Riyals ("SR" and / or "⃁"), which is the functional currency of the Parent, and all amounts are rounded to the nearest thousand ("⃁ '000"), except when otherwise indicated. For each entity, the Group determines the functional currency and items included in their financial statements using that functional currency.

TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recognised by the Group's entities at their respective functional currencies' spot rates at transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of income.

Non-monetary items that are measured at historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are recognised using the exchange rates at the date when the fair value is applied. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item. Foreign exchange gains and losses that relate to debt/borrowings, cash and cash equivalents and short-term investments are presented in the consolidated statement of income within finance income or finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of income within other operating income or expenses.

GROUP'S COMPANIES

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at reporting date and their statements of income are translated at exchange rates prevailing at the transactions dates. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of income.

All amounts in thousands of Saudi Riyals unless otherwise stated

2. BASIS OF PREPARATION (CONTINUED)

2.2 FOREIGN CURRENCIES (CONTINUED)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at reporting date.

The rates for SABIC's major currencies are as follows:

	2025		2024	
	Spot rates at 31 December	Average rates	Spot rates at 31 December	Average rates
- USD	3.75	3.75	3.75	3.75
- EUR	4.40	4.24	3.90	4.06
- GBP	5.05	4.94	4.71	4.79
- CNY	0.54	0.52	0.51	0.52

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions at reporting date that affect the reported amounts of revenues, expenses, assets and liabilities, and related disclosures. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustments in the future to the carrying amount of the asset or liability affected.

The estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the changed estimates affect both current and future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- capital management, financial instrument risk management and policies (refer to Notes 38 and 37); and
- sensitivity analysis disclosures (refer to Note 37).

3.1 ESTIMATES AND ASSUMPTIONS

The Group used assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty, that have a significant risk of causing material differences in the carrying amounts of assets and liabilities within the next financial period, are disclosed in the next paragraphs.

3.1.1 IMPAIRMENT OF NON-FINANCIAL ASSETS (REFER TO NOTE 7)

Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing the asset. The value in use is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the approved budget and business plan for the next five years and do not include restructuring activities or significant future investments that will enhance the performance of the CGU being tested or other initiatives that the Group is not yet committed to. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.1 ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.1.2 INCREMENTAL BORROWING RATE FOR LEASE AGREEMENTS (REFER TO NOTES 8 AND 22)

The Group cannot readily determine the interest rate implicit in the lease agreement. Therefore, it uses its Incremental Borrowing Rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available, such as for subsidiaries that do not enter into financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

3.1.3 MEASUREMENT OF FINANCIAL INSTRUMENTS (REFER TO NOTES 11, 12, 13, 15 AND 17)

The Group is required to make judgements about the basis to determine the fair value of its investments in equity instruments or derivative financial instruments, in reference to similar kind of investments being sold in the market. The selection of the investments or derivative financial instruments to determine the basis requires judgement by management to recognise investments in equity instruments and derivative financial instruments. For fair value determination, these investments qualify as Level 2 or 3 (refer to Note 2).

3.1.4 PROVISIONS (REFER TO NOTE 24)

SABIC is subject to legal, environmental and regulatory risks. These may include non-compliance with competition and anti-trust laws, export controls, data protection, intellectual property rights, tax and environmental legislations. Furthermore, litigation and regulatory proceedings are unpredictable, and legal or regulatory proceedings in which SABIC is or becomes involved, or settlements thereof, could result in substantial penalties, which may not be recovered by insurance policies.

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Management’s estimates related to provisions for environmental matters are based on an estimate of the costs, considering legal advice and other information. Provisions for termination benefits and exit costs, if any, also involve management’s judgement in estimating the expected cash outflows for severance payments and site closures or other exit costs.

Provisions for onerous contracts involve management’s best estimate for the amount / measurement of unavoidable costs.

3.1.5 DEFINED EMPLOYEE BENEFIT PLANS (REFER TO NOTE 23)

Post-employment defined benefits plans, end-of-service benefits plans, legal indemnity liabilities and other long-term employee related liabilities, represent obligations that will be settled in the future due to services provided by the employees. These arrangements require actuarial valuations to measure these obligations. The Group is required to make assumptions regarding variables such as discount rates, rate of salary increase, longevity, attrition rates and future healthcare costs, as applicable. Changes in key assumptions can have a significant impact on the projected benefit obligations and subsequent employee defined benefit costs. The assumptions are reviewed at each reporting date.

Defined benefit obligations are discounted at a rate set by reference to relevant market yields at the end of the reporting period on high quality corporate or government bonds, if there is no deep market in such high-quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the size of the bonds, quality of the corporate bonds and the identification of outliers which are excluded, if any.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.1 ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.1.6 ACCOUNTING FOR INCOME TAX (REFER TO NOTE 31)

As part of the process of preparing consolidated financial statements, the Group estimates income tax in each of the jurisdictions it operates. This process involves estimating current and deferred tax expenses. Temporary differences result in deferred tax assets and liabilities, which are included in the consolidated statement of financial position.

Significant judgement is required in assessing the recoverability of deferred tax assets recognised on deductible temporary differences, tax credits and tax losses carried forward. The Group performs analyses of profitability forecasts for future years, which may include scheduled future reversals of taxable temporary differences and available tax planning strategies. Recoverability of deferred tax assets is contingent on the ability of the Group to adhere to its business plan, refer to Note 31.

The Group is exposed to tax risks and uncertainty over complex tax treatments in the many jurisdictions in which it operates. Significant management judgement is required in the recognition and measurement of uncertain tax positions, whereby positive and negative evidence are weighted regarding the facts and circumstances of each case, technical arguments and case law decision or rulings on similar issues.

3.1.7 INVESTMENTS IN EQUITY INSTRUMENTS (REFER TO NOTES 12 AND 13)

For all equity investments, SABIC assesses such financial assets measured at fair value, whether gains and losses are recognised either in consolidated statement of income (“FVIS”) or consolidated statement of comprehensive income (“FVOCI”) through an irrevocable election at the time of initial recognition.

For investments in equity instruments which are measured as FVIS, further elaborations on the judgements made are disclosed below.

FINANCIAL DERIVATIVES ON EQUITY INSTRUMENTS

Put and call options offer contract parties the right to exercise them or to refrain from exercising the option rights. Call, put options and forward contracts on the equity instruments are derivative financial instruments recognised at FVIS. Put options and forward contracts are recognised at the present value of the best estimated amount to be paid at the end of the agreement. Call options are recognised at their fair value.

Due to the nature of these derivative financial instruments, the fair values of financial assets and financial liabilities recognised in the consolidated statement of financial position cannot be measured based on quoted prices in active markets. Therefore, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and dividend yield. Changes in assumptions relating to these factors could affect the reported fair value of financial derivative instruments (refer to Note 15).

EQUITY INVESTMENTS MEASURED AT FAIR VALUE LESS COSTS OF DISPOSAL

For some listed equity investments, the Group has significant influence and ability to affect decisions in general meetings of shareholders due to its relative share in the company without being able to control it. If sources of impairment indicate that an impairment test is required, impairment testing of these listed equity investments, require determining the premium over fair value less costs of disposal as quoted on stock exchanges, due to the Group’s significant influence. The premium is determined, based on market data to capture a reasonable range as premium paid upon business acquisitions for similar partial acquisitions in the same industry. At each reporting date the Group assesses its share in income due to a time lag in the availability of public information.

All amounts in thousands of Saudi Riyals unless otherwise stated

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.1 ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.1.8 MEASUREMENT OF ASSETS HELD FOR SALE

The Group measures disposal groups classified as held for sale at the lower of their carrying amount and their fair value less costs to sell. These fair values are determined in accordance with the consideration structure (including contingent and deferred considerations) as agreed with the respective acquiring party. Estimation of these fair values are based on the present value of the future expected cash flows and expected net exit proceeds (in case of a subsequent monetization by the buyer).

The determination of fair value requires the application of significant management judgment. In developing these estimates, the Group uses business forecasts derived from agreements and draws on historical market experience to estimate future cash inflows expected from potential transactions. These cash flows are discounted to reflect both the timing of receipt and the relevant risk characteristics.

Changes in key valuation assumptions or market inputs may have a material impact on the resulting fair value measurement. At each reporting date, the Group reassesses the fair value of disposal groups classified as held for sale to ensure that the measurement remains appropriate and reflects current conditions.

3.2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING STANDARDS

In addition to the application of the judgement in the above-mentioned estimates and assumptions, the following critical judgements have the most significant effect on the amounts recognised in the consolidated financial statements:

3.2.1 PRINCIPAL VS AGENT CONSIDERATION FOR THE SALE OF GOODS

A certain portion of SABIC's revenue is derived from marketing agreements, whereby in some cases, SABIC purchases products from its related parties, and sells these to end customers. There is significant judgement whether SABIC controls the products before they are transferred to the customer. It has been concluded that SABIC is 'the principal' in these arrangements due to the following factors, as SABIC:

- is exposed to fulfilment risk and is the primary obligor for the goods;
- has a direct relationship with the customer and controls the underlying products before they are transferred to the end customers; and
- remains solely responsible for the quality of the goods and customers hold a substantive right of return which results in the Group being exposed to inventory risk.

3.2.2 PRINCIPAL VS AGENT CONSIDERATION FOR LOGISTICS SERVICES

For sales contracts with C-class incoterms, revenue from logistics and freight services is recognised as a separate performance obligation. For these contracts, SABIC considers itself to be 'the principal'. There is significant judgement whether SABIC controls the freight and logistics services prior to transferring this to the customer. It has been concluded that SABIC is 'the principal' in these arrangements due to the following factors, as SABIC:

- is exposed to fulfilment risk and is the primary obligor for the freight and logistic service provided;
- is exposed to the risk of losses in relation to the service not being fulfilled; and
- has a direct relationship with the customer and controls the underlying service before it is transferred to the end customers.

3.2.3 DETERMINATION OF CONTROL, JOINT CONTROL AND SIGNIFICANT INFLUENCE

Subsidiaries are all equity investments over which the Group has control. Management considers that it controls an investee when the Group is exposed to or has rights to the majority of the variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

The determination about whether the Group has power depends on the way decisions about the relevant activities are made and the rights the Group has, over the investees. In contrast, there are certain cases where the Group owns less than 50% of voting rights but considers it has control by directing the relevant activities of the investee as it has

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING STANDARDS (CONTINUED)

3.2.3 DETERMINATION OF CONTROL, JOINT CONTROL AND SIGNIFICANT INFLUENCE (CONTINUED)

de-facto control or there are contractual arrangements which allow the Group to exercise control.

It is generally presumed that the Group has significant influence when the Group has 20% shareholding. Judgement is required, particularly where the Group owns shareholding and voting rights of more or less than 20% and where the Group has assessed to have 'significant influence' over such investees.

3.2.4 DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL AND TERMINATIONS OPTIONS

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination clauses. The Group applies judgement in evaluating if it is reasonably certain whether to exercise the option to renew or terminate the lease. All relevant factors that create an economic incentive for the Group and its contract partners to exercise either the renewal or termination are considered. Such facts and circumstances include a long term preferential rental rates availability, existence of significant penalty on terminations, substantial lease hold improvements etc. The Group reassesses the lease term if there is a significant event or change in the circumstances that affects its ability to exercise or not to exercise the option to renew or to terminate the contract.

4. CHANGES IN ACCOUNTING POLICIES

The amendments to IFRS, which are relevant to the Group and that have been applied on 1 January 2025 by the Group are described below:

4.1 LACK OF EXCHANGABILITY - AMENDMENTS TO IAS 21 THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

The amendment prescribes accounting when there is a lack of exchangeability in the currency of an entity when it has a transaction or an operation in a foreign currency. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. As there are no major transactions or the operations of the Group where the entity is subject to lack of exchangeability, this amendment does not have any material impact on the Group's condensed consolidated interim financial statements. This amendment does not have any material impact on the Group's annual consolidated financial statements.

5. IFRS ISSUED BUT NOT YET EFFECTIVE

The IFRS that are issued and relevant for the Group, but not yet effective, are elaborated below. These standards will be adopted by the Group when they become effective or endorsed by the local jurisdiction.

5.1 AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (AMENDMENTS TO IFRS 9 – *'FINANCIAL INSTRUMENTS'* AND IFRS 7 – *'FINANCIAL INSTRUMENTS: DISCLOSURES'*)

The amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception.

The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

Additionally, the amendment clarifies with further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) test which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. These amendments also introduce new disclosure requirements and update others. The amendment is effective for annual reporting periods beginning on or after 1 January 2026 and will be adopted by the Group when applicable. This amendment will not have any material impact on the Group's consolidated financial statements.

All amounts in thousands of Saudi Riyals unless otherwise stated

5. IFRS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

5.2 IFRS 18 *'PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS'*

IFRS 18 is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. The new standard also requires disclosures in the financial statements for certain management-defined performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The new standard is effective for annual reporting periods beginning on or after 1 January 2027 and will modify the Group's income statement presentation, specifically the presentation of share of results of integral and non-integral JVs. The Group is currently performing an impact assessment and the new standard will be adopted when applicable.

5.3 Amendments to IFRS 9 and IFRS 7 with respect to Power Purchase Agreements (PPAs)

On 18 December 2024, IASB issued highly anticipated and deliberated amendment to lend clarity on the accounting exemption and hedge application on the nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).

The IASB has now clarified vide targeted amendments to IFRS 9 *'Financial Instruments'*, the application of "own use" exemptions to such PPAs. Additionally, IASB has also permitted hedge accounting if these agreements are used as hedging instruments. Consequently, IASB has amended IFRS 7 *'Financial Instruments: Disclosures'* to add disclosure requirements to enable investors to understand the effect of these PPAs on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted. The new standard will be adopted when applicable. This amendment will not have any material impact on the Group's consolidated financial statements.

6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted by the Group in preparing these consolidated financial statements are applied consistently and are elaborated below including amendments to IFRS as elaborated in Note 4 that have to be applied from 1 January 2025 onwards.

6.1 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which is measured at fair value on the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the consolidated statement of income when incurred.

When the Group acquires a business, it assesses the financial assets acquired and financials liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with the changes in fair value recognised in the consolidated statement of income or OCI.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is more than the aggregate consideration

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all of the liabilities assumed. If the reassessment still results in excess, the gain is recognised in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if applicable. For impairment testing, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Group's CGUs that are expected to benefit from synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative value in use of respective disposed operation and the portion of the CGU retained.

6.2 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

INVESTMENTS IN JOINT ARRANGEMENTS

Investments in joint arrangements are classified as either joint operations or joint ventures ("JVs"). The classification depends on the legal structure of the joint arrangement and also contractual rights and obligations of each investor. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

- *Joint operations*

  A joint operation is an arrangement whereby the parties that have joint control on the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held assets or incurred liabilities, revenues and expenses for its joint operations.

- *Joint ventures*

  A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments in an associate or joint venture are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition results in the consolidated statement of income, and the Group's share of movements in OCI in the consolidated statement of comprehensive income. Dividends received from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it is liable due to constructive or legal obligations on behalf of the entity.

Income from operations include share of results of integral joint ventures. Integral joint ventures are the joint ventures which are integral to and support SABIC's core operating activities. Al-Jubail Petrochemical Company ("KEMYA"), Saudi Yanbu Petrochemical Company ("YANPET") and Eastern Petrochemical Company ("SHARQ") are integral joint ventures. For integral joint ventures SABIC manages the production, logistics, feedstock and shared services. All other joint ventures are classified as non-integral joint ventures. Share of results of non-integral joint ventures is recognised separately as results from non-integral joint ventures.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.2 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to the consolidated statement of income.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI, except for the items that will not be reclassified to the consolidated statement of income, are reclassified to the consolidated statement of income, where appropriate.

IMPAIRMENT IN INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised when the recoverable amount of the investment is lower than its carrying amount and is recognised in consolidated statement of income.

6.3 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6.4 ZAKAT AND TAX

ZAKAT

Zakat is levied based on adjusted income subject to zakat and the zakat base in accordance with the Regulations of the Zakat, Tax and Customs Authority (“ZATCA”) in KSA. The zakat provision is charged to the consolidated statement of income. Differences, if any, resulting from the final assessments are adjusted in the period of their finalisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.4 ZAKAT AND TAX (CONTINUED)

CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant tax authorities.

UNCERTAIN ZAKAT AND TAX POSITIONS

Uncertain positions relate to risk or uncertainty over complex zakat and tax treatments. Such uncertain zakat and tax positions are measured using the single most likely amount or the expected value method, depending on which method is expected to better predict the resolution of the uncertainty.

DEFERRED TAX

Deferred tax is provided for using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax law enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

6.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of plant and equipment and borrowing costs for long-term construction projects, when recognition criteria are met. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises and depreciates them separately based on its specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement when the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of income when incurred. The present value of the expected cost for demolishing the asset after its use, is included in the cost of the respective asset when the recognition criterion for a provision is met.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

- Buildings	13 to 40 years
- Plant and equipment	4 to 50 years
- Furniture, fixtures and vehicles	3 to 10 years

Assets under construction, which are not ready for their intended use, and land are not depreciated.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising on de-recognising the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of income when the asset is de-recognised.

The assets' residual values, useful lives and methods of depreciation are periodically reviewed, and adjusted prospectively in case of a significant change in the assets technological capabilities or estimated planned use.

6.6 RIGHT-OF-USE ASSETS

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any, and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings	13 to 99 years
- Plant and equipment	4 to 50 years
- Storage and tanks	20 to 30 years
- Vessels and vehicles	4 to 25 years

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.7 LEASES

The Group assesses at contract inception whether a contract is or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

GROUP AS LESSEE

Leases are recognised as right-of-use assets along with their corresponding liabilities at the date of which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance costs.

Lease liabilities include, if applicable, the net present value of fixed payments including in-substance fixed payments, less any lease incentives receivables, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

SHORT-TERM AND LOW VALUE ASSETS' LEASES

Short-term leases are leases with a contract term of 12 months or less. Low-value assets are items that do not meet the Group's capitalisation threshold and insignificant for the statement of financial position for the Group as a whole. Payments for short-term leases and leases of low-value assets are recognised on a straight-line basis in the consolidated statement of income.

VARIABLE LEASE PAYMENTS

Some leases contain variable payments that are linked to the usage or performance of the leased asset. Such payments are recognised in the consolidated statement of income.

EXTENSION AND TERMINATION OPTIONS

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options, if there is a significant event or significant change in circumstances within control.

GROUP AS A LESSOR

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6.8 INTANGIBLE ASSETS

Intangible assets are measured at cost upon initial recognition. Intangible assets acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indicator that the intangible asset may be impaired. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for prospectively.

All amounts in thousands of Saudi Riyals unless otherwise stated

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.8 INTANGIBLE ASSETS (CONTINUED)

Research costs are expensed as incurred. Development expenditures on projects are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the ability to measure reliably the expenditure during development.

Amortisation of the intangible asset begins when development is complete and the asset is available for its intended use. It is amortised over the period of expected future benefits. The amortisation or impairment losses on intangible assets are recognised in the consolidated statement of income in the expense category that is consistent with the function the intangible asset serves. During the period of development, the asset is tested for impairment annually.

The amortisation period for intangible assets with a finite useful life is as follows:

- Software and IT development	3 to 5 years
- Licenses, including trademarks	5 to 22 years
- (Un)patented technology and customer lists	3 to 18 years

6.9 IMPAIRMENT OF NON-CURRENT ASSETS

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing is required, the Group estimates the assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The Group's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally covering a five-year period. A long-term growth rate is calculated and applied to project future cash flows after the budget period using a terminal value.

Impairment losses of continuing operations are recognised in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. Such reversal is recognised in the consolidated statement of income.

Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future years.

All amounts in thousands of Saudi Riyals unless otherwise stated

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.10 FINANCIAL ASSETS

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- Financial assets measured at amortised cost; or
- Financial assets measured at fair value.

Gains or losses of financial assets measured at fair value will be recognised either through the consolidated statement of income or through the consolidated statement of OCI.

Loans receivables which are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interests, are measured at amortised cost.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Certain sales contracts have a provisional pricing clause with the final pricing based on an average market price over a specific period. Such trade receivables are measured at fair value because the contractual cash flows are not solely payments of principal and interest. Other trade receivables meet these criteria and are measured at amortised cost.

INITIAL MEASUREMENT

Financial assets are initially measured at their fair value plus transaction costs. Transaction costs of financial assets carried at fair value through income statement are recognised in the consolidated statement of income. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payment of principal and interest.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (Debt Instruments)

  Financial assets at amortised cost are subsequently measured using the Effective Interest Rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

- Financial assets at 'Fair Value through Other Comprehensive Income' ("FVOCI") with recycling of cumulative gains and losses (Debt Instruments)

  For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (Equity Instruments)

  SABIC measures all equity investments at fair value and presents changes in fair value of equity investments in OCI. Dividends from such investments continue to be recognised in the consolidated statement of income as other income when the SABIC's right to receive payments is established. Gains and losses on these financial assets are never recycled to the consolidated statement of income. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.10 FINANCIAL ASSETS (CONTINUED)

- Financial assets at FVIS

  Financial assets that do not meet the criteria for subsequent recognition at amortised cost or FVOCI, are measured at FVIS. A gain or loss on a debt investment that is subsequently measured at fair value through the income statement and which is not part of a hedging relationship is recognised and presented net in the consolidated statement of income in the period in which it arises.

DE-RECOGNITION

A financial asset or a part of a financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:

  a. The Group has transferred substantially all the risks and rewards of the asset; or

  b. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

IMPAIRMENT

Management assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its debt instruments as part of its financial assets, which are carried at amortised cost and FVOCI.

The ECL is based on a 12-month ECL or a lifetime ECL. The 12-month ECL results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since initial recognition, the allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (the lifetime ECL).

For trade receivables, management applies the simplified approach in calculating ECL's. Therefore, management does not track changes in credit risk, but instead recognised a loss allowance base on lifetime ECL's at each reporting date. Management has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

6.11 FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified under either of the below two classes:

- Financial liabilities at FVIS; and
- Other financial liabilities measured at amortised cost using the EIR method.

The category of financial liability at FVIS has two sub-categories:

- Designated: A financial liability that is designated by the entity as a liability at FVIS upon initial recognition; and
- Held for trading: A financial liability classified as held for trading, such as an obligation for securities borrowed in a short sale, which have to be returned in the future. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are classified as held for trading.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.11 FINANCIAL LIABILITIES (CONTINUED)

All financial liabilities are recognised initially when the Group becomes party to contractual provisions and obligations under the financial instrument. The liabilities are recognised at fair value, and in the case of loans and borrowings and payables, the proceeds received net of directly attributable transaction costs.

SUBSEQUENT MEASUREMENT

Financial liabilities at FVIS continue to be recognised at fair value with changes being recognised in the consolidated statement of income.

For other financial liabilities, including loans and borrowings, after initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of income when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The EIR amortisation is included as finance costs in the consolidated statement of income.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

DE-RECOGNITION

A financial liability is de-recognised when the obligation under the liability is settled or discharged. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

6.12 OPTIONS AND FORWARD CONTRACTS ON (OWN) EQUITY INSTRUMENTS

Call and put options on equity instruments are derivative financial instruments to be recognised at fair value through income statement. When there are call or put options on an entity's equity instruments controlled by the shareholder, the shareholder is assumed to have options on its own equity instruments with specific recognition requirements. Due to the nature of the stipulations in (option) agreements, the shareholder has no present ownership interest in the shares subject to these options and therefore, a non-controlling interest will be recognised.

PUT AND CALL OPTIONS

Put options are recognised at the present value of the best estimated amount to be paid at the end of the agreement. Call options are recognised at their fair value. Subsequent re-measurement of put and call options will be recognised through statement of income as financial income and expense. Put and call options offer contract parties the right to exercise them or to refrain from exercising the option rights.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.12 OPTIONS AND FORWARD CONTRACTS ON (OWN) EQUITY INSTRUMENTS (CONTINUED)

If put options are being exercised, the financial liability, as re-measured immediately before the transaction, is extinguished by payment of the exercise price and the non-controlling interest purchased is derecognised against equity attributable to the owners of the parent. If the put option expires unexercised, the financial liability is reclassified to retained earnings.

If call options are being exercised, the fair value of the call option will be recognised as part of the consideration paid for the acquisition of the non-controlling interest. If call option expires unexercised, it is derecognised through income statement as a finance expense.

FORWARD SHARE PURCHASE CONTRACTS

Forward share purchase contract are commitments to purchase the shares subject to the contract stipulations in due time. Therefore, the present value of the best estimated amount to be paid at the end of the agreement is recognised as a liability. The subsequent movement in liability is recognised in the consolidated statement of income.

6.13 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is disclosed in the consolidated statement of financial position if there is a currently enforceable legal right to offset recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

6.14 INVENTORIES

Inventories include raw materials, work in progress, finished goods, and consumables, spare parts and are measured at the lower of cost i.e. historical purchase prices based on the weighted average principle plus directly attributable costs and the net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories of work in progress and finished goods include cost of materials, labour and an appropriate proportion of direct overheads.

6.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and fixed term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Fixed term deposits with an original maturity of greater than three months but less than twelve-months, are included as part of short-term investments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and fixed term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

6.16 CASH DIVIDEND PAID TO EQUITY HOLDERS OF THE PARENT

The Group recognises a liability for cash dividend distribution to equity holders of the Parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. In accordance with the Companies Law in KSA, a distribution is authorised when it is approved by the shareholders. Interim dividends, if any, are recognised when approved by the Board of Directors. A corresponding amount is recognised directly in the consolidated statement of changes in equity.

6.17 PROVISIONS

Provisions are recognised when the Group has a present obligation, either legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.17 PROVISIONS (CONTINUED)

ENVIRONMENTAL AND REMEDIATION COSTS

In accordance with the Group's environmental policy and applicable legal requirements, the Group recognises a provision when the amount of cash outflow can be reasonably estimated. Environmental and remedial provisions are recognised for expected costs of environmental remediation and rehabilitating contaminated sites across the regions.

ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost meeting its obligation under the contract. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

ASSET DEMOLISHING AND SITE RESTORATION COSTS

The Group recognises a provision for demolishing costs of manufacturing facilities when an obligation exists. Demolition costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax risk-free rate that reflects the risks specific to this liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of income as finance costs. The estimate for this provision is reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

6.18 EMPLOYEE BENEFITS

LONG-TERM EMPLOYEE BENEFITS OBLIGATIONS

Long-term employee benefit obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method and recognised as non-current liabilities. Consideration is given to expected future salary increase and historic attrition rates. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate or government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of changes in actuarial assumptions are recognised in the consolidated statement of comprehensive income. The Group offers various post-employment schemes, including both defined contribution and defined benefit plans, and post-employment medical and life insurance plans for eligible employees and their dependents.

DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which the Group pays contributions into a separate entity, trust or fund, and has no other legal or constructive obligation. The contributions are recognised as employee benefit expense in the consolidated statement of income when they are due.

DEFINED BENEFIT PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group primarily has end of service benefits, defined benefit pension plans and post-retirement medical and life insurance plans, which qualify as defined benefit plans.

END OF SERVICE BENEFITS AND PENSION PLANS

In KSA, for the liability for employees' end of service benefits, the actuarial valuation process takes into consideration the provisions of the Saudi Labour Law as well as the Group's policy. In other countries, the respective labour laws are taken into consideration.

The net pension asset or liability recognised in the consolidated statement of financial position in respect of defined benefit post-employment plans is the present value of the projected Defined Benefits Obligation ("DBO") less the fair value of plan assets at reporting date, if any.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.18 EMPLOYEE BENEFITS (CONTINUED)

When the fair value of plan assets exceeds the DBO, the Group assesses whether asset ceiling should be applied; if not, the net balance will be presented as other non-current financial assets.

DBO is re-measured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The net interest cost is calculated by applying the discount rate to the net balance of the DBO and the fair value of plan assets.

Service costs are calculated, using the actuarially determined cost rate at the end of the prior year, adjusted for significant market fluctuations and for any significant one-off events, such as plan amendments, curtailments and settlements. In the absence of such significant market fluctuations and one-off events, the actuarial liabilities are rolled forward based on the assumptions as at the beginning of the year. If there are significant changes to the assumptions or arrangements during the year, consideration is given to re-measure such liabilities and the related costs.

Re-measurement gains and losses arising from changes in actuarial assumptions are recognised in the period in which they occur in OCI. Changes in the present value of the DBO resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of income as past service costs.

When the benefit plans are amended, the portion of the change in benefit relating to the past service by employees is recognised as an expense or income; if applicable, on a straight-line basis over the average period until the benefits become vested in the consolidated statement of income. To the extent that benefits vest immediately, the expense or income, if applicable is recognised immediately in the consolidated statement of income.

Current and past service costs related to post-employment benefits are recognised immediately in the consolidated statement of income while unwinding of the liability at discount rates used are recognised as financial cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in OCI.

EMPLOYEE SAVING PLAN

The Group operates a saving plan, a defined benefit plan, to encourage its Saudi employees to make savings. The saving contributions from the participants are deposited in a separate bank account other than the Company's normal operating bank accounts. Employee saving plan represents the contribution made by the employee and SABIC in accordance with the Group HR policy and is presented as current liabilities.

EMPLOYEE HOME OWNERSHIP PROGRAM ("HOP")

Certain companies within the Group have established employee's HOP that offer eligible employees the opportunity to buy residential units constructed by these subsidiaries through a series of payments over a particular number of years. Ownership of the houses is transferred upon completion of full payment.

Under the HOP, the amounts paid by the employee towards the house are repayable back to the employee in case the employee discontinues employment and the house is returned back to the Group. HOP is recognised as a non-current prepayment asset at time the residential units are allocated to the employees and are amortised over the repayment period of the facility due from employees.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.18 EMPLOYEE BENEFITS (CONTINUED)

Employee Home Loan Program ("HLP")

The Group provides interest free home loan to its eligible employees for purposes related to purchase or building of a house or apartment. The loan is repaid in monthly instalment by deduction of employee's pay.

HLP is recognised as a non-current financial asset initially at fair value and subsequently measured at amortised cost using the EIR method. The difference between the fair value and the actual amount of cash given to the employee is recognised as a "non-current prepaid employee benefit" and is amortised as an expense equally over the period of service. The same amount is also amortised as finance income against the receivables from employees.

6.19 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue arrangements are assessed against specific criteria to determine whether the Group is acting as a principal or agent.

For certain revenue contracts, an intermediary is used to provide the goods and services. The Group assesses whether it is an agent or principal in these arrangements. The Group acts as a principal when it controls the specified good or service prior to transfer. When the Group acts as a principal the revenue recognised is the gross amount billed. Certain other arrangements with certain customer are such that the Group's responsibility is to arrange for a third party to provide a specified good or service to the client. If the Group is acting as an agent and does not control the relevant good or service before it is transferred to the customer. If the Group is acting as an agent, the revenue is recognised at the net amount retained.

SALES REVENUE

The Group recognises revenue when control of the products sold, transfers to the customer, which shall be considered in the context of a five-step approach and applying the applicable shipping terms.

RIGHTS OF RETURN

When a contract with a customer provides a right of return of the good within a specified period, the Group accounts for the right of return when requested by the customer and contractual conditions are met.

ALLOCATION OF PERFORMANCE OBLIGATIONS

In certain instances, the Group determines delivery services as separately identifiable and distinct from the sale of goods. These are when the Group transfers control of goods at the Group's loading site and provides delivery services to the buyer's site. The Group allocates a portion of the total transaction price to delivery services based on a best estimate of a similar stand-alone service.

PROVISIONAL PRICING

Certain revenue contracts with customers include provisional pricing at the time of shipment. Initially, revenue on these contracts is recognised based on the estimate of the final price at the time control is transferred to the customer. The final pricing is based on the actual average market indexed price. Any difference between the estimate and the final price is recognised as a change in fair value of the related receivables, as part of revenue, in the consolidated statement of income. The associated trade receivables related to contracts with provisional pricing arrangements are subsequently measured at FVIS.

VARIABLE PRICING - VOLUME REBATES

The Group provides retrospective volume rebates to its customers on products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. The Group estimates the expected volume rebates using a prudent assessment of the expected amount of rebates, reviewed and updated on a regular basis. These amounts will subsequently be repaid in cash to the customer or are offset against amounts payable by the customer, if allowed by the contract.

All amounts in thousands of Saudi Riyals unless otherwise stated

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.19 REVENUE RECOGNITION (CONTINUED)

Volume rebates give rise to variable consideration. The Group considers the “most likely amount” method to be the best estimate of this variable consideration.

RENDERING OF SERVICES

LOGISTIC SERVICES

In certain instances, the Group provides the delivery services for goods sold based on the C-class incoterms. The service is considered as a separate performance obligation. The separate transaction price is not explicitly available in the contract and SABIC uses estimation method to allocate the transaction price to such performance obligation. The estimation is based on standalone selling price. This service is satisfied over the period of delivery.

RENTAL INCOME

The Group also provides services pertaining to storage and warehousing as well as terminal services for some of the goods handled by Group Companies. Rental income from these arrangements is recognised on systematic basis over the contract term.

6.20 RESEARCH AND DEVELOPMENT EXPENSES

Research and development (“R&D”) activities include expenses to:

- develop and improve our existing materials, products, solutions and processes,
- improve ecological footprint

These activities focus on delivering differentiated and sustainable product and application solutions and sustainable cost-advantaged process innovation to meet the needs of our customers and the value chain over the near, mid-, and long-term horizon.

6.21 FINANCE INCOME

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as investments in equity instruments at FVOCI, finance income is recognised using the EIR. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. For the purpose of consolidated statement of cash flows, interest received is presented under net cash from operating activities.

6.22 FINANCE COSTS

Finance expense is recognised for interest portion paid to the lender of all financial instruments measured at amortised cost. Finance expense is also recognised for the time value of money considered while discounting the liability to its present value. The finance expense is recognised using the EIR for liabilities measured at amortised cost. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability. Typical financial instruments include bonds, conventional notes, Murabaha, etc. Additionally, the finance expense also includes time value of money for all the lease liabilities recognised. For the purpose of consolidated statement of cash flows, interest paid is presented under net cash from operating activities.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.23 DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

A discontinued operation is a component of the entity that has been classified as held for sale and that represents a separate major line of business and is part of a single co-ordinated plan to dispose of such a line of business. Group of non-current assets under such discontinued operation, referred as disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The held for sale classification also includes investments that meets the criteria of IFRS 5 *'Non-current Assets Held for Sale and Discontinued Operations'*. Such disposal group is measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of the disposal group, but not more than any cumulative impairment loss previously recognised. Non-current assets that are part of a disposal group are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets and liabilities attributed to a disposal group classified as held for sale are presented separately from the assets and liabilities of the continuing operations in the consolidated statement of financial position. Results of discontinued operations are presented separately in the consolidated statement of income.

Intercompany transactions between the disposal group and continuing operations are eliminated against the results of discontinued operations in case they will remain to form part of the business of continuing operations. The results of the discontinued operations will include only those costs and revenues that will be eliminated from the group upon disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

7. PROPERTY, PLANT AND EQUIPMENT

	For the year ended 31 December 2025					
	Land and buildings	Plant and equipment (i)	Furniture and fixtures	Vehicles	Assets under construction	Total
Cost:						
As at the beginning of the year	28,361,799	260,192,347	1,086,765	702,412	16,850,912	307,194,235
Acquisitions (refer to Note 10.3)	-	-	-	-	611,981	611,981
Additions	4,791	144,096	646	-	8,420,570	8,570,103
Transfers (ii)	416,915	8,970,269	7,118	30,082	(10,184,788)	(760,404)
Disposals and retirements	(558,995)	(19,111,929)	(34,814)	(25,231)	(706,938)	(20,437,907)
Reclassified to assets held for sale (refer to Note 34)	(9,119,469)	(42,786,177)	(112,046)	(85,447)	(4,198,113)	(56,301,252)
Foreign currency translation adjustment	628,124	3,621,278	13,026	1,499	277,594	4,541,521
As at the end of the year	19,733,165	211,029,884	960,695	623,315	11,071,218	243,418,277
Accumulated depreciation and impairment:						
As at the beginning of the year	(15,146,291)	(176,479,848)	(840,223)	(495,166)	(1,652,132)	(194,613,660)
Charge for the year	(780,018)	(10,295,158)	(58,045)	(52,152)	-	(11,185,373)
Impairment and write-offs	(215,545)	(2,397,988)	(83)	-	(1,834,273)	(4,447,889)
Disposals and retirements	527,992	19,082,806	34,732	25,231	507,216	20,177,977
Reclassified to assets held for sale (refer to Note 34)	7,087,934	33,834,408	101,342	33,824	1,837,966	42,895,474
Foreign currency translation adjustment	(478,752)	(2,679,813)	(11,786)	(1,453)	(3,306)	(3,175,110)
As at the end of the year	(9,004,680)	(138,935,593)	(774,063)	(489,716)	(1,144,529)	(150,348,581)
Net book value:						
As at 31 December 2025	10,728,485	72,094,291	186,632	133,599	9,926,689	93,069,696
As at 1 January 2025	13,215,508	83,712,499	246,542	207,246	15,198,780	112,580,575

(i) Property, plant and equipment include assets leased to related and third parties. The opening and closing cost of these leased assets amounted to ⃁ 2,453 million and ⃁ 2,505 million respectively whereas, the opening and closing accumulated depreciation amounted to ⃁ 968 million and ⃁ 1,099 million respectively. The movement during the year mainly related to depreciation charge for the year amounting to ⃁ 131 million.

(ii) Transfers are non-cash transactions that mainly involve the capitalization of assets under construction within the plant and equipment category upon the commencement of operations, as well as the capitalization of turnaround expenses. Additionally, they include the reclassification of real estate assets from SABIC's Home Ownership Program for employees to "Other assets and receivables" within non-current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	For the year ended 31 December 2024					
	Land and buildings	Plant and equipment (i)	Furniture and fixtures	Vehicles	Assets under construction	Total
Cost:						
As at the beginning of the year	28,495,745	256,591,969	1,048,873	662,483	14,284,682	301,083,752
Additions	60,503	2,390,320	14,719	10,850	8,027,071	10,503,463
Transfers (ii)	187,163	4,916,685	39,718	34,589	(5,250,572)	(72,417)
Disposals and retirements	(35,171)	(1,386,270)	(5,771)	(2,594)	(43,118)	(1,472,924)
Reclassified to assets held for sale	(48,825)	(913,335)	(1,541)	(2,125)	(8,305)	(974,131)
Foreign currency translation adjustment	(297,616)	(1,407,022)	(9,233)	(791)	(158,846)	(1,873,508)
As at the end of the year	28,361,799	260,192,347	1,086,765	702,412	16,850,912	307,194,235
Accumulated depreciation and impairment:						
As at the beginning of the year	(14,570,862)	(169,075,725)	(761,804)	(452,465)	(1,100,317)	(185,961,173)
Charge for the year	(823,074)	(10,531,954)	(91,433)	(48,188)	-	(11,494,649)
Transfers (ii)	(2,692)	33,956	(477)	254	(31,041)	-
Impairment and write-offs	(54,066)	(25,390)	-	-	(530,531)	(609,987)
Disposals and retirements	33,944	1,358,739	5,583	2,586	36	1,400,888
Reclassified to assets held for sale	36,151	664,357	1,342	1,888	25	703,763
Foreign currency translation adjustment	234,308	1,096,169	6,566	759	9,696	1,347,498
As at the end of the year	(15,146,291)	(176,479,848)	(840,223)	(495,166)	(1,652,132)	(194,613,660)
Net book value:						
As at 31 December 2024	13,215,508	83,712,499	246,542	207,246	15,198,780	112,580,575
As at 1 January 2024	13,924,883	87,516,244	287,069	210,018	13,184,365	115,122,579

(i) Property, plant and equipment includes assets leased to related and third parties. The opening and closing cost of these leased assets amounted to ⃁2,453 million and ⃁2,453 million respectively whereas, the opening and closing accumulated depreciation amounted to ⃁839 million and ⃁968 million respectively. The movement during the year mainly related to depreciation charge for the year amounting to ⃁129 million.

(ii) Transfers represent the capitalisation of assets under construction, transfers to intangible assets and transfers of HOP related assets to "Other assets and receivables" within non-current assets and are non-cash in nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ALLOCATION OF DEPRECIATION CHARGE

For the years ended 31 December	2025	2024
Cost of sales	8,999,173	9,270,672
General and administrative expenses	251,148	401,748
Research and development expenses	176,949	118,143
Selling and distribution expenses	38,801	36,366
	9,466,071	9,826,929
Reclassified to discontinued operations	1,719,302	1,667,720
	11,185,373	11,494,649

LAND AND BUILDINGS

Land and buildings include an amount of ⃁1,675 million as at 31 December 2025 (2024: ⃁2,251 million) representing the cost of freehold land.

ASSETS UNDER CONSTRUCTION

Assets under construction mainly represents the expansion of existing plants and new projects being executed by certain legal entities. The related capital commitments are reported in Note 39.

PLEDGED PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment of certain subsidiaries in the KSA are pledged to the Saudi Industrial Development Fund ("SIDF") as security for its term loans amounting to ⃁3,837 million (2024: ⃁23,883 million).

IMPAIRMENT AND WRITE-OFFS

During the year ended 31 December 2025, as a result of the changed global market conditions which affected the profitability of the related Cash Generating Units (CGUs), management performed a detailed impairment assessment of its underperforming CGUs.

Based on the assessment, impairment losses amounting to ⃁4,497 million (2024: ⃁190 million), mainly related to:

- Cracker plant located in Teesside, United Kingdom which was decided to be closed. As a result, SABIC recognised an impairment of ⃁3,514 million for respective assets, which are broken down as follows:

Plant and equipment	1,736,361
Assets under construction	1,697,502
Right-of-use assets	80,267
	3,514,130

- During the year, Ibn Rushd exhibited signs of impairment primarily attributable to changes in market conditions. Consequently, an impairment assessment was conducted on its individual cash generating unit (CGU) for Polyethylene Terephthalate (PET), resulting in recognition of an impairment loss amounting to ⃁911 million. This loss was recorded within cost of sales, general and administrative expenses, and other operating expenses, and pertains to the entire CGU, as detailed below:

Property, plant and equipment	865,715
Right-of-use assets	35,453
Intangible Assets	7,543
Others	2,265
	910,976

The value in use of the Ibn Rushd respective cash generating unit was calculated based on WACC rate of 9.00% and a growth rate of 2.50%.

For the remaining underperforming cash-generating units (CGUs), the recoverable amount exceeds the carrying amount. When assessing value in use, management asserts that reasonably possible variations in the underlying assumptions would not cause the carrying value of these CGUs to exceed their recoverable amount.

- Certain assets under construction were written off due to the discontinuation of specific initiatives and projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

8. RIGHT-OF-USE ASSETS

	For the year ended 31 December 2025				
	Land and buildings (i)	Plant and equipment	Storage and tanks	Vessels and vehicles	Total
Cost:					
As at the beginning of the year	3,402,115	2,135,619	1,164,887	2,848,895	9,551,516
Additions (ii)	129,354	35,484	136,218	314,204	615,260
Disposals and retirements (ii)	(360,998)	(237,616)	(228,907)	(281,824)	(1,109,345)
Reclassified to assets held for sale (refer to Note 34)	(875,586)	(379,143)	(941,127)	(1,349,596)	(3,545,452)
Foreign currency translation adjustment	93,162	35,655	144,536	131,298	404,651
As at the end of the year	2,388,047	1,589,999	275,607	1,662,977	5,916,630
Accumulated depreciation and impairment:					
As at the beginning of the year	(1,164,253)	(1,167,843)	(879,197)	(1,504,680)	(4,715,973)
Charge for the year	(294,847)	(150,896)	(189,172)	(549,813)	(1,184,728)
Impairment	(38,209)	(12,160)	(5,693)	(64,752)	(120,814)
Disposals and retirements	275,126	236,810	228,907	276,545	1,017,388
Reclassified to assets held for sale (refer to Note 34)	388,789	301,520	833,600	1,238,343	2,762,252
Foreign currency translation adjustment	(31,584)	(36,423)	(100,795)	(93,880)	(262,682)
As at the end of the year	(864,978)	(828,992)	(112,350)	(698,237)	(2,504,557)
Net book value:					
As at 31 December 2025	1,523,069	761,007	163,257	964,740	3,412,073
As at 1 January 2025	2,237,862	967,776	285,690	1,344,215	4,835,543

(i) The land on which plant and related facilities of certain subsidiaries in KSA are constructed are leased from the Royal Commission for Jubail and Yanbu, an agency of Saudi Arabian government. The Group has similar kind of arrangements and terms for some of its major sites in Europe.

(ii) Additions, re-measurement and disposals and retirements are non-cash in nature.

All amounts in thousands of Saudi Riyals unless otherwise stated

8. RIGHT-OF-USE ASSETS (CONTINUED)

	For the year ended 31 December 2024				
	Land and buildings (i)	Plant and equipment	Storage and tanks	Vessels and vehicles	Total
Cost:					
As at the beginning of the year	3,719,757	2,299,920	1,222,781	2,914,706	10,157,164
Additions (ii)	120,612	102,010	73,456	548,790	844,868
Re-measurement (ii)	(188,401)	-	-	-	(188,401)
Disposals and retirements (ii)	(91,655)	(190,368)	(72,563)	(555,582)	(910,168)
Reclassified to assets held for sale	(117,916)	(59,942)	(1,183)	(1,764)	(180,805)
Foreign currency translation adjustment	(40,282)	(16,001)	(57,604)	(57,255)	(171,142)
As at the end of the year	3,402,115	2,135,619	1,164,887	2,848,895	9,551,516
Accumulated depreciation and impairment:					
As at the beginning of the year	(1,002,031)	(1,179,529)	(802,129)	(1,594,903)	(4,578,592)
Charge for the year	(302,153)	(170,420)	(187,539)	(495,278)	(1,155,390)
Impairment	-	(21,396)	-	-	(21,396)
Disposals and retirements	110,702	186,797	67,196	544,576	909,271
Reclassified to assets held for sale	13,040	4,941	158	664	18,803
Foreign currency translation adjustment	16,189	11,764	43,117	40,261	111,331
At the end of the year	(1,164,253)	(1,167,843)	(879,197)	(1,504,680)	(4,715,973)
Net book value:					
As at 31 December 2024	2,237,862	967,776	285,690	1,344,215	4,835,543
As at 1 January 2024	2,717,726	1,120,391	420,652	1,319,803	5,578,572

(i) The land on which plant and related facilities of certain subsidiaries in KSA are constructed are leased from the Royal Commission for Jubail and Yanbu, an agency of Saudi Arabian government. The Group has similar kind of arrangements and terms for some of its major sites in Europe.

(ii) Additions, re-measurement and disposals and retirements are non-cash in nature.

ALLOCATION OF DEPRECIATION CHARGE

For the years ended 31 December	2025	2024
Cost of sales	480,978	460,134
General and administrative expenses	212,067	195,466
Research and development expenses	9,235	9,610
Selling and distribution expenses	119,948	122,671
	822,228	787,881
Reclassified to discontinued operations	362,500	367,509
	1,184,728	1,155,390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

9. INTANGIBLE ASSETS

	For the year ended 31 December 2025					
	Goodwill (i)	Software and IT development	Licenses	Others	Intangibles under development	Total
Cost:						
As at the beginning of the year	17,672,338	1,190,234	8,978,936	435,228	200,845	28,477,581
Additions	-	-	16,835	-	7,942	24,777
Transfers (ii)	-	583,540	200,971	-	(101,875)	682,636
Disposals and retirements	-	(97)	(122,606)	-	-	(122,703)
Write-offs	-	-	-	(21,767)	-	(21,767)
Reclassified to assets held for sale (refer to Note 34)	(1,672,500)	(941,839)	(3,037,959)	-	(67,307)	(5,719,605)
Foreign currency translation adjustment	531,896	43,215	212,412	23,880	-	811,403
As at the end of the year	16,531,734	875,053	6,248,589	437,341	39,605	24,132,322
Accumulated amortisation and impairment:						
As at the beginning of the year	-	(1,044,725)	(8,090,778)	(104,271)	(96,174)	(9,335,948)
Charge for the year	-	(73,036)	(297,137)	(22,301)	-	(392,474)
Disposals and retirements	-	97	122,606	-	-	122,703
Impairment	-	-	(7,543)	-	-	(7,543)
Reclassified to assets held for sale (refer to Note 34)	-	911,558	2,950,271	-	67,307	3,929,136
Foreign currency translation adjustment	-	(42,692)	(125,386)	(165)	-	(168,243)
As at the end of the year	-	(248,798)	(5,447,967)	(126,737)	(28,867)	(5,852,369)
Net book value:						
As at 31 December 2025	16,531,734	626,255	800,622	310,604	10,738	18,279,953
As at 1 January 2025	17,672,338	145,509	888,158	330,957	104,671	19,141,633

(i) This includes goodwill amounting to ⃁ 8,888 million as a result of exercising option to purchase the remaining shares held by another investor in some of the SABIC subsidiaries, out of which ⃁ 3,186 million related to Saudi Petrochemical Company ("SADAF") and ⃁ 5,702 million related to Saudi Methanol Company ("AR-RAZI"). Effective 1 October 2019, SADAF merged with Arabian Petrochemical Company ("PETROKEMYA").

(ii) Includes transfers within intangible assets, transfers from property, plant and equipment and transfers from / to other assets, which are non-cash in nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

9. INTANGIBLE ASSETS (CONTINUED)

	For the year ended 31 December 2024					
	Goodwill (i)	Software and IT development	Licenses	Others	Intangibles under development	Total
Cost:						
As at the beginning of the year	17,937,205	1,903,021	9,117,052	409,837	180,548	29,547,663
Additions	-	11,891	4,414	17,711	89,393	123,409
Transfers (ii)	-	43,081	24,924	8,810	(69,096)	7,719
Disposals and retirements	-	(746,713)	(8,017)	-	-	(754,730)
Reclassified to assets held for sale	-	(197)	(81,022)	(679)	-	(81,898)
Foreign currency translation adjustment	(264,867)	(20,849)	(78,415)	(451)	-	(364,582)
As at the end of the year	17,672,338	1,190,234	8,978,936	435,228	200,845	28,477,581
Accumulated amortisation and impairment:						
As at the beginning of the year	-	(1,786,509)	(7,886,281)	(82,996)	(28,868)	(9,784,654)
Charge for the year	-	(25,342)	(311,211)	(22,513)	-	(359,066)
Disposals and retirements	-	746,674	7,568	-	-	754,242
Impairment	-	-	(21,670)	-	(67,306)	(88,976)
Reclassified to assets held for sale	-	197	80,456	678	-	81,331
Foreign currency translation adjustment	-	20,255	40,360	560	-	61,175
As at the end of the year	-	(1,044,725)	(8,090,778)	(104,271)	(96,174)	(9,335,948)
Net book value:						
As at 31 December 2024	17,672,338	145,509	888,158	330,957	104,671	19,141,633
As at 1 January 2024	17,937,205	116,512	1,230,771	326,841	151,680	19,763,009

(i) This includes goodwill amounting to ⃁ 8,888 million as a result of exercising option to purchase the remaining shares held by another investor in some of the SABIC subsidiaries, out of which ⃁ 3,186 million related to Saudi Petrochemical Company ("SADAF") and ⃁ 5,702 million related to Saudi Methanol Company ("AR-RAZI"). Effective 1 October 2019, SADAF merged with Arabian Petrochemical Company ("PETROKEMYA").

(ii) Includes transfers within intangible assets, transfers from property, plant and equipment and transfers from / to other assets, which are non-cash in nature.

ALLOCATION OF AMORTISATION CHARGE

For the year ended 31 December	2025	2024
Cost of sales	95,099	62,692
General and administrative expenses	259,992	263,909
Research and development expenses	26,431	24,020
Selling and distribution expenses	1,755	1,555
	383,277	352,176
Reclassified to discontinued operations	9,197	6,890
	392,474	359,066

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

9. INTANGIBLE ASSETS (CONTINUED)

GOODWILL

Goodwill has been allocated to the Group’s operating segments that represent its CGUs at which the goodwill is managed. For goodwill impairment testing, these CGUs are Petrochemicals and Specialties. As at 31 December 2025, the goodwill allocated to Petrochemicals amounts to ⃁ 13,757 million (2024: ⃁ 15,028 million) and for Specialties CGU amounts to ⃁ 2,775 million (2024: ⃁ 2,644 million).

The post-tax WACC rate applied at Group’s level is 9.25% for Petrochemicals (2024: 8.8%) and for Specialties 8.50% (2024: 8.75%). The pre-tax WACC rate is 10.55% (2024: 9.6%) for Petrochemicals and 10.20% (2024: 10.6%) for Specialties.

The WACC is calculated based on long-term moving monthly average assumptions that reflect market assessments of the risk specific to each CGU. Segment specific risk is incorporated by applying average beta factors. The beta factors are evaluated annually based on publicly available market data of SABIC’s peers. The average effective zakat rate is assumed to be 3% (2024: 3%) for MEA region and the average effective tax rate is assumed to be 17%-23% (2024: 23%-26%) for rest of the world.

The cash flow projections are derived from the respective business plans covering a period of 5 years. Cash flow projections beyond the five-year business plan are extrapolated considering an assumed growth rate of 2.5% (2024: 2.4%) for Petrochemicals and 2.3% (2024: 2.4%) for Specialties.

No impairment loss was recognised for 2025 and 2024 respectively with respect to the goodwill attributable to the continuing operations.

With respect to the assessment of the value in use, management believes that a reasonably possible change in its used assumptions would not cause the carrying value of its goodwill to exceed its recoverable amount.

The goodwill attributed to discontinued operations is based on their recoverable amounts computed based on value in use method, and it was amounted to ⃁ 893 million and ⃁ 780 million for ETP in Americas and Europe and EP respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The table below outlines the Group's investments in associates:

	Ownership %	Place of business/ country of incorporation	Nature of activities	31 December 2025	31 December 2024 (Restated)
Clariant AG ("CLARIANT") (refer to Note 10.1)	31.50	Switzerland	Specialty Chemical	4,606,597	5,687,701
Ma'aden Phosphate Company ("MPC")	30.00	KSA	Agri-Nutrients	4,020,381	4,036,409
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC")	15.00	KSA	Agri-Nutrients	2,628,396	2,300,311
Gulf Petrochemical Industries Company ("GPIC") (ii)	33.33	Bahrain	Agri-Nutrients	1,119,527	997,158
Power and Water Utilities Company for Jubail and Yanbu ("MARAFIQ") (refer to Note 42)	17.50	KSA	Utilities	943,313	980,270
National Chemical Carrier Company ("NCC")	20.00	KSA	Transportation	696,189	709,080
Saudi Arabian Industrial Investment Company ("DUSSUR")	25.00	KSA	Investments	378,833	620,252
Nusaned Fund I, Nusaned Fund II ("NUSANED FUNDS")	50.00, 60.00	KSA	Equity Investments	98,953	39,656
ARG mbH & Co KG ("ARG") entities (iii)	25.00	Germany	Transportation	-	128,933
German Pipeline Development Company GMBH ("GPDC") (iii)	39.00	Germany	Transportation	-	33,914
				14,492,189	15,533,684

(i) Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.

(ii) GPIC is owned 33.33% by SABIC Agri-Nutrients Company (known as "SABIC AN") and SABIC's effective share is 16.70%.

(iii) Investments in ARG and GPDC have been transferred to assets held for sale during the year ended 31 December 2025 (refer to Note 34).

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All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The table below outlines the Group's investments in joint ventures:

	Ownership %	Place of business/ country of incorporation	Nature of activities	31 December 2025	31 December 2024 (Restated)
Al-Jubail Petrochemical Company ("KEMYA")	50.00	KSA	Petrochemicals	5,111,432	5,429,981
Eastern Petrochemical Company ("SHARQ")	50.00	KSA	Petrochemicals	4,211,881	4,482,082
Saudi Yanbu Petrochemical Company ("YANPET")	50.00	KSA	Petrochemicals	2,491,911	2,804,067
SABIC Fujian Petrochemicals Co., Ltd. ("FUJIAN")	51.00	China	Petrochemicals	2,304,687	1,152,017
Sinopec Sabic Tianjin Petrochemical Company ("SSTPC")	50.00	China	Petrochemicals	2,077,597	2,702,316
ETG Inputs Holdco Limited ("EIHL") (ii)	49.00	UAE	Agri-Nutrients	1,344,873	1,200,854
Sabic SK Nexlene Company Pte. Ltd. ("SSNC")	50.00	Singapore	Petrochemicals	754,804	742,557
Cosmar Company ("COS-MAR")	50.00	USA	Petrochemicals	531,147	522,916
Isotopes Company ("IHC")	31.95	KSA	Machinery Equipment	5,868	6,997
Utility Support Group B.V. ("USG") (iii)	50.00	Netherlands	Utilities	-	306,356
SABIC Plastic Energy Advanced Recycling BV ("SPEAR") (Refer to Note 10.3) (iv)	50.00	Netherlands	Petrochemicals	-	77,008
				18,834,200	19,427,151
				33,326,389	34,960,835

(i) Determination of the classification of these investments as joint venture is based on underlying agreements and constitutive documents.

(ii) EIHL is owned 49.00% by SABIC Agri-Nutrients Company (known as "SABIC AN") and SABIC's effective share is 25.55%.

(iii) Investment in USG has been transferred to assets held for sale during the year (refer to Note 34).

(iv) During the year ended 31 December 2025, SABIC acquired an additional 26.24% interest in SPEAR, resulting in the Group obtaining control of SPEAR as a subsidiary. Subsequently, SPEAR was classified as an asset held for sale (refer to Note 10.3).

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All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in associates is as follows:

	CLARIANT	MPC	MWSPC	MARAFIQ	GPIC	NCC	DUSSUR	ARG	NUSANED FUNDS	GPDC	Total
As at 1 January 2025	5,687,701	4,036,409	2,300,311	980,270	997,158	709,080	620,252	128,933	39,656	33,914	15,533,684
Capital contribution	-	-	-	-	-	-	-	-	82,762	-	82,762
Share of results (i)	(521,611)	700,222	328,085	18,106	154,420	107,109	(32,599)	49,284	(1,292)	(1,756)	799,968
Impairment (refer Note 10.1)	(1,263,051)	-	-	-	-	-	(228,750)	-	(1,543)	-	(1,493,344)
Movements in OCI	903,489	-	-	(6,883)	5,449	-	19,930	17,780	-	4,354	944,119
Dividends received	(199,931)	(716,250)	-	(48,180)	(37,500)	(120,000)	-	(50,133)	(20,630)	-	(1,192,624)
Reclassified to assets held for sale (refer Note 34) (ii)	-	-	-	-	-	-	-	(145,864)	-	(36,512)	(182,376)
As at 31 December 2025	4,606,597	4,020,381	2,628,396	943,313	1,119,527	696,189	378,833	-	98,953	-	14,492,189

(i) The Group's share of results in associates' net income is recognised after fair value adjustments and changes in estimated results.

(ii) Investments in ARG and GPDC have been transferred to assets held for sale during the year (refer to Note 34).

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in joint ventures is as follows:

	KEMYA	SHARQ	SSTPC	YANPET	EIHL	SSNC	COS-MAR	FUJIAN	USG	SPEAR	IHC	Total
As at 1 January 2025	5,429,981	4,482,082	2,702,316	2,804,067	1,200,854	742,557	522,916	1,152,017	306,356	77,008	6,997	19,427,151
Capital contributions (i)	-	-		-	-		57,185	1,485,491		-	3,072	1,545,748
Share of results (ii) (iii)	435,942	(283,373)	(725,803)	290,794	132,814	(5,624)	(48,954)	(67,217)	39,439	(26,003)	(4,201)	(262,186)
Movements in OCI	(7,940)	18,568	101,084	(7,794)	11,205	36,621		79,396	40,720	5,939	-	277,799
Investment in joint venture derecognised on step-acquisition of subsidiary (refer to Note 10.3) (iv)	-	-	-	-	-	-	-		-	(56,944)	-	(56,944)
Dividends received (v)	(746,810)	-	-	(588,107)	-	(18,750)	-	-	-		-	(1,353,667)
Reclassified to assets held for sale (refer to Note 34) (vi)	-	-	-	-	-	-	-	-	(386,515)	-	-	(386,515)
Others (vii)	259	(5,396)	-	(7,049)	-	-	-	(345,000)	-	-	-	(357,186)
As at 31 December 2025	5,111,432	4,211,881	2,077,597	2,491,911	1,344,873	754,804	531,147	2,304,687	-	-	5,868	18,834,200

(i) The total capital contributions in associates and joint ventures amounted to ⃁1,628 million (2024: ⃁1,048 million).

(ii) The Group's share of results in joint ventures' net income is recognised after fair value adjustments and changes in estimated results.

(iii) Share of results includes the share of results of integral joint ventures related to SHARQ, YANPET and KEMYA amounting to ⃁443 million (2024: ⃁765 million) and this has been presented in the consolidated statement of income before income from operations.

(iv) During the year ended 31 December 2025, SABIC acquired additional 26.24% stakes in SPEAR and it was reclassified as a subsidiary. Subsequently, at year ended 31 December 2025, this subsidiary has been reclassified to assets held for sale (refer to Note 10.3).

(v) Dividends received from the integral joint ventures is amounting to ⃁1,335 million (2024: ⃁1,756 million) and from the associates and non-integral joint ventures is ⃁1,212 million (2024: ⃁ 842 million).

(vi) Investment in USG has been transferred to assets held for sale during the year (refer to Note 34).

(vii) Others in FUJIAN represents the share of unrealised profit from sales against licensing and engineering contracts and recognised at a point in time upon completion of related performance obligations.

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in associates is as follows:

	CLARIANT	MPC	ALBA	MWSPC	MARAFIQ	GPIC	NCC	DUSSUR	ARG	NUSANED FUNDS	GPDC	GARMCO	Total
As at 1 January 2024 (as previously reported)	7,520,449	3,763,486	3,664,441	2,205,971	1,414,926	985,413	562,704	540,996	171,117	38,701	33,141	9	20,901,354
Restatement (refer to Note 42)	-	-	-	-	(474,950)	-	-	-	-	-	-	-	(474,950)
As at 1 January 2024 (restated)	7,520,449	3,763,486	3,664,441	2,205,971	939,976	985,413	562,704	540,996	171,117	38,701	33,141	9	20,426,404
Capital contribution	-	-	-	-	-	-	-	137,500	-	13,474	-	-	150,974
Share of results (i)	208,251	531,673	278,753	94,340	56,079	92,468	206,376	(58,244)	24,432	(9,140)	2,790	-	1,427,778
Impairment (ii) (refer to Note 10.1)	(1,170,336)	-	(200,634)	-	-	-	-	-	-	-	-	-	(1,370,970)
Movements in OCI	(688,067)	-	(18,616)	-	-	(5,723)	-	-	(9,050)	-	(2,017)	(9)	(723,482)
Dividends received	(182,596)	(258,750)	(100,319)	-	(15,785)	(75,000)	(60,000)	-	(57,566)	-	-	-	(750,016)
Reclassified to assets held for sale	-	-	(3,623,625)	-	-	-	-	-	-	-	-	-	(3,623,625)
Others	-	-	-	-	-	-	-	-	-	(3,379)	-	-	(3,379)
As at 31 December 2024 (restated)	5,687,701	4,036,409	-	2,300,311	980,270	997,158	709,080	620,252	128,933	39,656	33,914	-	15,533,684

(i) The Group's share of results in associates' net income is recognised after fair value adjustments and changes in estimated results.

(ii) 'Impairment loss from associates and non-integral joint ventures', previously presented as part of 'Results from associates and non-integral joint ventures', are now presented as a separate line item in consolidated statement of income. Comparative balances have been presented accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in joint ventures is as follows:

	KEMYA	SHARQ	SSTPC	YANPET	SSNC	COS-MAR	FUJIAN	USG	TAKAMUL	SPEAR	AESSC	SPMC	IHC	EIHL	Total
As at 1 January 2024	5,854,859	4,830,729	3,238,476	2,953,068	849,623	444,516	477,628	299,213	-	94,962	-	20,158	6,493	1,266,222	20,335,947
Capital contribution (i)	-	-	-	-	-	152,538	743,041	-	-	-	-	-	1,150	-	896,729
Share of results (ii) (iii)	517,294	(282,646)	(452,574)	530,510	12,312	(74,138)	(36,952)	25,083	-	(13,009)	-	(3,691)	(646)	68,640	290,183
Impairment (iv)	-	-	-	-	-	-	-	-	-	-	-	(16,467)	-	-	(16,467)
Movements in OCI	10,933	12,665	(83,586)	15,200	(119,378)	-	(31,700)	(17,940)	-	(4,945)	-	-	-	(42,133)	(260,884)
Dividends received (v)	(945,074)	(85,000)	-	(726,316)	-	-	-	-	-	-	-	-	-	(91,875)	(1,848,265)
Others	(8,031)	6,334	-	31,605	-	-	-	-	-	-	-	-	-	-	29,908
As at 31 December 2024	5,429,981	4,482,082	2,702,316	2,804,067	742,557	522,916	1,152,017	306,356	-	77,008	-	-	6,997	1,200,854	19,427,151

(i) The total capital contributions and acquisitions in associates and joint ventures amounted to ⃁ 1,048 million (2023: ⃁ 1,467 million).

(ii) The Group's share of results in joint ventures' net income is recognised after fair value adjustments and changes in estimated results.

(iii) Share of results includes the share of results of integral joint ventures related to SHARQ, YANPET and KEMYA amounting to ⃁ 765 million (2023: ⃁ 931 million) and this has been presented in the consolidated statement of income before income from operations.

(iv) 'Impairment loss from associates and non-integral joint ventures', previously presented as part of 'Results from associates and non-integral joint ventures', are now presented as a separate line item in consolidated statement of income. Comparative balances have been presented accordingly.

(v) Dividends received from the integral joint ventures is amounting to ⃁ 1,756 million (2023: ⃁ 1,787 million) and from the associates and non-integral joint ventures is ⃁ 842 million (2023: ⃁ 1,137 million).

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.1 INVESTMENT IN CLARIANT A.G. (“CLARIANT”)

SABIC owns 31.50% of the shares in CLARIANT, a global specialty chemicals company listed at the Swiss stock exchange (“SIX”). The investment is accounted for as an associate using the equity method in these consolidated financial statements. As at 31 December 2025, SABIC assessed the carrying value of investment in CLARIANT for impairment on the basis of CLARIANT's share price, other publicly available information and the implied premium included is in line with market average in the chemicals industry.

The share price of Clariant AG declined from CHF 10.09 as at 31 December 2024 to CHF 7.16 as at 31 December 2025, triggering an impairment of ⃁ 1,264 million during the year ended 31 December 2025 (2024: ⃁ 1,170 million). This impairment has been presented in Impairment loss from associates and non-integral joint ventures in the consolidated statement of income.

As at 31 December 2025, the carrying amount of investment in CLARIANT is ⃁ 4,607 million (2024: ⃁ 5,688 million), which also represents its recoverable amount.

10.2 INVESTMENT IN DUSSUR

During the year ended 31 December 2025, an impairment amounting to ⃁ 229 million was recognised against ‘Saudi Arabian Industrial Investment Company’ (“DUSSUR”), based on the anticipated recoverability of its underlying investments. This impairment is presented in Impairment loss from associates and non-integral joint ventures in the consolidated statement of income.

10.3 ACQUISITION OF SPEAR

On 21 Rabi’ Al-Thani 1447H (corresponding to 13 October 2025), SABIC Petrochemicals B.V., a wholly owned subsidiary of the Group, acquired additional shareholding of 26.24% in SABIC Plastic Energy Advanced Recycling BV (“SPEAR”), previously accounted for as a joint venture, by converting a loan of ⃁ 378 million to equity, increasing the Group’s ownership to 76.24%. As a result, the Group has obtained control over SPEAR.

The transaction qualifies as a step acquisition with change in control in accordance with IFRS 3 *'Business Combinations'*. The fair value of the original 50% shareholding is equal to the previous carrying value of investments amounting to ⃁ 59 million.

The impact of the transaction is summarised as follows:

Total equity consideration on 100% basis	564,448
of which:	
Net cash acquired	18,419
Tangible assets (refer to Note 7)	611,981
Other assets	17,268
Liabilities	(83,220)
Total fair value of net assets	546,029
Goodwill	-

As at 31 December 2025, SPEAR forms part of SABIC Europe B.V., classified as discontinued operation under IFRS 5 *‘Non-current Assets Held for Sale and Discontinued Operations’*. Accordingly, SPEAR’s assets, liabilities and results are presented within discontinued operation (refer to Note 34).

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.4 SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES

The tables below provide summarised financial information of the material associates of the Group. The information disclosed reflects the amounts presented in the available financial statements of the relevant investee and not SABIC's share of those amounts.

As at 31 December 2025	MPC (i)	MARAFIQ (i)	MWSPC (i)	CLARIANT
Current assets				
Cash and cash equivalents	2,348,870	1,414,389	1,580,451	1,935,613
Others	3,937,161	2,302,523	3,839,175	8,566,617
Total current assets	6,286,031	3,716,912	5,419,626	10,502,230
Non-current assets	11,850,860	19,141,505	22,832,973	17,147,362
Current liabilities				
Financial liabilities (excluding trade and other payables)	3,272,123	1,986,695	2,929,152	3,419,112
Others	613,446	1,664,308	1,172,923	2,995,254
Total current liabilities	3,885,569	3,651,003	4,102,075	6,414,366
Non-current liabilities	1,020,360	13,641,298	10,615,323	10,959,053
Net assets	13,230,963	5,566,116	13,535,202	10,276,173
Reconciliation:				
Group's share	30.00%	17.50%	15.00%	31.50%
Group's share in associate	3,969,289	974,070	2,030,280	3,236,994
Intangible / goodwill	-	-	468,423	6,513,172
Impairment	-	-	-	(5,325,516)
Estimated year end results, dividends paid and others (ii)	51,092	(30,757)	129,693	181,947
Carrying amount	4,020,381	943,313	2,628,396	4,606,597

For the year ended 31 December 2025	MPC (i)	MARAFIQ (i)	MWSPC (i)	CLARIANT
Revenue	7,004,041	5,108,714	7,062,206	18,437,771
Depreciation and amortisation	(674,606)	(1,142,816)	(880,488)	(1,186,799)
Interest income	84,313	56,287	104,573	84,771
Interest expense	(63,266)	(710,840)	(618,856)	(1,572,980)
Zakat and Income tax expense	(75,242)	(5,930)	(45,789)	(409,728)
Net income for the year	1,859,054	398,213	1,775,506	(193,090)
Other comprehensive loss for the year	-	(56,505)	-	(626,366)
Total comprehensive income for the year	1,859,054	341,708	1,775,506	(819,456)
Reconciliation:				
Group's share	30.00%	17.50%	15.00%	31.50%
Group's share in associate	557,716	69,687	266,326	(60,823)
Share in earnings (ii)	700,222	18,106	328,085	(521,611)

(i) The information provided for MPC, MWSPC and MARAFIQ is as at 30 September 2025 and for the nine-month period ended 30 September 2025, being the last financial period available.

(ii) Carrying amount of the investments and Group's share in associates are based on estimated results and include inter-group profit elimination, zakat, income tax and other adjustments.

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.4 SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES (CONTINUED)

As at 31 December 2024	MPC	MARAFIQ (i)	MWSPC	CLARIANT (ii)
Current assets				
Cash and cash equivalents	4,707,225	1,452,872	3,023,019	1,531,206
Others	3,672,510	1,509,304	3,169,071	8,095,889
Total current assets	8,379,735	2,962,176	6,192,090	9,627,095
Non-current assets	11,873,697	20,031,149	23,104,827	16,747,826
Current liabilities				
Financial liabilities (excluding trade and other payables)	3,593,664	1,845,184	812,929	2,879,829
Others	2,082,191	1,556,266	3,038,511	3,323,838
Total current liabilities	5,675,855	3,401,450	3,851,440	6,203,667
Non-current liabilities	1,005,668	14,367,467	13,310,782	10,423,820
Net assets	13,571,909	5,224,408	12,134,695	9,747,434
Reconciliation:				
Group's share	30.00%	17.50%	15.00%	31.50%
Group's share in associate	4,071,573	914,271	1,820,204	3,070,442
Intangible / goodwill	-	-	468,423	6,655,763
Impairment	-	-	-	(4,062,465)
Estimated year end results, dividends paid and others (iii)	(35,164)	65,999	11,684	23,961
Carrying amount	4,036,409	980,270	2,300,311	5,687,701

For the year ended 31 December 2024	MPC	MARAFIQ (i)	MWSPC	CLARIANT (ii)
Revenue	7,816,570	6,883,210	7,399,773	8,589,693
Depreciation and amortisation	(915,951)	(792,953)	(1,111,961)	(493,804)
Interest income	205,332	67,119	155,758	74,693
Interest expense	(295,161)	(1,043,298)	(897,272)	(91,291)
Zakat and Income tax expense	(155,179)	(21,062)	(103,612)	(203,331)
Net income for the year	2,130,900	17,152	1,052,050	730,331
Other comprehensive (loss) income for the year	(5,517)	17,172	(11,691)	647,339
Total comprehensive income for the year	2,125,383	34,324	1,040,359	1,377,670
Reconciliation:				
Group's share	30.00%	17.50%	15.00%	31.50%
Group's share in associate	639,270	3,002	157,808	230,054
Share in earnings (iii)	531,673	56,079	94,340	208,251

(i) Marafiq restated its consolidated financial statements as of 31 December 2023 and as of 1 January 2023, resulting in changes to its opening balances for 2024 and its subsequent results. Therefore, the Group is now presenting Marafiq's summarised financial information for the year ended 31 December 2024 instead of 30 September 2024. (refer to Note 42).

(ii) The information provided for CLARIANT is as at 30 June 2024 and for the six-month period ended 30 June 2024, being the last financial period publicly available.

(iii) Carrying amount of the investments and Group's share in associates are based on estimated results and include inter-group profit elimination, zakat, income tax and other adjustments.

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.5 SUMMARISED FINANCIAL INFORMATION OF MATERIAL JOINT VENTURES

The tables below provide the summarised financial information of material joint ventures of the Group. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not SABIC's share of those amounts.

As at 31 December 2025	SSTPC	SHARQ	YANPET	KEMYA	EIHL (i)
Current assets					
Cash and cash equivalents	539,736	168,483	269,060	74,196	726,095
Others	1,124,678	3,621,979	3,352,554	3,737,581	3,461,593
Total current assets	1,664,414	3,790,462	3,621,614	3,811,777	4,187,688
Non-current assets	8,417,088	8,685,073	4,352,328	8,861,886	430,679
Current liabilities					
Financial liabilities (excluding trade and other payables)	1,369,396	54,709	32,250	84,270	1,751,398
Others	1,317,498	1,828,161	1,655,849	1,556,065	954,879
Total current liabilities	2,686,894	1,882,870	1,688,099	1,640,335	2,706,277
Non-current liabilities	3,210,280	2,145,961	1,216,453	1,344,867	97,119
Net assets	4,184,328	8,446,704	5,069,390	9,688,461	1,814,971
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share in joint venture	2,092,164	4,223,352	2,534,695	4,844,231	889,336
Intangible / goodwill	-	-	-	-	455,537
Estimated year end result / dividends paid / others	(14,567)	(11,470)	(42,784)	267,202	-
Carrying amount	2,077,597	4,211,881	2,491,911	5,111,432	1,344,873

For the year ended 31 December 2025	SSTPC	SHARQ	YANPET	KEMYA	EIHL (i)
Revenue	8,237,955	7,931,786	5,396,450	8,656,478	6,865,575
Depreciation and amortisation	(698,929)	(1,155,148)	(575,667)	(799,764)	(31,645)
Interest income	8,240	1,453	7,476	5,043	-
Interest expense	(74,004)	(45,294)	(68,263)	(54,384)	(161,639)
Net income before income tax and zakat (ii)	(1,495,467)	(633,099)	609,799	921,891	262,091
Zakat and income tax benefit / (expense)	-	42,106	(67,177)	(121,735)	(82,604)
Net (loss) income for the year	(1,495,467)	(590,993)	542,622	800,156	179,487
Other comprehensive income	-	(14,465)	(14,029)	(14,292)	161,187
Total comprehensive income	(1,495,467)	(605,458)	528,593	785,864	340,674
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share of earnings in joint venture	(747,734)	(295,497)	271,311	400,078	166,930
Share of earnings (ii)	(725,803)	(283,373)	290,794	435,942	132,814

(i) For EIHL, the excess consideration pertains to difference between the book value of the share of net assets and the consideration paid by the Group to acquire the investment.

(ii) For the KSA based joint ventures, namely SHARQ, YANPET and KEMYA the net income has been adjusted with zakat expenses to reflect the carrying value of the investments.

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.5 SUMMARISED FINANCIAL INFORMATION OF MATERIAL JOINT VENTURES (CONTINUED)

As at 31 December 2024	SSTPC	SHARQ	YANPET	KEMYA	EIHL (i)
Current assets					
Cash and cash equivalents	276,723	267,357	665,268	156,315	497,934
Others	2,356,169	4,180,648	3,444,185	3,563,853	2,711,465
Total current assets	2,632,892	4,448,005	4,109,453	3,720,168	3,209,399
Non-current assets	8,898,987	9,254,081	4,406,656	9,427,721	464,651
Current liabilities					
Financial liabilities (excluding trade and other payables)	2,089,796	18,297	14,158	198,694	1,332,034
Others	1,645,208	2,314,401	1,654,884	1,314,897	732,450
Total current liabilities	3,735,004	2,332,698	1,669,042	1,513,591	2,064,484
Non-current liabilities	2,382,226	2,429,774	1,214,201	1,321,831	89,452
Net assets	5,414,649	8,939,614	5,632,866	10,312,467	1,520,114
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share in joint venture	2,707,325	4,469,807	2,816,433	5,156,234	744,856
Intangible / goodwill	-	-	-	-	417,848
Estimated year end result / dividends paid / others	(5,009)	12,275	(12,366)	273,747	38,150
Carrying amount	2,702,316	4,482,082	2,804,067	5,429,981	1,200,854

For the year ended 31 December 2024	SSTPC	SHARQ	YANPET	KEMYA	EIHL (i)
Revenue	10,271,830	8,179,415	5,749,491	8,280,591	5,218,700
Depreciation and amortisation	(675,541)	(1,540,032)	(601,257)	(804,619)	(23,218)
Interest income	-	5,503	37,415	8,237	-
Interest expense	(77,609)	(46,103)	(61,946)	(38,304)	(137,473)
Net income before income tax and zakat (ii)	(895,675)	(474,353)	1,095,862	1,072,136	261,856
Zakat and income tax benefit / (expense)	-	(8,418)	(167,055)	(159,233)	(7,618)
Net (loss) income for the year	(895,675)	(482,771)	928,807	912,903	254,238
Other comprehensive income	-	-	-	-	-
Total comprehensive income	(895,675)	(482,771)	928,807	912,903	254,238
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share of earnings in joint venture	(447,837)	(241,386)	464,404	456,452	124,577
Share of earnings (ii)	(452,574)	(282,646)	530,510	517,294	68,640

(i) For EIHL, the excess consideration pertains to difference between the book value of the share of net assets and the consideration paid by the Group to acquire the investment.

(ii) For the KSA based joint ventures, namely SHARQ, YANPET and KEMYA the net income has been adjusted with zakat expenses to reflect the carrying value of the investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.6 FINANCIAL PERFORMANCE OF INVESTMENTS IN INDIVIDUALLY IMMATERIAL ASSOCIATES AND JOINT VENTURES

	2025		2024	
For the years ended 31 December	Individually immaterial associates	Individually immaterial joint ventures	Individually immaterial associates	Individually immaterial joint ventures
Net income (loss) for the year	866,106	(306,732)	1,164,600	329,054
Other comprehensive income (loss)	96,068	240,799	(58,572)	(660,167)
Total comprehensive income (loss)	962,174	(65,933)	1,106,028	(331,113)

10.7 MARKET VALUE OF LISTED ASSOCIATES

The market value of the Group's investment in CLARIANT and MARAFIQ based on its trading price at 31 December 2025 is ⃁3,547 million and ⃁1,610 million respectively (2024:⃁ 4,378 million and ⃁2,398 million respectively).

11. INVESTMENTS IN DEBT INSTRUMENTS AND SHORT-TERM INVESTMENTS

INVESTMENTS IN DEBT INSTRUMENTS

As at 31 December	Remaining Maturity	Interest rate	2025	2024
Non-conventional				
Fixed rate long-term debt instruments	17 years	5.06%	187,429	187,429
Floating rate long-term debt instruments	13 years	SAIBOR variable rate plus margin	145,029	145,029
Total investments in debt instruments			332,458	332,458

SHORT-TERM INVESTMENTS

As at 31 December	Remaining Maturity	Interest rate	2025	2024
Non-conventional				
Fixed rate long-term debt instruments	Less than 12 months	5.06%	3,769	3,637
Floating rate long-term debt instruments	Less than 12 months	SAIBOR variable rate plus margin	458	487
Murabaha (including fixed term deposits)	Greater than 3 months and less than 12 months	Fixed rate	11,942,257	6,745,142
Total non-conventional			11,946,484	6,749,266
Conventional				
Conventional fixed term deposits			68,257	681,767
Equity instruments – FVIS (refer to Note 12)			310,199	-
Certificates of deposits			592,608	237,774
Total conventional			971,064	919,541
Total short-term investments			12,917,548	7,668,807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

11. INVESTMENTS IN DEBT INSTRUMENTS AND SHORT-TERM INVESTMENTS (CONTINUED)

LONG-TERM DEBT INSTRUMENT CURRENCY EXPOSURE

	2025	2024
SR	145,487	145,516
USD	191,198	191,066
	336,685	336,582

12. INVESTMENTS IN EQUITY INSTRUMENTS

Carrying value of the investments in equity instruments are as follows:

As at 31 December	2025	2024
Investments in unlisted securities		
Equity securities measured at FVOCI	114,295	253,402
Investment in equity instruments measured at FVIS		
Investments in funds	499,968	-
Fair value gain on re-measurement	196	-
Less: Current portion – listed (refer to Note 11)	(310,199)	-
Non-current portion – unlisted	189,965	-
	304,260	253,402

During the year ended 31 December 2025, a subsidiary invested a total of ⃁ 499.97 million in equity instruments, which are managed by a fund manager under a discretionary investment portfolio.

During the years ended 31 December 2025 and 2024, no investment was reclassified from 'investments in equity instruments' to 'investments in associates and joint ventures'.

Movement in the equity instruments measured at fair value for the years ended 31 December 2025 and 2024 is as follows:

	2025	2024
As at 1 January	253,402	236,485
Additions of equity securities and instruments	192,343	42,124
Sale of equity instrument	-	(447)
Change in fair value	(155,040)	(19,297)
Reclassified to assets held for sale	(1,149)	-
Others	5,161	-
Foreign currency translation difference	9,543	(4,853)
Transfer from / to debt instruments and other assets	-	(610)
As at 31 December	304,260	253,402

For the purpose of cash flow presentation, the purchase of investments in equity instruments include listed and unlisted additions of ⃁ 310 million and ⃁ 192 million respectively.

13. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December	2025	2024
Financial assets - option rights	2,421,604	3,669,688
	2,421,604	3,669,688
Financial liabilities – options and forward contracts	911,250	1,095,000
Obligations to acquire the remaining shares of certain subsidiaries	959,644	880,894
	1,870,894	1,975,894

All amounts in thousands of Saudi Riyals unless otherwise stated

14. OTHER ASSETS AND RECEIVABLES

As at 31 December	2025	2024
Non-current:		
Employee advances and receivables (i)	3,058,463	3,523,623
Receivable from PIF (ii)	-	1,793,503
Receivables from related parties (iii)	1,481,010	1,216,692
Loan receivables from related parties (refer to Note 33) (iv)	423,409	736,920
Finance lease receivables (refer to Note 39)	102,658	119,678
Miscellaneous (v)	138,811	629,818
	5,204,351	8,020,234
Current:		
Receivable from PIF (ii)	1,928,683	3,032,588
Tax and zakat receivable	2,455,403	2,223,915
Prepaid expenses	1,661,253	1,981,447
Receivables from related parties (iii)	1,196,487	1,741,192
Employee advances and receivables (i)	373,340	313,222
Trade advances	190,593	221,329
Current portion of loan receivable from related parties (refer to Note 33) (iv)	-	37,086
Miscellaneous (v)	620,037	747,583
	8,425,796	10,298,362

(i) Employee advances and receivables represent receivables from employees mainly related to Housing Ownership Program (“HOP”) and employee home loans.

(ii) Receivables from PIF are presented net of discounting impact and recognised as a 'financial asset at amortised cost' in accordance with IFRS 9 *'Financial Instruments'*.

(iii) Receivables from related parties mainly relate to operations and production advances, under Joint Ownership and Production Agreement with integral joint ventures. These production advances are amortised on a straight-line basis over the estimated useful life of the related assets (refer to Note 25 (i)).

(iv) Loans receivable from certain associates and joint ventures are at normal market rates.

(v) Miscellaneous include receivable against sale of Film & Sheet (“F&S”) business amounting to ⃁375 million and insurance claims.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

		As at 31 December 2025							
	Notes	Total	Financial assets/liabilities at amortised cost	Financial assets/liabilities at FVIS	Financial assets at FVOCI	Fair value	Level I	Level II	Level III
Financial assets									
Investments in debt instruments:									
- Fixed	*11*	191,198	191,198	-	-	191,198	-	191,198	-
- Floating	*11*	145,487	145,487	-	-	145,487	-	145,487	-
Investment in equity instruments	*12*	304,260	-	189,965	114,295	304,260	-	36,582	267,678
Trade receivables (i)	*17*	16,675,007	16,675,007	-	-	N/A	-	-	-
Short-term investments:									
- Fixed term deposits	*11*	12,010,514	12,010,514	-	-	N/A	-	-	-
- Certificates of deposits and equity instruments	*11*	902,807	-	902,807	-	902,807	310,199	592,608	-
Cash and cash equivalents:									
- Cash and bank balances	*18*	10,849,221	10,849,221	-	-	N/A	-	-	-
- Fixed term deposits	*18*	16,897,107	16,897,107	-	-	N/A	-	-	-
Derivative financial instruments	*13*	2,421,604	-	2,421,604	-	2,421,604	-	-	2,421,604
Other financial assets (ii)		5,709,460	5,709,460	-	-	N/A	-	-	-
		66,106,665	62,477,994	3,514,376	114,295	3,965,356	310,199	965,875	2,689,282
Financial liabilities									
Debt	*22*	33,546,363	33,546,363	-	-	32,766,354	6,767,951	25,998,403	-
Lease liabilities	*22*	3,508,864	3,508,864	-	-	N/A	-	-	-
Trade payables	*26*	17,103,449	17,103,449	-	-	N/A	-	-	-
Derivative financial instruments	*13*	911,250	-	911,250	-	911,250	-	-	911,250
Obligations to acquire the remaining shares of certain subsidiaries	*13*	959,644	-	959,644	-	959,644	-	-	959,644
Other financial liabilities (ii)		1,969,303	1,969,303	-	-	N/A	-	-	-
		57,998,873	56,127,979	1,870,894	-	34,637,248	6,767,951	25,998,403	1,870,894

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

(i) The trade receivables are disclosed net of expected credit losses.

(ii) Other financial assets mainly include receivable from PIF, finance lease receivables and loans to related parties, net of expected credit losses, where applicable. Other financial liabilities mainly include dividend payable.

N/A = not applicable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

		As at 31 December 2024							
	Notes	Total	Financial assets/liabilities at amortised cost	Financial assets/liabilities at FVIS	Financial assets at FVOCI	Fair value	Level I	Level II	Level III
Financial assets									
Investments in debt instruments:									
- Fixed	*11*	191,066	191,066	-	-	191,066	-	191,066	-
- Floating	*11*	145,516	145,516	-	-	145,516	-	145,516	-
Investment in equity instruments	*12*	253,402	-	-	253,402	253,402	-	38,390	215,012
Trade receivables (i)	*17*	20,439,823	20,439,823	-	-	N/A	-	-	-
Short-term investments:									
- Fixed term deposits	*11*	7,426,909	7,426,909	-	-	N/A	-	-	-
- Certificates of deposits	*11*	237,774	-	237,774	-	237,774	-	237,774	-
Cash and cash equivalents:									
- Cash and bank balances	*18*	9,133,745	9,133,745	-	-	N/A	-	-	-
- Fixed term deposits	*18*	21,405,923	21,405,923	-	-	N/A	-	-	-
Derivative financial instruments	*13*	3,669,688	-	3,669,688	-	3,669,688	-	-	3,669,688
Other financial assets (ii)		9,223,333	9,223,333	-	-	N/A	-	-	-
		72,127,179	67,966,315	3,907,462	253,402	4,497,446	-	612,746	3,884,700
Financial liabilities									
Debt	*22*	30,269,004	30,269,004	-	-	29,231,085	6,510,019	22,721,066	-
Lease liabilities	*22*	4,929,065	4,929,065	-	-	N/A	-	-	-
Trade payables	*26*	19,793,604	19,793,604	-	-	N/A	-	-	-
Derivative financial instruments	*13*	1,095,000	-	1,095,000	-	1,095,000	-	-	1,095,000
Obligations to acquire the remaining shares of certain subsidiaries	*13*	880,894	-	880,894	-	880,894	-	-	880,894
Other financial liabilities (ii)		8,693,436	8,693,436	-	-	N/A	-	-	-
		65,661,003	63,685,109	1,975,894	-	31,206,979	6,510,019	22,721,066	1,975,894

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

(i) The trade receivables are disclosed net of expected credit losses.

(ii) Other financial assets include lease receivables, loans to related parties, net of expected credit losses, where applicable. Other financial liabilities include dividend payable and payables to related parties.

N/A = not applicable

All amounts in thousands of Saudi Riyals unless otherwise stated

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The Group's exposure to various risks associated with the financial instruments is discussed in Note 37. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets mentioned above.

The following methods and assumptions were used to estimate the fair values:

- Fair value of the quoted bonds is the respective market price at the reporting date. The fair value of unquoted debt instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using market rates for debt instruments with similar terms, credit risk and maturities.
- When there are no quoted prices in the market to determine the fair value of equity instruments, the Group makes certain assumptions in valuation for model inputs, including information derived from comparable transactions. The probabilities of the various estimates within a range can be reasonably assessed in the Group’s estimate of fair value for these unquoted equity investments. Fair values of quoted equity investments are derived from quoted prices in active markets, when a proxy is required.
- Derivative financial assets and liabilities which are recognised at fair value through income statement, are valued by the group using market approach.

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

	Fair value as at 31 December			Range		
Description	2025	2024	Significant non-observable input	2025	2024	Relationship of unobservable inputs to fair value
Derivative financial assets (refer to Note 13)	2,421,604	3,669,688	Put options and forward contracts:			
			Equity value to EBITDA multiple	6.50	5.97	+/- 10% change would result in change in fair value by ⃁ 131,220 (2024: ⃁ 179,580)
			Dividend to EBITDA %	33.1%	52.0%	+/- 10% change would result in change in fair value by ⃁ 48,296 (2024: ⃁ 71,175)
			Discount rate	10.6%	10.7%	+/-100 bps change in discount rate would result in change in fair value by ⃁ 13,669 (2024: ⃁ 21,900 / ⃁ (22,995))
Derivative financial liabilities (refer to Note 13)	911,250	1,095,000	Call option valuation:			
			Equity value to EBITDA multiple	7.0	6.8	+/- 10% change would result in change in fair value by ⃁ 497,936 / ⃁ (454,409) (2024: ⃁ 702,303 / ⃁ (655,433))
			Implied volatility	25%	25% to 28%	+/- 10% change would result in change in fair value by ⃁ 377,861 / ⃁ (280,675) (2024: ⃁ 467,577 / ⃁ (419,582))
			Assumed dividend yield	0% to 9.5%	8.5% to 14.2%	+/- 10% change would result in change in fair value by ⃁ 226,641 / ⃁ (206,379) (2024: ⃁ 426,706 / ⃁ (388,835))
			Risk free rate	3.6% to 4.9%	4.5% to 5.1%	+/- 10% change would result in change in fair value by ⃁ 42,777 (2024: ⃁ 66,743)

There is no material unquoted equity instrument at fair value through other comprehensive income to be disclosed separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The following table presents the changes in level III items for the years ended 31 December 2025 and 31 December 2024:

	Unlisted equity instruments	Derivative financial assets	Derivative financial liabilities	Obligations to acquire the remaining shares of certain subsidiaries
As at 1 January 2024	197,239	3,745,176	(1,438,875)	(572,269)
Additions	40,265	-	-	-
Sale of equity instrument	(5)	-	-	-
Net movement in unrealised fair value gain (loss)	(17,633)	(75,488)	343,875	(308,625)
Net movement in unrealised foreign currency translation	(4,854)	-	-	-
As at 31 December 2024	215,012	3,669,688	(1,095,000)	(880,894)
Additions	192,343	-	-	-
Sale of equity instrument / transferred to assets held for sale	(1,149)	-	-	-
Net movement in unrealised fair value (loss) gain	(149,374)	(1,248,084)	183,750	(78,750)
Net movement in unrealised foreign currency translation	10,846	-	-	-
As at 31 December 2025	267,678	2,421,604	(911,250)	(959,644)

No transfers were recorded between Level I, Level II or Level III during the years ended 31 December 2025 and 2024.

The decrease in the fair value of the derivative financial assets mainly reflects lower operating results of the underlying entities.

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All amounts in thousands of Saudi Riyals unless otherwise stated

16. INVENTORIES

As at 31 December	2025	2024
Finished goods	7,847,557	12,186,150
Spare parts	3,371,310	3,952,236
Raw materials	1,375,010	2,452,960
Goods in transit	1,330,878	1,693,019
	13,924,755	20,284,365
Less: Provision for slow moving and obsolete items	(1,077,323)	(1,470,784)
	12,847,432	18,813,581

During the year ended 31 December 2025, net write-downs of finished goods amounted to ⃁ 2 million (2024: net reversal of write-downs of finished goods amounted to ⃁ 16 million) which were recognised in cost of sales.

Movements in the provision for slow moving and obsolete inventories were as follows:

	2025	2024
As at 1 January	1,470,784	1,660,948
Charge (reversal), net for the year	136,839	(190,164)
Reclassified to assets held for sale	(530,300)	-
As at 31 December	1,077,323	1,470,784

The reversal is essentially due to consumption or utilisation of certain inventory items.

The inventory write-down charge (reversal) has been presented separately in the consolidated statement of cash flows for the current and comparative periods.

17. TRADE RECEIVABLES

As at 31 December	2025	2024
Trade receivables	14,509,395	17,721,406
Due from related parties (refer to Note 33)	2,313,900	2,862,177
	16,823,295	20,583,583
Less: Allowance for expected credit losses	(148,288)	(143,760)
	16,675,007	20,439,823

Accounts receivables are non-interest bearing and are generally between 30 – 120 days terms.

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17. TRADE RECEIVABLES (CONTINUED)

As at 31 December the ageing analysis of trade receivables along with related expected credit loss is as follows:

31 December 2025	Total	Current	Less than 60 days	60-90 days	91-180 Days	181-365 days	More than one year
Expected credit loss rate	0.88%	0.03%	3.26%	16.96%	15.74%	81.21%	20.53%
Gross carrying amount	16,823,295	16,179,917	153,395	49,273	96,347	71,799	272,564
Expected credit loss	148,288	5,515	4,996	8,358	15,164	58,310	55,945

31 December 2024	Total	Current	Less than 60 days	60-90 days	91-180 Days	181-365 days	More than one year
Expected credit loss rate	0.70%	0.03%	0.35%	8.61%	1.56%	6.62%	34.12%
Gross carrying amount	20,583,583	19,046,583	453,612	21,585	443,789	302,657	315,357
Expected credit loss	143,760	5,737	1,585	1,858	6,942	20,026	107,612

Movements in the allowance for expected credit losses were as follows:

	2025	2024
As at 1 January	143,760	198,240
Charge (reversals) during the year	33,570	(54,480)
Reclassified to assets held for sale	(29,042)	-
As at 31 December	148,288	143,760

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18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents can be broken down as follows:

As at 31 December	2025	2024
Cash in hand	23	869
Call account	2	2
Murabaha call accounts	1,584,511	938,054
Non-conventional current accounts	6,057,578	4,485,193
Conventional current accounts	3,207,107	3,709,627
	10,849,198	9,132,876
Conventional fixed term deposits	581,250	157,670
Murabaha fixed term deposits	16,315,857	21,248,253
	16,897,107	21,405,923
	27,746,328	30,539,668
Conventional cash and cash equivalents	3,788,359	3,867,299
Non-conventional cash and cash equivalents	23,957,969	26,672,369
	27,746,328	30,539,668

At 31 December 2025, the Group has funds amounting to ⃁1,086 million (31 December 2024: ⃁1,126 million) that are held in separate bank accounts within KSA related to unclaimed dividend and cannot be used as part of normal business operations.

The table below provides details of amounts placed in various currencies:

As at 31 December	2025	2024
SR	16,618,029	17,731,102
USD	8,136,028	10,638,751
Others	2,992,271	2,169,815
	27,746,328	30,539,668

CASH FLOWS RELATED DISCLOSURES

Cash and cash equivalents can be broken down as follows:

As at 31 December	2025	2024
Cash and cash equivalents	27,746,328	30,539,668
Less: Short-term borrowings (bank overdraft, refer to Note 22)	(599)	(3,259)
	27,745,729	30,536,409

Bank overdrafts are used in the normal business operations of the Group and represent cash balances that cannot be legally off-set.

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18. CASH AND CASH EQUIVALENTS (CONTINUED)

CASH FLOWS RELATED DISCLOSURES (CONTINUED)

Change in liabilities arising from financing activities can be broken down as follows:

	As at 1 January 2025	Cash inflows	Cash outflows	Interest paid	Other non-cash movements	As at 31 December 2025
Debt (i)	30,265,745	18,495,107	(15,288,056)	(1,991,950)	2,064,918	33,545,764
Lease (ii)	4,929,065	-	(1,102,688)	(224,183)	(93,330)	3,508,864
Dividends to shareholders (iii)	6,032,913	-	(9,625,654)	-	4,500,000	907,259
Dividends to non-controlling interests (iv)	1,438,923	-	(3,352,421)	-	2,127,679	214,181
	42,666,646	18,495,107	(29,368,819)	(2,216,133)	8,599,267	38,176,068

	As at 1 January 2024	Cash inflows	Cash outflows	Interest paid	Other non-cash movements	As at 31 December 2024
Debt (i)	27,967,679	12,643,750	(10,405,275)	(1,875,754)	1,935,345	30,265,745
Lease (ii)	5,525,821	-	(1,075,329)	(254,246)	732,819	4,929,065
Dividends to shareholders (iii)	5,933,460	-	(10,100,547)	-	10,200,000	6,032,913
Dividends to non-controlling interests (iv)	1,069,875	-	(2,618,770)	-	2,987,818	1,438,923
	40,496,835	12,643,750	(24,199,921)	(2,130,000)	15,855,982	42,666,646

(i) Other non-cash movements mainly refer to interest attributable to debt.

(ii) Other non-cash movements mainly refer to additions to leases, interest expenses, foreign exchange differences, remeasurement and lease liabilities reclassified to liabilities directly associated with assets held for sale.

(iii) Other non-cash movements mainly refer to appropriation for dividends from retained earnings.

(iv) Other non-cash movements mainly refer to appropriation for NCI dividends.

19. SHARE CAPITAL

As at 31 December	2025	2024
Authorised shares:		
Ordinary shares of ⃁ 10 each ('000)	3,000,000	3,000,000
Ordinary shares issued and fully paid of ⃁ 10 each ('000)	3,000,000	3,000,000
Issued and paid capital	30,000,000	30,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

20. RESERVES

GENERAL RESERVE

In accordance with SABIC's By-Laws, the General Assembly can establish a general reserve as an appropriation of retained earnings. This general reserve can be increased or decreased by a resolution of the shareholders and is available for distribution.

In an Extraordinary General Assembly Meeting held on 14 Rajab 1447 AH (corresponding to 31 December 2025), the Group approved the transfer of ⃁ 110,889 million from General Reserve to Retained Earnings.

OTHER RESERVES

The following table shows a breakdown of other reserves and the movements during the year:

	Equity instruments	Foreign currency translation	Actuarial gain (loss)	Cash flow hedge	Total
As at 1 January 2025	25,254	(5,844,206)	1,699,368	7,109	(4,112,475)
Exchange difference on translation	-	1,777,550	-	-	1,777,550
Re-measurement loss on defined benefit plans, net of tax	-	-	(204,746)	-	(204,746)
Net change on revaluation of investments in equity instruments classified as FVOCI	(155,040)	-	-	-	(155,040)
Share of other comprehensive income (loss) of associates and joint ventures	-	1,075,325	153,475	(6,882)	1,221,918
Other comprehensive (loss) income for the year	(155,040)	2,852,875	(51,271)	(6,882)	2,639,682
As at 31 December 2025	(129,786)	(2,991,331)	1,648,097	227	(1,472,793)

	Equity instruments	Foreign currency translation	Actuarial gain (loss)	Cash flow hedge	Total
As at 1 January 2024	44,551	(3,750,814)	2,110,741	18,965	(1,576,557)
Exchange difference on translation	-	(1,255,981)	-	-	(1,255,981)
Re-measurement loss on defined benefit plans, net of tax	-	-	325,621	-	325,621
Net change on revaluation of investments in equity instruments classified as FVOCI	(19,297)	-	-	-	(19,297)
Share of other comprehensive loss of associates and joint ventures	-	(837,411)	(135,099)	(11,856)	(984,366)
Other comprehensive loss for the year	(19,297)	(2,093,392)	190,522	(11,856)	(1,934,023)
Reclassification of re-measurement gain on defined benefit plans related to discontinued operation	-	-	(601,895)	-	(601,895)
As at 31 December 2024	25,254	(5,844,206)	1,699,368	7,109	(4,112,475)

All amounts in thousands of Saudi Riyals unless otherwise stated

21. NON-CONTROLLING INTERESTS

Below is the summarised financial information disclosed for each consolidated subsidiary in which the Group has less than full ownership with non-controlling interests that are significant to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations. Refer to Note 43 for full names and shareholding percentages of SABIC group entities.

As at 31 December 2025	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Current assets	5,266,584	1,174,311	1,237,678	15,548,204	4,025,882	812,185	2,179,595	3,055,608	828,828
Current liabilities	1,422,924	664,930	1,745,507	2,412,538	4,739,692	433,809	1,123,874	1,313,216	488,504
Net current assets (liabilities)	3,843,660	509,381	(507,829)	13,135,666	(713,810)	378,376	1,055,721	1,742,392	340,324
Non-current assets	7,993,040	3,151,383	-	11,454,988	18,698,943	4,115,885	6,140,201	3,841,813	2,198,322
Non-current liabilities	1,087,855	592,432	2,972,420	2,274,538	8,805,285	863,906	1,530,536	770,811	419,851
Net non-current assets (liabilities)	6,905,185	2,558,951	(2,972,420)	9,180,450	9,893,658	3,251,979	4,609,665	3,071,002	1,778,471
Net assets	10,748,845	3,068,332	(3,480,249)	22,316,116	9,179,848	3,630,355	5,665,386	4,813,394	2,118,795
Accumulated non-controlling interests (i)	5,191,430	840,151	(1,796,917)	10,847,807	5,950,546	950,517	1,422,351	1,039,926	1,038,206

As at 31 December 2024	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Current assets	5,680,299	1,609,628	1,029,065	14,143,339	4,491,659	754,295	2,155,831	3,267,228	839,032
Current liabilities	1,855,468	777,328	1,289,602	3,562,165	7,613,235	368,017	1,126,268	1,352,321	435,582
Net current assets (liabilities)	3,824,831	832,300	(260,537)	10,581,174	(3,121,576)	386,278	1,029,563	1,914,907	403,450
Non-current assets	8,443,877	2,985,599	953,756	11,375,228	20,377,631	4,282,993	6,517,376	3,898,168	2,166,110
Non-current liabilities	1,032,047	699,266	2,977,599	2,448,378	5,753,210	952,520	1,694,337	767,116	517,230
Net non-current assets (liabilities)	7,411,830	2,286,333	(2,023,843)	8,926,850	14,624,421	3,330,473	4,823,039	3,131,052	1,648,880
Net assets	11,236,661	3,118,633	(2,284,380)	19,508,024	11,502,845	3,716,751	5,852,602	5,045,959	2,052,330
Accumulated non-controlling interests (i)	5,383,157	794,646	(1,246,389)	10,056,794	7,087,922	975,999	1,457,990	1,074,182	738,674

(i) Accumulated non-controlling interests includes adjustments such as inter-group profit elimination, absorption of income tax in non-controlling interests and others.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

21. NON-CONTROLLING INTERESTS (CONTINUED)

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Revenue	5,601,167	3,862,795	1,820,785	13,076,878	8,458,846	1,698,299	4,511,621	7,830,278	3,195,409
Net income (loss) for the year	79,098	1,311,970	(1,196,445)	4,467,933	(2,293,883)	364,484	(171,103)	628,025	846,763
Other comprehensive (loss) income	(4,412)	87,549	120,755	(109,587)	(29,116)	50,590	76,545	104,730	(2,826)
Total comprehensive income (loss)	74,686	1,399,519	(1,075,690)	4,358,346	(2,322,999)	415,074	(94,558)	732,755	843,937
Net income (loss) attributable to non-controlling interests (i)	38,651	280,828	(617,750)	1,840,974	(1,482,234)	97,603	(36,711)	119,033	379,155
Dividends to non-controlling interests	264,361	309,375	-	831,396	-	135,200	-	183,750	465,000

For the year ended 31 December 2024	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Revenue	6,160,537	3,499,008	2,004,687	11,061,291	8,726,026	1,562,559	4,718,222	7,983,419	3,551,138
Net income (loss) for the year	420,331	1,427,768	(25,998)	3,442,233	(1,803,718)	415,790	3,985	1,016,511	1,143,720
Other comprehensive income (loss)	40,522	15,333	(374)	(85,030)	22,488	8,676	17,051	16,260	(2,826)
Total comprehensive income (loss)	460,853	1,443,101	(26,372)	3,357,203	(1,781,230)	424,466	21,036	1,032,771	1,140,894
Net income (loss) attributable to non-controlling interests (i)	219,065	268,897	(13,426)	1,973,029	(1,164,219)	107,962	(4,143)	203,257	509,692
Dividends to non-controlling interests	528,722	295,313	-	1,620,250	-	135,200	57,500	180,000	566,250

(i) Net income (loss) attributable to non-controlling interests includes adjustments such as inter-group profit elimination, absorption of income tax in non-controlling interests and others.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

21. NON-CONTROLLING INTERESTS (CONTINUED)

SUMMARISED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Cash flow from operating activities	1,218,789	1,944,435	528,523	5,301,643	(302,682)	964,288	847,902	1,240,016	1,287,788
Cash flow used in investing activities	(14,990)	(1,775,527)	(25,367)	(6,586,561)	(549,982)	(893,760)	(391,685)	(1,448,399)	(1,225,691)
Cash (used in) from financing activities	(1,126,906)	(385,184)	(6,735)	(3,200,412)	727,347	(82,113)	(172,891)	7,958	(62,197)
Net increase (decrease) in cash and cash equivalents	76,893	(216,276)	496,421	(4,485,330)	(125,317)	(11,585)	283,326	(200,425)	(100)

For the year ended 31 December 2024	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Cash flow from (used in) operating activities	1,593,181	1,873,169	(394,540)	4,110,794	2,276,796	676,106	228,610	1,432,831	1,730,606
Cash flow (used in) from investing activities	(952,405)	(466,794)	82,858	2,497,467	(761,834)	(220,072)	(343,688)	(567,498)	(246,499)
Cash used in financing activities	(993,205)	(790,371)	(3,201)	(3,037,175)	(1,773,220)	(566,929)	(401,387)	(813,673)	(1,198,750)
Net (decrease) increase in cash and cash equivalents	(352,429)	616,004	(314,883)	3,571,086	(258,258)	(110,895)	(516,465)	51,660	285,357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

22. DEBT

Total debt can be broken down as follows:

As at 31 December	Interest rate	2025	2024
Non-current portion of debt			
Bonds	2.15% to 4.50%	7,472,811	7,466,527
Related party loans and borrowings	USD SOFR plus margin	-	7,396,268
Commercial loans	USD SOFR & SAIBOR variable rates plus margin	-	89,482
Conventional Loans		7,472,811	14,952,277
Murabaha	USD SOFR & SAIBOR variable rates plus margin	13,658,398	10,923,718
Saudi Industrial Development Fund	Commission fee	180,479	289,091
Non-Conventional loans		13,838,877	11,212,809
Total non-current portion of debt		21,311,688	26,165,086
Short-term borrowings			
Murabaha	USD SOFR & SAIBOR variable rates plus margin	998,345	2,077,663
Conventional short-term bank borrowings (bank overdraft)		599	3,259
Total short-term borrowings		998,944	2,080,922
Current portion of debt			
Commercial loans	USD SOFR & SAIBOR variable rates plus margin	116,839	148,788
Bonds	4%	66,669	66,669
Related party loans and borrowings	USD SOFR plus margin	10,397,294	42,715
Conventional loans		10,580,802	258,172
Murabaha	USD SOFR & SAIBOR variable rates plus margin	538,236	1,658,994
Saudi Industrial Development Fund	Commission fee	116,693	105,830
Non-conventional loans		654,929	1,764,824
Total current portion of debt		11,235,731	2,022,996
Total debt		33,546,363	30,269,004

(i) SOFR stands for Secured Overnight Financing Rate, a benchmark interest rate for dollar-denominated derivatives and loans.

(ii) SAIBOR stands for Saudi Arabian Interbank Offered Rate.

BONDS

The following bonds were outstanding as at 31 December 2025:

- In October 2018, the Group through its subsidiary, SABIC Capital II BV, issued a 10-year USD 1,000 million, unsecured bond with a coupon rate of 4.5%. The bonds are issued in accordance with Rule 144A/Reg S offering requirements under the U.S. Securities Act of 1933, as amended. The bonds are listed on the Irish Stock Exchange (Euronext Dublin) and the proceeds were used for refinancing maturing debt.
- In September 2020, the Group, through its subsidiary, SABIC Capital I BV, issued a 10-year and 30-year USD 500 million bond each, equivalent to total ⃁ 3,750 million. These bonds are unsecured and carry coupon rates of 2.15% and 3.00% for those maturing in 10 and 30 years, respectively. The bonds are issued in accordance with Regulation S offering requirements under the U.S. Securities Act of 1933, as amended. Both bonds are listed on the Irish Stock Exchange (Euronext Dublin) and the 30-year bond is dual listed in Taipei Exchange in Taiwan. The proceeds were used for general purpose and refinancing maturing debt.

RELATED PARTY BORROWING

In August 2024, the three-year revolving credit facility ("RCF") with Aramco Overseas Company ("AOC"), was increased from ⃁ 3,750 million up to ⃁ 11,250 million which carries a floating interest rate based on the prevailing market interest rates. The facility will expire in November 2026, and Group will repay the amount due on expiry date.

All amounts in thousands of Saudi Riyals unless otherwise stated

22. DEBT (CONTINUED)

The movement in debt can be broken down as follows:

	As at 1 January 2025	Borrowings	Repayments	Others	As at 31 December 2025
Short-term	3,259	-	-	(2,660)	599
Murabaha	14,660,375	7,993,150	(7,480,578)	22,032	15,194,979
Bonds	7,533,196	-	-	6,284	7,539,480
Saudi Industrial Development Fund	394,921	-	(105,000)	7,251	297,172
Related party	7,438,983	8,100,000	(5,156,250)	14,561	10,397,294
Others	238,270	2,401,957	(2,546,228)	22,840	116,839
	30,269,004	18,495,107	(15,288,056)	70,308	33,546,363

	As at 1 January 2024	Borrowings	Repayments	Others	As at 31 December 2024
Short-term	3,267	-	-	(8)	3,259
Murabaha	15,597,278	5,237,493	(6,207,810)	33,414	14,660,375
Bonds	7,525,369	-	-	7,827	7,533,196
Saudi Industrial Development Fund	639,090	-	(261,000)	16,831	394,921
Related party	3,778,091	3,843,757	(187,500)	4,635	7,438,983
Others	427,851	3,562,500	(3,748,965)	(3,116)	238,270
	27,970,946	12,643,750	(10,405,275)	59,583	30,269,004

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MURABAHA

On 16 Ramadan 1446 AH (corresponding to 16 March 2025), the Group signed an agreement with a syndicate of certain financial institutions to obtain additional Murabaha loans amounting to ⃁ 8,100 million. The syndicate loan has been utilised to settle certain existing Murabaha loans and working capital requirements. These loans are repayable in instalments over a period of 10 years at varying profit rates in conformity with the applicable borrowing agreements.

DEBT REPAYABLE TO SAUDI INDUSTRIAL DEVELOPMENT FUND (SIDF)

The SIDF term loans are generally repayable in semi-annual instalments and finance charges on these loans are at various rates. SIDF is a Saudi Arabian government's financial institution.

In securing the SIDF loans, certain property, plant and equipment has been pledged as mortgaged assets. The carrying values of non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 7. There are certain financial covenants attached to this loan relating to current ratio and total liabilities to tangible net assets of respective subsidiary which are in compliance as at 31 December 2025 (refer to Note 38.1).

COMMERCIAL LOANS

The Group has previously borrowed from various financial institutions in order to mainly finance its growth projects and acquisitions, which are repayable either in bullet or instalments at varying interest rates in conformity with the applicable loan agreements. .

All amounts in thousands of Saudi Riyals unless otherwise stated

22. DEBT (CONTINUED)

DEBT MOVEMENTS

During the year ended 31 December 2025, the Group has repaid maturing bank borrowings using related party borrowing and through cash generated from operations.

UNDRAWN BORROWING FACILITIES

As at 31 December 2025, the group has committed credit facilities amounting to ⃁ 22,875 million (2024: ⃁ 22,875 million) out of which undrawn commitment amounted to ⃁ 9,802 million (2024: ⃁ 12,585 million).

LEASE LIABILITIES

Lease liabilities can be broken down as follows:

As at 31 December	2025	2024
Non-current		
Lease liabilities	3,024,234	3,983,960
Current		
Lease liabilities	484,630	945,105
	3,508,864	4,929,065

All addition to leases are recognised as right-of-use assets which are disclosed in Note 8.

There are no residual value guarantees and no leases yet commenced, to which SABIC is committed.

The following lease related amounts recognised in consolidated statement of income:

For the years ended 31 December	2025	2024
Depreciation expense of right-of-use assets (refer to Note 8)	1,184,728	1,155,390
Interest expense on lease liabilities (refer to Note 30)	176,676	254,242
Expense related to short-term leases	11,163	7,895
Expense related to leases of low-value assets	954	866
Variable lease payments	1,819	1,903

The Group had total cash outflows for leases of ⃁ 1,327 million during the year ended 31 December 2025 (2024: ⃁ 1,329 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ⃁ 615 million in 2025 (2024: ⃁ 845 million). The future cash flows relating to lease receivables are disclosed in Note 39.

The maturity of the lease obligation and debt are further elaborated in liquidity risk (refer to Note 37).

23. EMPLOYEE BENEFITS

The provision for employee benefits can be broken down as follows:

As at 31 December	2025	2024
Defined benefit obligations		
End of service benefits	10,716,200	11,027,748
Defined benefits pension schemes	141,563	1,249,720
Post-retirement medical benefits	1,444,415	1,122,300
	12,302,178	13,399,768
Other long-term employee benefits and termination benefits		
Long-term service awards	208,914	67,076
Early retirement plans	3,757	40,166
	212,671	107,242
	12,514,849	13,507,010

Management monitors the risks of all its pension plans and works with local fiduciaries and trustees regarding the governance and risk management of these pension plans, particularly with regard to the funding of the pension plans and the portfolio structure of the existing plan assets. The obligations and plan assets, used to fund the obligations, are subject to demographic, legal and economic risks. Economic risks are primarily due to unforeseen developments in goods and capital markets. Most plans with defined benefits are closed for future service, limiting the Group's exposure to risk with regard to future benefit levels.

23. EMPLOYEE BENEFITS (CONTINUED)

DEFINED BENEFITS OBLIGATION

The Group provides end of service and pension benefits to its employees taking into consideration the local labour laws, employment market and tax laws of the countries where the companies are located. Outside KSA, the Group limits the risks of changing financial market conditions and demographic developments by offering a defined contribution scheme to most employees.

END OF SERVICE BENEFITS

End of service benefits are mandatory for all KSA based employees under the Saudi Labour Law and the Group's employment policies. End of service benefit is based on employees' compensation and accumulated period of service and is payable upon termination, resignation or retirement, the Group provides End of Service benefits in excess of the statutory requirement. The Defined Benefit Obligation ("DBO") in respect of employees' end of service benefits is calculated by estimating the future benefit payment that employees have earned in return for their service. An appropriate discount rate is then applied to determine the present value of the Group's obligation. This is an unfunded plan.

Re-measurements are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to consolidated statement of income in subsequent periods.

DEFINED BENEFIT PENSION PLANS

The Group has a number of defined benefit pension plans outside KSA. The most significant plans are located in the United States of America ("USA") and in the United Kingdom ("UK"). These plans are funded pension plans. Other pension plans include plans in Germany, Austria, Japan, Taiwan and Belgium, most of which are also funded. The benefits provided by these pension plans are based primarily on years of service and employee compensation.

The funding of the plans is consistent with local law and regulations in the countries of establishment. Generally, pension obligations are subject to a government regulation, including minimum funding requirements. Furthermore, the investment of assets is also regulated. This could result in fluctuating employer contributions, additional financing requirements and the assumption of obligations in favour of the pension fund to comply with these regulatory requirements.

Below is a brief description of the Group's main defined benefit pension plans:

UNITED STATES OF AMERICA

In the USA, the Group has a number of qualified legacy defined benefit pension plans, all of which are closed for all future benefit accrual. These plans are subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The funding policy for the USA Plans is to make regular contributions each year in such amounts that are necessary to meet or exceed the minimum funding standard as set forth in employee benefit and tax laws in the USA. The Group also has a supplementary non-qualified pension plan, also closed to future benefit accrual.

These defined benefit pension plans are administered by fiduciaries, who represents the interests of the beneficiaries and ensure that the benefits can be paid in the future.

UNITED KINGDOM

In the UK, the Group maintained final salary pension plans that have been closed to further increases in benefits for future years of service. A part of the UK workforce still accrues pension benefits due to salary increases. Since the closure of service accrual, all employees have had the opportunity to participate in a defined contribution plan.

The defined benefit pension plans are administered by trusts, where Boards of Trustees, according to the trustees' agreement and law, represent the interests of the beneficiaries to ensure that the benefits can be paid in the future. The required funding is determined using technical valuations according to local regulations every three years. Pensions are adjusted each year to compensate for increases in the cost of living.

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

OTHER LONG-TERM EMPLOYEE BENEFITS

LONG-TERM SERVICE AWARDS

The Group offers a long-term service award to its employees depending on years of service, which is measured similarly to a DBO.

EARLY RETIREMENT PLANS

Employee early retirement plan costs are provided for in accordance with the Group's employee benefit policies. If an instalment-based compensation is agreed on, the obligation is initially discounted to its present value and then unwound through the period of compensation, which can be up to the regular retirement age of the employee.

The following table represents the movement of the defined benefit obligation position:

	2025	2024
As at 31 December	13,399,768	12,781,976
Reclassification net pension assets and asset ceiling	(131,955)	(61,212)
As at 1 January	13,267,813	12,720,764
Current service cost	849,592	812,699
Past service cost	112,015	(70,936)
Gain on settlements	(93,031)	-
Finance costs, net	695,175	613,415
Actuarial changes arising due to:		
- financial assumptions	207,577	(744,763)
- demographic changes	7,688	(5,506)
- experience adjustments	15,232	177,375
- actual return on plan assets	14,588	53,064
	245,085	(519,830)
Effect of onerous liability	-	128,783
Benefits paid during the year	(1,699,705)	(566,968)
Employer contributions into pension plans	(114,143)	(111,111)
Foreign currency translation adjustment and others	39,702	260,997
Net defined benefit obligation	13,302,503	13,267,813
Reclassified to liabilities associated with assets held for sale	(1,000,325)	-
Reclassification net pension assets and asset ceiling	-	131,955
As at 31 December	12,302,178	13,399,768

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

Following table represents the components of the employee benefits in the KSA:

	End of service	Post-retirement medical	Total
As at 1 January 2025	11,027,748	1,122,300	12,150,048
Current service cost	751,604	87,416	839,020
Past service cost	-	92,065	92,065
Gain on settlements	(92,874)	-	(92,874)
Finance costs	597,771	62,249	660,020
Actuarial changes arising due to:			
- financial assumptions	125,233	34,854	160,087
- demographic adjustments	-	(297)	(297)
- experience adjustments	(45,120)	79,688	34,568
	80,113	114,245	194,358
Benefits paid during the year	(1,650,346)	(33,797)	(1,684,143)
Others	2,184	(63)	2,121
As at 31 December 2025	10,716,200	1,444,415	12,160,615

	End of service	Post-retirement medical	Total
As at 1 January 2024	10,613,240	881,699	11,494,939
Current service cost	738,929	61,082	800,011
Past service cost	44,968	(116,791)	(71,823)
Finance costs	531,248	41,240	572,488
Actuarial changes arising due to:			
- financial assumptions	(670,352)	255,181	(415,171)
- demographic adjustments	-	314	314
- experience adjustments	177,273	20,659	197,932
	(493,079)	276,154	(216,925)
Benefits paid during the year	(523,600)	(28,627)	(552,227)
Others	116,042	7,543	123,585
As at 31 December 2024	11,027,748	1,122,300	12,150,048

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

Following table represents the components of the DBO outside KSA at 31 December 2025:

	USA	UK	Others	Total
As at 1 January 2025	1,933,640	1,944,825	564,866	4,443,331
Current service cost	780	-	9,793	10,573
Past service cost	-	19,950	-	19,950
Gain on settlement	-	-	(157)	(157)
Finance costs	105,688	93,744	20,421	219,853
Benefits paid during the year	(182,265)	(81,728)	(25,761)	(289,754)
Settlement paid	-	-	(476)	(476)
Actuarial changes arising due to:				
- financial assumptions	54,135	43,853	(50,497)	47,491
- demographic changes	-	7,982	2	7,984
- experience adjustments	6,644	3,801	(29,781)	(19,336)
	60,779	55,636	(80,276)	36,139
Foreign currency and others	-	100,843	57,653	158,496
As at 31 December 2025	1,918,622	2,133,270	546,063	4,597,955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

The development of plan assets for these major plans in the different regions can be shown as follows:

	USA	UK	Others	Total
Plan assets as at 1 January 2025	1,640,094	1,655,118	30,354	3,325,566
Interest income	85,583	97,996	1,119	184,698
Employer's contribution	40,713	61,153	12,277	114,143
Return on plan assets (excluding interest income)	28,422	(43,005)	(5)	(14,588)
Benefits paid during the year	(182,265)	(81,728)	(10,675)	(274,668)
Administrative expenses	(4,472)	-	16	(4,456)
Foreign currency and others	-	121,405	3,968	125,373
Plan assets as at 31 December 2025	1,608,075	1,810,939	37,054	3,456,068
Net defined benefit obligation as at 31 December 2025	310,547	322,331	509,009	1,141,887

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

Following table represents the components of the DBO outside the KSA at 31 December 2024:

	USA	UK	Others	Total
As at 1 January 2024	2,173,913	1,794,726	621,847	4,590,486
Current service costs	1,080	-	11,608	12,688
Past service cost	-	732	155	887
Finance costs	103,843	85,678	19,901	209,422
Benefits paid during the year	(152,288)	(73,949)	(25,193)	(251,430)
Actuarial changes arising due to:				
- financial assumptions	(168,712)	(159,219)	(1,661)	(329,592)
- demographic changes	-	(4,210)	(1,610)	(5,820)
- experience adjustments	(24,196)	(6,355)	9,994	(20,557)
	(192,908)	(169,784)	6,723	(355,969)
Effect of onerous liability	-	128,783	-	128,783
Foreign currency and others	-	178,639	(70,175)	108,464
Defined benefit obligation	1,933,640	1,944,825	564,866	4,443,331
Reclassification to other non-current financial assets (i)	(1,530,386)	-	-	(1,530,386)
Asset ceiling for plan assets (i)	-	(1,624,017)	-	(1,624,017)
As at 31 December 2024	403,254	320,808	564,866	1,288,928

(i) USA funded plans and an UK plan were overfunded at year-end. For the USA plans, the Company is eligible for a refund if the funds would be liquidated. Therefore, the net pension asset is reclassified to other non-current financial assets. For the UK plan, the Company does not have the right for any refund upon any liquidation of the fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

The development of plan assets for major plans in the different regions can be shown as follows:

	USA	UK	Others	Total
Plan assets as at 1 January 2024	1,736,771	1,597,812	30,077	3,364,660
Interest income	81,011	86,468	1,016	168,495
Employer's contribution	40,032	60,017	11,062	111,111
Return on plan assets (excluding interest income)	(61,200)	7,762	374	(53,064)
Benefits paid during the year	(152,288)	(73,949)	(10,452)	(236,689)
Administrative expenses	(4,232)	-	85	(4,147)
Foreign currency and others	-	(22,992)	(1,808)	(24,800)
	1,640,094	1,655,118	30,354	3,325,566
Reclassification to other non-current financial assets (i)	(1,631,240)	-	-	(1,631,240)
Asset ceiling for plan assets (i)	-	(1,655,118)	-	(1,655,118)
Plan assets as at 31 December 2024	8,854	-	30,354	39,208
Net defined benefit obligation as at 31 December 2024	394,400	320,808	534,512	1,249,720

(i) USA funded plans and an UK plan were overfunded at year-end. For the USA plans, the Company is eligible for a refund if the funds would be liquidated. Therefore, the net pension asset is reclassified to other non-current financial assets. For the UK plan, the Company does not have the right for any refund upon any liquidation of the fund.

For the years ended 31 December	2025	2024
Net benefit expense		
Current service cost	849,592	812,699
Past service cost	112,015	(70,936)
Finance costs on benefit obligation	695,175	613,415
Gain on settlements	(93,031)	-
Net benefit expense	1,563,751	1,355,178

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

EMPLOYEE PENSION PLAN ASSETS

The following table represents the categories of plan assets for the major pension plans outside KSA:

For the year ended 31 December 2025	USA	UK	Others
Quoted and unquoted			
Equity	6.02%	19.76%	-
Debt securities	93.18%	42.19%	-
- Government debtors	-	*42.19%*	-
- Other debtors	*93.18%*	-	-
Investment funds and insurance companies	-	0.40%	100%
Derivative financial instruments	-	27.47%	-
Other investments	0.08%	-	-
Cash and cash equivalents	0.72%	10.18%	-
	100%	100%	100%

For the year ended 31 December 2024	USA	UK	Others
Quoted and unquoted			
Equity	5.90%	18.20%	-
Debt securities	89.47%	8.04%	-
- Government debtors	-	*8.04%*	-
- Other debtors	*89.47%*	-	-
Investment funds and insurance companies	-	54.59%	96.65%
Other investments	4.13%	6.88%	3.35%
Cash and cash equivalents	0.50%	12.29%	-
	100%	100%	100%

The major economic and actuarial assumptions used in benefits liabilities computation can be shown as follows:

For the year ended 31 December 2025	KSA	USA	UK
Discount rate	5.50%	5.21%	5.65%
Average salary increase	"Exec: 4.50% Non-Exec: 6.00%"	-	3.50%
Pension in payment increase	N/A	N/A	2.80%
Inflation rate (health care cost)	9% in 2025 & 8% thereafter	N/A	N/A
Duration of benefits plan	11 years	11 years	14 years

For the year ended 31 December 2024	KSA	USA	UK
Discount rate	5.60%	5.45%	5.55%
Average salary increase	"Exec: 4.50% Non-Exec: 6.00%"	-	3.61%
Pension in payment increase	N/A	N/A	2.95%
Inflation rate (health care cost)	9% in 2025 & 8% thereafter	N/A	N/A
Duration of benefits plan	11 years	11 years	15 years

N/A = not applicable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

SENSITIVITY ANALYSIS

The table below illustrates the approximate impact on the DBO if the Group were to change one key assumption, while the other actuarial assumptions remain unchanged. The sensitivity analysis is intended to illustrate the inherent uncertainty in the valuation of the DBO under market conditions at the measurement date. These results cannot be extrapolated due to non-linear effects that changes in key actuarial assumptions may have on the total DBO. The sensitivities only apply to the DBO and not to the net amounts recognised in the consolidated statement of financial position. Movements in the fair value of plan assets would, to a certain extent, be expected to offset movements in the DBO resulting from changes in the given assumptions.

For the year ended 31 December 2025	KSA	USA	UK	Others
Increase				
Discount rate (25 bps)	(350,253)	(55,702)	(53,798)	(15,203)
Salary (25 bps)	299,169	-	4,524	4,307
Pension (25 bps)	-	-	56,735	10,609
Health care costs (25 bps)	52,665	-	-	N/A
Decrease				
Discount rate (25 bps)	353,796	58,436	56,167	15,957
Salary (25 bps)	(297,656)	-	(4,390)	(4,191)
Pension (25 bps)	-	-	(53,777)	(10,200)
Health care costs (25 bps)	(49,368)	-	-	-

For the year ended 31 December 2024	KSA	USA	UK	Others
Increase				
Discount rate (25 bps)	(330,242)	(56,820)	(50,492)	(17,354)
Salary (25 bps)	296,210	-	8,063	5,029
Pension (25 bps)	-	-	52,031	12,528
Health care costs (25 bps)	48,973	-	-	-
Decrease				
Discount rate (25 bps)	345,137	59,581	52,728	18,291
Salary (25 bps)	(285,314)	-	(7,822)	(4,894)
Pension (25 bps)	-	-	(41,091)	(11,949)
Health care costs (25 bps)	(46,525)	-	-	-

N/A = not applicable

All amounts in thousands of Saudi Riyals unless otherwise stated

23. EMPLOYEE BENEFITS (CONTINUED)

Expected total benefit payments can be broken down as follows:

	31 December 2025	
	KSA	Outside KSA
Within 1 year	651,090	232,607
1 – 2 years	559,470	232,947
2 – 3 years	673,218	232,191
3 – 4 years	710,840	230,794
4 – 5 years	722,452	232,889
Next 5 years	5,170,135	1,119,641
	8,487,205	2,281,069

Expected total benefit payments can be broken down as follows:

	31 December 2024	
	KSA	Outside KSA
Within 1 year	703,139	232,951
1 – 2 years	555,189	223,762
2 – 3 years	626,499	222,377
3 – 4 years	743,625	221,564
4 – 5 years	782,053	220,728
Next 5 years	5,526,025	1,075,371
	8,936,530	2,196,753

24. PROVISIONS

As at 31 December	2025	2024
Non-current:		
Demolition and site restoration (i)	74,157	317,199
Environmental obligations (ii)	27,263	80,422
Litigation claims (iii)	-	39,026
Restructuring (iv)	1,875	12,879
Miscellaneous (v)	134,638	421,039
	237,933	870,565
Current: (vi)		
Restructuring (iv)	25,755	50,678
Demolition and site restoration (i)	5,487	12,058
Environmental obligations (ii)	-	884
Miscellaneous (v)	52,150	73,628
	83,392	137,248
	321,325	1,007,813

(i) Demolition and site restoration provision represents the provision for cost of dismantling and site restoration of certain manufacturing sites of the Group subsidiaries. The Group recognises a provision when an obligation arises as a consequence of a legal or constructive obligation.

(ii) Environmental obligation represents the expected costs of environmental remediation and rehabilitating contaminated sites across the different manufacturing sites.

(iii) Provision for litigation obligations represents pending legal claims. Management do not believe that any currently pending or threatened litigation, either individually or in the aggregate, is likely to have a significant adverse effect on its financial position or results of operations. It also includes provisions for damage claims, warranties and similar obligations.

(iv) Restructuring provisions represent mainly onerous contracts, decommissioning and severance costs relating to specific restructuring projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

24. PROVISIONS (CONTINUED)

(v) Miscellaneous provisions relate to various risks and commitments including constructive obligations arising from different projects, using the best estimate of the expenditure required to cover the present obligation, which is expected to be settled in the next twelve months.

(vi) The amount and timing of settlement in respect of these provisions are uncertain and dependent on various factors that are not always within management's control.

The movement in total provisions has been broken down as follows:

	Demolition and site restoration	Restructuring	Litigation claims	Environmental obligations	Miscell-aneous	Total
As at 1 January 2024	569,479	356,645	166,014	90,318	1,083,995	2,266,451
Additions	23,570	26,819	3,000	261,067	422,070	736,526
Utilization	(122,281)	(312,473)	(100,629)	(10,852)	(881,117)	(1,427,352)
Reversals	(126,327)	-	(27,000)	(255,764)	(86,543)	(495,634)
Others	(15,184)	(7,434)	(2,359)	(3,463)	(43,738)	(72,178)
As at 31 December 2024	329,257	63,557	39,026	81,306	494,667	1,007,813
Additions	59,875	256,631	-	194,123	478,074	988,703
Utilization	(69,060)	(133,817)	-	(194,355)	(314,932)	(712,164)
Reversals	(889)	(4,893)	-	-	(25,642)	(31,424)
Reclassified to liabilities associated with assets held for sale	(270,976)	(160,711)	(44,048)	(54,667)	(487,525)	(1,017,927)
Others	31,437	6,863	5,022	856	42,146	86,324
As at 31 December 2025	79,644	27,630	-	27,263	186,788	321,325

25. OTHER LIABILITIES

As at 31 December	2025	2024
Non-current:		
Payable to related parties (i)	1,221,479	1,267,029
Contract liability (ii)	-	139,964
Miscellaneous	291,609	198,256
	1,513,088	1,605,249
Current:		
Dividends payable (refer to Note 18)	1,121,440	7,471,836
Accrued liabilities	4,095,437	5,285,127
Employees related liabilities	1,610,136	2,535,016
Employee saving plan	2,106,353	2,063,250
Sales and other tax payables	743,657	1,058,050
Payable to related parties (i)	715,234	912,319
Trade advances	190,593	221,329
Miscellaneous	104,205	149,072
	10,687,055	19,695,999

(i) Payable to related parties mainly relate to the operations and production advances, under Joint Ownership and Production Agreement with integral joint ventures. The amortisation of this production advance liability is recorded under 'revenue' amounting to ⃁ 225 million (2024: ⃁ 180 million). The amounts expected to be recognised as revenue are ⃁ 225 million within the next year and ⃁ 1,014 million over the subsequent one-to-five-year period (refer to Note 14 (iii)).

(ii) Contract liability represents the payable against the asset received from third party under the tolling agreement.

All amounts in thousands of Saudi Riyals unless otherwise stated

26. TRADE PAYABLES

Trade payables can be broken down as follows:

As at 31 December	2025	2024
Trade accounts payables	6,578,682	8,872,068
Due to related parties (refer to Note 33)	10,524,767	10,921,536
	17,103,449	19,793,604

Trade payables are non-interest bearing and are settled within normal commercial terms.

The Group's exposure to currency and liquidity risk related to accounts payables is disclosed in Note 37.

27. REVENUE

Revenue can be broken down as follows:

For the years ended 31 December	2025	2024
Sales of goods	111,629,493	113,662,859
Logistic services	3,416,268	3,464,618
Other revenue	1,479,453	609,015
	116,525,214	117,736,492

No significant revenue was recognised in 2025 from performance obligations satisfied in previous years. All unfulfilled remaining performance obligations as at 31 December 2025 are expected to be satisfied in the next year and in future years.

Revenue from Logistic services is recognized over-time and revenue from sales of goods is recognised at-a-point in time.

Other revenue mainly includes license revenue from SABIC Fujian Petrochemicals Co. Ltd, a joint venture of the Group, against licensing and engineering contract and recognised at a point in time upon completion of related performance obligations, for an amount of ⃁ 863 million (2024: nil), net of unrealised profit (refer to Note 10).

Refer to Note 36 for the segment and geographical distribution of revenue.

28. EXPENSES

Based on their nature, cost of sales, general and administrative expenses, research and development expenses and selling and distribution expenses can be broken down as follows:

28.1 COST OF SALES

Cost of sales can be broken down as follows:

For the years ended 31 December	2025	2024
Changes in inventories of finished products, raw materials and consumables used	64,948,641	63,959,816
Depreciation and amortisation	9,575,250	9,797,412
Utilities	7,696,510	6,309,432
Employee related costs	6,468,780	5,993,946
Logistic service-related costs	3,416,268	3,464,618
Repairs and maintenance	2,645,550	2,822,127
Impairments and write-offs of plant and equipment	777,227	28,300
	95,528,226	92,375,651

28.2 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses can be broken down as follows:

For the years ended 31 December	2025	2024
Employee related expenses	4,552,027	4,892,412
Admin and corporate support service	1,800,756	2,077,345
Depreciation and amortisation	723,207	861,123
Maintenance	364,962	493,106
Impairment and write-offs	96,016	20,804
Miscellaneous	286,947	172,187
	7,823,915	8,516,977

All amounts in thousands of Saudi Riyals unless otherwise stated

28. EXPENSES (CONTINUED)

28.3 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses can be broken down as follows:

For the years ended 31 December	2025	2024
Employee related expenses	1,000,417	1,171,125
Administrative support	242,299	258,890
Depreciation and amortisation	212,615	151,773
Maintenance	104,431	86,661
Impairment and write-offs	21,191	-
Miscellaneous	49,026	72,765
	1,629,979	1,741,214

28.4 SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses can be broken down as follows:

For the years ended 31 December	2025	2024
Transportation and shipping	4,846,327	4,444,289
Employee related expenses	1,120,130	1,332,542
Marketing related expenses	557,777	479,864
Depreciation and amortisation	160,504	160,592
	6,684,738	6,417,287

29. OPERATING INCOME AND EXPENSES

Other operating income can be broken down as follows:

For the years ended 31 December	2025	2024
Services rendered to related parties	572,749	784,926
Gain on sale of F&S business (refer to Note 35)	-	291,359
Foreign currency exchange gain	217,585	-
Miscellaneous	169,316	209,790
	959,650	1,286,075

Other operating expenses can be broken down as follows:

For the years ended 31 December	2025	2024
Demolition, restructuring and miscellaneous provisions (i)	1,203,293	312,454
Impairment of non-operating assets	311,036	558,780
Loss from disposal of plant and equipment	165,466	38,668
Donations	51,711	61,353
Foreign currency exchange expenses	-	57,026
Miscellaneous	162,869	281,801
	1,894,375	1,310,083

(i) During the year ended 31 December 2025, SABIC offered a severance package to some of its employees as a result of a strategic workforce optimization initiative. The impact of this amounting to ⃁ 1,130 million has been recognised within 'other operating expenses' in these consolidated financial statements.

All amounts in thousands of Saudi Riyals unless otherwise stated

30. FINANCE INCOME AND COSTS

Finance income and finance costs can be broken down by conventional and non-conventional as follows:

For the years ended 31 December	2025	2024
Finance income		
- Conventional call account	-	120
- Conventional fixed term deposits and others	397,076	312,364
- Financial income - related parties	333,002	27,587
- Others	12,954	8,642
Total conventional finance income	743,032	348,713
- Murabaha (including fixed term deposits) – third parties	1,335,428	1,251,928
- Murabaha (including fixed term deposits) – related parties	287,633	290,746
- SUKUK	19,002	20,335
- Others	4,795	374
Total non-conventional finance income	1,646,858	1,563,383
Total finance income	2,389,890	1,912,096

For the years ended 31 December	2025	2024
Finance costs		
- Commercial loans	37,725	66,264
- Bonds / notes	265,313	265,313
- Lease liabilities	176,676	205,876
- Net interest on employee benefits	670,557	576,535
- Derivative financial instruments	1,143,084	40,238
- Net foreign exchange differences for borrowings	87,694	55,629
- Interest expense on loans and borrowings – related party	453,493	265,707
- Others	193,070	211,501
Total conventional finance costs	3,027,612	1,687,063
- Murabaha – related parties	884,251	863,648
- Murabaha – third parties	106,230	195,083
- SIDF	15,186	17,252
- Others	5,414	5,593
Total non-conventional finance costs	1,011,081	1,081,576
Total finance costs	4,038,693	2,768,639
Net conventional finance cost	(2,284,580)	(1,338,350)
Net non-conventional finance income	635,777	481,807
Finance cost, net	(1,648,803)	(856,543)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

31. ZAKAT AND INCOME TAX

The movement in the net zakat and income tax payable can be shown as follows:

	Zakat	Income Tax	Total
As at 1 January 2025	118,339	205,838	324,177
Provided during the year	907,776	879,068	1,786,844
Paid during the year, net	(1,363,835)	(679,851)	(2,043,686)
Other movements (foreign currency translations and reclassification)	(3,314)	(33,132)	(36,446)
Reclassified to liabilities directly associated with assets held for sale	-	(37,222)	(37,222)
As at 31 December 2025	(341,034)	334,701	(6,333)

Presentation in the consolidated statement of financial position can be broken down as follows:

As at 31 December 2025	Zakat	Income Tax	Total
Receivable	976,237	84,787	1,061,024
Payable	635,203	419,488	1,054,691
Net (receivable) payable	(341,034)	334,701	(6,333)

	Zakat	Income Tax	Total
As at 1 January 2024	1,414,718	217,346	1,632,064
Provided during the year	213,827	825,383	1,039,210
Paid during the year, net	(1,503,982)	(814,019)	(2,318,001)
Other movements (foreign currency translations and reclassification)	(6,224)	(22,872)	(29,096)
As at 31 December 2024	118,339	205,838	324,177

Presentation in the consolidated statement of financial position can be broken down as follows:

As at 31 December 2024	Zakat	Income Tax	Total
Receivable	-	381,237	381,237
Payable	118,339	587,075	705,414
Net payable	118,339	205,838	324,177

31.1 ZAKAT

Zakat returns of SABIC and wholly owned subsidiaries are submitted to the ZATCA based on separate financial statements prepared for zakat purposes only. Other non-wholly owned subsidiaries file their zakat returns separately. SABIC has filed its zakat returns with ZATCA, received the zakat certificates, settled the zakat dues up to the year ended 31 December 2023. SABIC cleared its zakat assessments with ZATCA up to the year ended 31 December 2018, and the years 2019 through 2023 are under review by the ZATCA.

The Group reported net zakat expense of ⃁ 908 million for the year ended 31 December 2025 (31 December 2024: net zakat expense of ⃁ 214 million).

The reduced zakat expense in 2024 resulted from a reassessment of the zakat positions in the previous years, following the new zakat regulations published during 2024.

All amounts in thousands of Saudi Riyals unless otherwise stated

31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX

The income tax expense from continuing and discontinued operations are as follows:

For the years ended 31 December	2025	2024
Income tax expense (benefit)		
Current tax from continuing operations	672,780	695,640
Current tax from discontinued operations	206,288	129,743
Total current tax expense	879,068	825,383
Deferred tax from continuing operations	23,398	(88,394)
Deferred tax from discontinued operations	1,815,106	(814,918)
Total deferred tax expense (benefit)	1,838,504	(903,312)
Income tax expense from continuing operations	696,178	607,246
Income tax expense (benefit) from discontinued operations	2,021,394	(685,175)
	2,717,572	(77,929)

The major components of income tax from continuing operations in the consolidated statement of income can be broken down as follows:

For the years ended 31 December	2025	2024
Current income tax		
Current year	673,556	659,929
Adjustments in respect of current income tax of previous year	(776)	35,711
Deferred income tax		
Origination and reversals of temporary differences	23,398	(88,394)
Income tax expense from continuing operations	696,178	607,246

The following deferred income tax related items charged or credited directly to equity, and reported in the consolidated statement of comprehensive income, can be broken down as follows for the years ended 31 December:

For the years ended 31 December	2025	2024
Tax expense (benefit) on re-measurement of defined benefit plans	175,382	(36,794)
Deferred income tax expense (benefit) recognised in other comprehensive income	175,382	(36,794)

The relationship between the domestic (Saudi Arabia) income tax expense and the effective tax expense is as follows for the years ended 31 December:

For the years ended 31 December	2025	2024
Income before zakat and income tax from continuing operations	1,258,302	8,096,040
Exclude: income subject to Zakat	(2,651,707)	(8,844,096)
Loss subject to income tax	(1,393,405)	(748,056)
Domestic income tax rate (KSA)	20%	20%
Income tax at domestic tax rate	(278,681)	(149,611)
Tax effects of:		
- Current year tax benefits not recognised	145,112	1,118,963
- Recognition of previously unrecognised tax benefits	(399,712)	-
- Deviating rates	142,626	(195,457)
- Tax rate changes	967	-
- Foreign currency results	945,618	(373,586)
- Tax-exempt results on associates and joint ventures	185,821	237,769
- Non-tax deductible expenses	8,953	25,398
- Prior year adjustments and other tax-exempt items	(173,272)	(3,914)
- Tax charge due to other liabilities	39,385	(87,078)
- Deferred income tax on outside basis differences	(66,526)	(21,867)
- State, local and other income taxes	145,887	56,629
Income tax expense	696,178	607,246
Zakat expense	907,776	213,827
Total income tax and zakat expense from continuing operations	1,603,954	821,073

All amounts in thousands of Saudi Riyals unless otherwise stated

31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX (CONTINUED)

Review of the major drivers for the current year effective tax expense and zakat expense:

The effective tax and zakat rate is 127% (2024: 10%).

The effective tax expense is negatively impacted mainly by current year tax benefits not recognised for losses in Luxembourg and the United States of America. Other negative impacts included, deviating rates, foreign currency gains and local income and withholding taxes.

Favourable impact to the effective tax expense included recognition of previously unrecognised tax benefits, tax-exempt results on associates and joint ventures, deferred tax on outside basis differences, prior year true-ups and tax-exempt income.

The deferred income tax assets / (liabilities) presented in the consolidated statement of financial position are as follows:

As at 31 December	2025	2024
Deferred income tax assets	**367,773**	2,365,609
Deferred income tax liabilities	**(364,718)**	(611,582)
	3,055	1,754,027

Components of deferred income tax are as follows:

	Consolidated statement of financial position		Consolidated statement of income	
	2025	**2024**	**2025**	**2024**
- Property, plant and equipment and intangible assets	**(535,191)**	(1,877,004)	(1,142,383)	(85,645)
- Right-of-use assets	**(300,384)**	(647,542)	(92,045)	(83,493)
- Inventories	**(231)**	(3,853)	(3,622)	(646)
- Outside basis differences	**(169,773)**	(232,505)	(66,526)	(21,867)
- Others	**(7,364)**	(3,512)	3,852	(52,206)
Deferred income tax liabilities	**(1,012,943)**	(2,764,416)		
Set-off with deferred income tax assets	**648,225**	2,152,834		
Net deferred income tax liabilities	**(364,718)**	(611,582)		
- Tax loss carry forward	**14,889,632**	15,354,664	(1,176,736)	(3,109,320)
- Property, plant and equipment and intangible assets	**226,625**	268,168	41,543	(143,244)
- Employee benefits	**68,914**	279,951	32,682	545
- Lease liabilities	**302,556**	689,465	92,441	48,328
- Deferred charges	**228,000**	433,804	23,101	(55,733)
- Provisions on receivables and inventories	**128,230**	143,888	(25,650)	(15,101)
- Interest carry forward	**2,672,548**	3,545,113	849,613	(1,485,949)
- Tax credits carry forward	**88,025**	328,214	(50,298)	(5,385)
- Others	**75,508**	362,835	(18,886)	105,144
Deferred income tax assets	**18,680,038**	21,406,102		
Unrecognised deferred income tax assets	**(17,664,041)**	(16,887,659)	3,371,418	4,001,260
Set-off with deferred income tax liabilities	**(648,224)**	(2,152,834)		
Net deferred income tax assets	**367,773**	2,365,609		
Deferred income tax expense (benefit)			1,838,504	(903,312)

The deferred income tax expense of ⃁ 1,839 million (2024: income tax benefit of ⃁ 903 million) includes an expense of ⃁ 1,815 million (2024: benefit of ⃁ 815 million) that is presented under discontinued operations in the consolidated statement of income.

All amounts in thousands of Saudi Riyals unless otherwise stated

31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX (CONTINUED)

Based on the assessment of profitability forecasts for future years, the Group has recognised deferred income tax assets related to its tax losses carry forward in Saudi Arabia of ⃁ 3 million (2024: ⃁ 5 million), in the Netherlands of ⃁ 251 million (2024: ⃁ 1,755 million), in the United Kingdom nil (2024: ⃁ 234 million), in Spain nil (2024: ⃁ 45 million) and in the United States of America of ⃁ 52 million (2024: ⃁ 479 million).

Deferred tax assets attributable to the disposal of the businesses in Europe and Americas have been derecognised in 2025, as it is no longer probable that these will be recoverable in the period until the divestiture closing dates. The impact of the derecognition of these deferred tax assets has been presented under discontinued operations as part of the total income tax expense of ⃁ 1,204 million for the European Petrochemical business and ⃁ 817 million for the ETP business in Americas and Europe (refer to Note 34).

Recoverability of deferred tax assets is contingent on the ability of the Group to adhere to its business plan, which includes key assumptions like average selling prices and volumes. Management believes that a reasonably possible change in its used assumptions would not cause a significant impact, as the Group's major deferred tax assets recognised are in the Netherlands, which has an indefinite carry forward period for tax losses.

An overview of the Group's recognised tax loss carry forward is shown below:

As at 31 December	2025	2024	Expiration ranges
Saudi Arabia	12,659	26,331	Indefinite
Netherlands	974,528	6,800,654	Indefinite
United States of America	223,492	2,046,086	2027 – Indefinite
United Kingdom	-	937,700	Indefinite
Spain	-	181,880	Indefinite
Others	10,125	494,469	Various
	1,220,804	10,487,120	Indefinite

In addition, the Group has unrecognised tax losses carry forward available of ⃁ 68,595 million (2024: ⃁ 52,475 million), mainly in Luxembourg, Netherlands and the United States of America and which can be applied against future taxable income. In certain jurisdictions, these tax losses are pending completion of tax filings and/or acceptance of tax filings by tax authorities.

The Group has not recognised ⃁ 20,793 million, of which ⃁ 3,129 million relating to discontinued operations (2024: ⃁ 16,888 million of which nil relating to discontinued operations) of deferred income tax assets, largely comprising to tax losses carry forward in various jurisdictions, as no sufficient evidence exists to support the Group's ability to realise such assets.

The Group has recognised a deferred income tax liability of ⃁ 170 million (2024: ⃁ 233 million) for withholding taxes that would be payable on the distribution of unremitted earnings of its subsidiaries, joint ventures and associates.

GLOBAL MINIMUM TAX

SABIC, being part of the Saudi Aramco Group, is in scope of OECD Pillar Two model rules and has performed an assessment of its exposure to Pillar Two income taxes. An assessment of the potential exposure to Pillar Two income taxes has been made for the jurisdictions where Pillar Two legislation has been enacted or substantively enacted as at the reporting date. The estimation of the Pillar Two income tax exposure is based on country-by-country reporting and other financial data for the constituent entities.

Based on this assessment, for most of the jurisdictions in which SABIC and the Saudi Aramco Group operate, SABIC is expected to qualify for the transitional CBCR safe harbour relief. However, there are a limited number of jurisdictions where the transitional CBCR safe harbour relief does not apply, for which SABIC has recognised an accrual of ⃁ 19 million (2024: nil).

All amounts in thousands of Saudi Riyals unless otherwise stated

32. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the (Parent) by the weighted average number of ordinary shares during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the (Parent) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and shares data used in the basic and diluted earnings per share computations:

For the years ended 31 December	2025	2024
Net (loss) income attributable to equity holders of the Parent (⃁ '000)	(25,779,231)	1,538,542
Weighted average number of ordinary shares ('000)	3,000,000	3,000,000
Earnings per share from net (loss) income attributable to equity holders of the Parent (⃁)	(8.59)	0.51
Net (loss) income from continuing operations attributable to equity holders of the Parent (⃁ '000)	(1,533,112)	5,090,374
Weighted average number of ordinary shares ('000)	3,000,000	3,000,000
Earnings per share from net (loss) income from continuing operations attributable to equity holders of the Parent (⃁)	(0.51)	1.70

There are no instruments that have diluted the weighted average number of ordinary shares.

Interests in subsidiaries are set out in Note 43.

33. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are legal entities or individuals that can exercise influence on SABIC and its subsidiaries and entities over which SABIC can exercise control or joint control, or a significant influence. These primarily include joint ventures and associates, and Saudi Aramco (being Parent), its subsidiaries, joint ventures and associates.

As part of its normal course of business, SABIC and its subsidiaries and integrated joint ventures enters into various related party contracts and transactions. These principally include sales and purchases, providing and receiving services, and giving and receiving loans.

The following tables show the volume of business with related parties:

	For the year ended 31 December 2025		As at 31 December 2025	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associates	78,805	5,859,193	37,159	719,429
Joint ventures	8,469,231	16,609,424	3,603,302	5,520,211
Saudi Aramco	15,527	22,086,595	15,317	3,655,683
Saudi Aramco's subsidiaries, joint ventures and associates	10,889,885	23,803,560	1,304,334	2,401,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	For the year ended 31 December 2024		As at 31 December 2024	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associates	80,170	5,068,133	16,726	480,736
Joint ventures	7,731,316	20,362,330	4,211,562	6,082,154
Saudi Aramco	26,022	21,869,054	26,560	3,890,254
Saudi Aramco's subsidiaries, joint ventures and associates	11,583,463	23,355,266	906,294	2,503,127

	As at 31 December 2025		As at 31 December 2024	
	Loans to related parties	Loan from related parties	Loans to related parties	Loan from related parties
Associates	28,908	-	28,256	-
Joint ventures	423,409	-	688,623	-
Entities (FVOCI equity accounted)	-	-	57,127	-
Saudi Aramco's subsidiary	-	10,397,249	-	7,438,960

TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

The sales to and purchases from related parties are made at agreed terms and conditions. Outstanding balances are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended 31 December 2025 and 2024, the Group has not recognised any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

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

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

For the years ended 31 December	2025	2024
Purchases of goods and services	2,338,518	2,060,740
Sales of goods and services	247,783	2,597,105

As at 31 December	2025	2024
Payables	164,584	144,613
Receivables (i)	1,959,968	5,485,010
Short-term investments with banks	4,177,078	2,748,900
Cash and cash equivalents held with banks	5,745,786	7,313,817
Borrowings	14,547,785	12,439,622
Lease liabilities	1,385,019	1,448,537

(i) Receivables include the below balances as at 31 December 2025 with respect to sale of Hadeed, an entity controlled by the Saudi government:

- receivable from PIF amounting to ⃁1,929 million (31 December 2024: ⃁4,826 million).
- receivable from Hadeed against services amounting to ⃁27 million (31 December 2024: ⃁647 million).

All amounts in thousands of Saudi Riyals unless otherwise state

33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

KEY MANAGEMENT PERSONNEL COMPENSATION

In addition to remunerations to key management personnel, the Group also provides non-cash benefits to directors and executive officers and contributes to a post-employment defined benefit plan on their behalf.

Remuneration of key management can be shown as follows:

For the years ended 31 December	2025	2024
Short-term employee benefits	47,499	38,425
Post-employment benefits	8,610	8,182
Other long-term benefits	11,604	30,439
Total	67,713	77,046

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34. DISCONTINUED OPERATIONS

34.1 DISPOSAL OF SABIC EUROPE B.V.

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

As part of this transaction, SABIC International Holdings B.V., a wholly owned subsidiary of SABIC, has entered into an initial agreement and, subject to receiving advice from applicable employee representative bodies, is expected to enter a Share Purchase Agreement (SPA) with AEQH38 GmbH, a company incorporated under the laws of Germany and controlled by AEQUITA SE &Co. KGaA ("AEQUITA"), for the divestment of its entire shareholding in SABIC Europe B.V. ("EP"). This transaction encompasses the disposal of SABIC's European Petrochemicals business and associated assets, including significant production facilities located within the European region.

Following the SABIC Board's approval, EP business is classified as a disposal group held for sale and presented as a 'discontinued operation' under IFRS 5 *'Non-current Assets Held for Sale and Discontinued Operations'*. The classification date reflects the point when management formally committed to a disposal plan. The EP business constitute a distinct business component and qualifies as discontinued operation as it represents a major geographical area of operations and forms part of a single co-ordinated plan for disposal and has been classified as held for sale.

Consequently, the assets and liabilities pertaining to this disposal group are segregated and disclosed separately as 'held for sale' within these consolidated financial statements. These items are measured at the lower of the carrying amount and fair value less costs to sell. Accordingly, depreciation and amortisation of assets within the disposal group have ceased from the date of classification. The results of EP business are reported as discontinued operation in the consolidated statement of income and consolidated statement of cash flows for all periods presented.

All amounts in thousands of Saudi Riyals unless otherwise state

34. DISCONTINUED OPERATIONS (CONTINUED)

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

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

As for this transaction, the consideration structure, which is based on an enterprise value of ⃁1,875 million, includes deferred and contingent proceeds in the form of two vendor loan notes with a combined principal amount of ⃁1,875 million, the repayment of which is linked to the post disposal free cash flow generation of the business and other defined European Olefins and Polyolefins assets of AEQUITA.

In determining fair value, expected future vendor loan repayments are estimated using a risk-adjusted forecast of distributable cash flows and dividend distributions, discounted to reflect the timing and risk profile of these expected cash flows. These valuation inputs represent Level 3 fair value measurements, as they rely on significant unobservable inputs. Adjustments defined in the proposed sale agreement, such as net debt items, working capital normalization gaps and other customary closing adjustments, together with transactional cost are also taken into consideration for development of the fair value.

Consequently, the estimated fair value of the EP business is lower than the carrying amount of its assets and liabilities by ⃁ 9,847 million. The primary significant unobservable input used in this Level 3 fair value measurement is the discount rate. A discount rate of 12% was applied in determining the fair value of the EP business. A 100 basis point change in the discount rate would alter the fair value by about ⃁ 37 million.

34.1.1 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

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

For the years ended 31 December	2025	2024
Revenue	13,666,545	14,757,264
Depreciation, amortisation and impairment (i)	(4,435,138)	(1,223,045)
Cost of sales and other expenses, net	(14,472,751)	(15,634,874)
Finance income and expenses, net	(87,612)	4,318
Results from non-integral joint ventures and associates	60,964	39,294
Loss before income tax	**(5,267,992)**	(2,057,043)
Income tax (expense) benefit (ii)	(1,203,934)	456,076
Loss after income tax	**(6,471,926)**	(1,600,967)
Fair value re-measurement loss	(9,847,069)	-
Loss from discontinued operation	**(16,318,995)**	(1,600,967)
OCI items (iii)	1,329,144	(813,049)
Total comprehensive loss from discontinued operation	**(14,989,851)**	(2,414,016)

(i) Impairment includes amount of ⃁3,514 million related to a cracker facility located in Teesside, United Kingdom as part of EP discontinued operation (refer to Note 7).

(ii) The increase of income tax expense in the current year is mainly driven by the derecognition of deferred tax assets, as it is no longer probable that these will be recoverable in the period until the divestiture closing date.

(iii) OCI items mainly include foreign currency translation adjustments.

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

For the years ended 31 December	2025	2024
Net cash (used in) from operating activities	(1,220,864)	3,431,649
Net cash used in investing activities	(864,057)	(1,506,255)
Net cash used in financing activities	(194,213)	(189,394)
Net (decrease) increase in cash and cash equivalents	**(2,279,134)**	1,736,000

All amounts in thousands of Saudi Riyals unless otherwise state

34. DISCONTINUED OPERATIONS (CONTINUED)

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

34.1.1 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION (CONTINUED)

Loss before zakat and income tax from discontinued operation, as presented in the consolidated statement of cash flows, amounted to ⃁ 15,115 million including the fair value re-measurement on assets held for sale.

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

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

	As at 31 December 2025		
	Gross balances	Fair value re-measurement loss	Net balances
Assets held for sale			
Property, plant and equipment (refer to Note 7)	7,506,681	(7,506,681)	-
Right-of-use assets (refer to Note 8)	637,706	(637,706)	-
Goodwill (refer to Note 9)	780,000	(780,000)	-
Intangible assets (refer to Note 9)	23,229	(23,229)	-
Inventories	2,190,427	-	2,190,427
Trade receivables	1,500,400	-	1,500,400
Other assets	1,014,944	(899,453)	115,491
Cash and cash equivalents	10,666	-	10,666
	13,664,053	(9,847,069)	3,816,984
Liabilities directly associated with assets held for sale			
Employee benefits	353,000	-	353,000
Other liabilities	2,516,435	-	2,516,435
Trade payables	1,482,961	-	1,482,961
	4,352,396	-	4,352,396
Net assets	9,311,657	(9,847,069)	(535,412)

34.2 DISPOSAL OF ENGINEERING THERMOPLASTICS BUSINESS IN THE AMERICAS AND EUROPE

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

As part of this transaction, SABIC International Holdings B.V. (SIH) and SABIC US Holding LP (SUSH), both wholly owned subsidiaries of SABIC, have entered to an initial agreement and, subject to receiving advice from applicable employee representative bodies, are expected to enter a Share Purchase Agreement with Mutares Plastics Netherlands B.V. (a private limited liability company incorporated in the Netherlands) and Mutares Plastics US (a private limited liability company incorporated in the United States of America). Both entities are under the control of Mutares SE & Co KGaA (Mutares), a publicly listed company headquartered in Munich, Germany. Pursuant to the agreement, SIH agreed to sell its entire shareholding in Plastics US Holdings LLC and Jadeed Holding B.V., both subsidiaries of SABIC, which collectively represent SABIC's Engineering Thermoplastics business in the Americas and Europe (ETP in Americas and Europe), respectively.

Following the SABIC Board's approval, ETP in Americas and Europe is classified as a disposal group held for sale and presented as a 'discontinued operation' under IFRS 5 *'Non-current Assets Held for Sale and Discontinued Operations'* as at 31 December 2025. The classification date reflects the point when management formally committed to a disposal plan. The ETP operations in America and Europe constitute a distinct business component and qualifies as discontinued operation as it represents a major geographical area of operations and forms part of a single co-ordinated plan for disposal and has been classified as held for sale.

Consequently, the assets and liabilities pertaining to this disposal group are segregated and disclosed separately as 'held for sale' within these consolidated financial statements. These items are measured at lower of the carrying amount and fair value less costs to sell. Accordingly, depreciation and amortisation of assets within the disposal group have ceased from the date of classification. The results of ETP in Americas and Europe are reported as discontinued operation in the consolidated statement of income and consolidated statement of cash flows for all periods presented.

All amounts in thousands of Saudi Riyals unless otherwise state

34. DISCONTINUED OPERATIONS (CONTINUED)

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

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

As for this transaction, the consideration structure, which is based on enterprise value of ⃁ 1,687.5 million, includes upfront cash proceeds and subsequent contingent proceeds. The contingent consideration comprises an earn-out arrangement entitling the recipient to 30% of the business's free cash flows for a period of four years, commencing from the year after the second anniversary of the transaction's closing. In addition, it includes 30% of the net proceeds realised upon exit by Mutares, should such a monetization event occur, with a minimum guaranteed amount of ⃁ 262.5 million at the earlier of 4 years after the second anniversary or exit.

The fair value of the consideration is estimated using the present value of adjusted upfront cash proceeds and expected subsequent contingent proceeds, discounted to reflect the timing and risk profile of these proceeds.

Management's valuation incorporates the assumptions regarding future operating performance, forecast free cash flows, value realization upon a potential future liquidity event and its timing as well as discount rates reflecting the risk profile of the expected cash flows. These valuation inputs represent Level 3 fair value measurements, as they rely on significant unobservable inputs. The fair value measurement also reflects the adjustments such as net-debt items, working capital normalisation and other customary closing adjustments, together with the transactional cost.

Consequently, the determined fair value of ETP in the Americas and Europe is lower than the carrying amount of the related assets and liabilities by ⃁ 5,329 million. This Level 3 fair value measurement primarily relies on significant unobservable inputs, including the discount rate and valuation multiples applied to estimate enterprise value in the event of a Mutares exit. The discount rates utilized in the assessment are 11% and 14%, respectively, for certain periods within the projection horizon. A change in the discount rate by 100 basis points would result in a corresponding change in fair value of ⃁ 94 million. The valuation multiples applied for anticipated monetization are 8x; a change in multiples by 1x would cause the fair value to change by ⃁ 225 million.

34.2.1 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

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

For the years ended 31 December	2025	2024
Revenue	6,850,226	7,486,743
Depreciation, amortisation and impairment	(763,253)	(931,364)
Cost of sales and other expenses, net	(7,953,761)	(8,143,856)
Finance income and expenses	(47,286)	(34,101)
Loss before income tax	**(1,914,074)**	(1,622,578)
Income tax (expense) benefit (i)	(817,460)	229,099
Loss after income tax	**(2,731,534)**	(1,393,479)
Fair value re-measurement loss	(5,328,785)	-
Loss from discontinued operation	**(8,060,319)**	(1,393,479)
OCI items (ii)	(101,967)	(57,179)
Total comprehensive loss from discontinued operation	**(8,162,286)**	(1,450,658)

(i) The increase of income tax expense in the current year is mainly driven by the derecognition of deferred tax assets, as it is no longer probable that these will be recoverable in the period until the divestiture closing date.

(ii) OCI items mainly include foreign currency translation adjustments.

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

For the years ended 31 December	2025	2024
Net cash generated from operating activities	638,942	957,470
Net cash used in investing activities	(534,759)	(962,513)
Net cash used in financing activities	(40,973)	(39,957)
Net increase (decrease) in cash and cash equivalents	63,210	(45,000)

Loss before zakat and income tax from discontinued operation, as presented in the consolidated statement of cash flows, amounted to ⃁ 7,243 million including the fair value re-measurement on assets held for sale.

All amounts in thousands of Saudi Riyals unless otherwise state

34. DISCONTINUED OPERATIONS (CONTINUED)

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

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

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

	As at 31 December 2025		
	Gross balances	Fair value re-measurement loss	Net balances
Assets held for sale			
Property, plant and equipment (refer to Note 7)	5,899,097	(4,262,693)	1,636,404
Right-of-use assets (refer to Note 8)	145,494	(105,134)	40,360
Goodwill (refer to Note 9)	892,500	(892,500)	-
Intangible assets (refer to Note 9)	94,740	(68,459)	26,281
Inventories	2,234,950	-	2,234,950
Trade receivables	714,876	-	714,876
Other assets	297,456	-	297,456
Cash and cash equivalents	194,210	-	194,210
	10,473,323	(5,328,786)	5,144,537
Liabilities directly associated with assets held for sale			
Employee benefits	678,269	-	678,269
Other liabilities	1,053,718	-	1,053,718
Trade payables	902,969	-	902,969
	2,634,956	-	2,634,956
Net assets	7,838,367	(5,328,786)	2,509,581

34.3 DISPOSAL OF HADEED

On 3 September 2023, the Group announced signing an agreement with the Public Investment Fund ("PIF") to acquire all SABIC shares in the Saudi Iron and Steel Company ("Hadeed").

Following the signing of the agreement, Hadeed was classified as 'discontinued operation' under IFRS 5 *'Non-current Assets Held for Sale and Discontinued Operations'*. The assets and liabilities of the disposal group are therefore classified and presented separately as 'held for sale' in these consolidated financial statements. These are measured at the lower of their carrying amount and fair value less costs to sell (based on the agreement) and depreciation is ceased on the relevant assets from the date of their classification as 'held for sale'.

As per 31 May 2024, SABIC had obtained all approvals from the relevant authorities and satisfied all conditions related to the transfer of the ownership of Hadeed to PIF. During the year ended 31 December 2025, SABIC received ⃁ 3,173 million from PIF against the sale of Hadeed.

35. ASSETS HELD FOR SALE

SALE OF SHARES IN ALBA – CLASSIFIED AS ASSET HELD FOR SALE

On 14 Rabi'ul Awwal 1446 AH (corresponding to 17 September 2024), the Group announced the signing by SABIC Industrial Investment Company, a wholly owned subsidiary of SABIC, of an agreement for the sale of its holding of 292,804,000 ordinary shares in ALBA (representing 20.62% of its issued share capital) to Saudi Arabian Mining Company ("Ma'aden").

The investment was measured at the lower of its carrying amount and its fair value less costs to sell (based on the agreement), resulting in a fair value remeasurement loss amounting to ⃁ 201 million which was recorded under results from associates and non-integral joint ventures in the consolidated statement of income in 2024.

On 20 Sha'ban 1446H (corresponding to 19 February 2025), SABIC announced the completion of sale of shares in ALBA against sales proceeds of BHD 363 million (equivalent to ⃁ 3,612 million). The transaction resulted in a gain of ⃁ 13 million, principally arising from the reclassification of other comprehensive income to the consolidated statement of income upon disposal, after reflecting the foreign exchange loss and finance expenses incurred in connection with the settlement of the transaction.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into two operating segments.

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

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

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

As at 31 December 2025, the European Petrochemicals (EP) and Engineering Thermoplastics Plastics in Americas and Europe business units are classified as discontinued operations within these consolidated financial statements, and accordingly, are not included in below segment information.

European Petrochemicals (EP) was part of Petrochemicals segment, and engage in production and sales of following products within Chemicals and Polymers mainly in Europe:

- Chemicals products range of EP includes Olefins, Aromatics, Butadiene and Methyl Tert-Butyl Ether (MTBE), and majority of products are manufactured from Naphtha.
- Polymers within EP include Polyethylene (PE) and Polypropylene (PP), and majority of products are manufactured from Olefins.

Engineering Thermoplastics Plastics in the Americas and Europe was part of Petrochemicals segment and having cross-regional business for engineering polymer solutions in Europe and America regions:

- Polymers products within ETP in Americas and Europe include a broad range of Polycarbonates (PC), Polybutylene Terephthalate (PBT) and Acrylonitrile Butadiene Styrene (ABS) resins, compounds and blends.
- The ETP in Americas and Europe chemicals products include Phenol and Acetone mainly in Americas.

The Chief Executive Officer monitors the results of the segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income statement and is measured consistently with profit or loss in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

36. SEGMENT INFORMATION (CONTINUED)

The segments' financial details are shown below:

	For the year ended 31 December 2025		
	Petrochemicals	Agri-nutrients	Continuing operations
Revenue	103,935,678	12,589,536	116,525,214
Depreciation and amortisation	(10,005,124)	(850,750)	(10,855,874)
Impairments and write-offs	(1,205,470)	-	(1,205,470)
Income from operations	331,322	4,035,672	4,366,994
Share of results of associates and non-integral joint ventures	(1,282,087)	1,315,542	33,455
Impairment loss from associates and joint ventures	(1,493,344)	-	(1,493,344)
Finance income			2,389,890
Finance costs			(4,038,693)
Income before zakat and income tax			1,258,302

	For the year ended 31 December 2024		
	Petrochemicals	Agri-nutrients	Continuing operations
Revenue	107,253,476	10,483,016	117,736,492
Depreciation and amortisation	(10,073,150)	(893,835)	(10,966,985)
Impairments and write-offs	(608,096)	-	(608,096)
Income from operations	6,401,868	3,024,645	9,426,513
Share of results of associates and non-integral joint ventures	126,386	787,121	913,507
Impairment loss from associates and joint ventures	(1,387,437)	-	(1,387,437)
Finance income			1,912,096
Finance costs			(2,768,639)
Income before zakat and income tax			8,096,040

	As at 31 December 2025		
	Petrochemicals	Agri-nutrients	Continuing operations
Total assets	207,682,909	27,647,759	235,330,668
Capital expenditure	6,536,874	788,983	7,325,857
Investments in associates and joint ventures	24,213,212	9,113,177	33,326,389
Total liabilities	78,180,071	4,305,225	82,485,296

	As at 31 December 2024 (Restated)		
	Petrochemicals	Agri-nutrients	Continuing operations
Total assets (Note 42)	249,620,220	24,299,998	273,920,218
Capital expenditure	9,427,133	773,096	10,200,229
Investments in associates and joint ventures (Note 42)	26,426,101	8,534,734	34,960,835
Total liabilities	89,192,915	4,907,719	94,100,634

GEOGRAPHICAL DISTRIBUTION OF REVENUE

	For the year ended 31 December 2025	%	For the year ended 31 December 2024	%
Rest of Asia	32,530,448	28	30,608,426	26
China	23,111,610	20	24,558,306	20
KSA	18,083,824	16	18,573,597	16
Americas	12,072,642	10	13,693,820	12
Europe	10,484,225	9	10,571,464	9
Africa	9,293,022	8	9,081,178	8
Others	10,949,443	9	10,649,701	9
	116,525,214	100	117,736,492	100

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

All amounts in thousands of Saudi Riyals unless otherwise stated

36. SEGMENT INFORMATION (CONTINUED)

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

	As at 31 December 2025		As at 31 December 2024	
		%		%
KSA	77,004,852	74	97,104,675	69
Americas	20,515,301	14	22,046,922	16
Europe	17,625,393	10	18,162,212	13
Asia	2,659,930	2	2,745,573	2
Africa	14,709	-	21,992	-
	117,820,185	100	140,081,374	100

GEOGRAPHICAL DISTRIBUTION FOR INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at 31 December 2025		As at 31 December 2024	
		%		%
KSA	27,848,502	83	28,678,957	81
Europe	5,175,491	15	6,233,912	18
Americas	531,146	2	522,916	1
	33,555,139	100	35,435,785	100

37. FINANCIAL RISK MANAGEMENT

OVERVIEW

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

37.1 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The maximum exposure to credit risk is the carrying value of these assets.

The Group's policies limit the amount of credit exposure to any individual counterparty based on their credit rating as well as other factors. Moreover, the Group's policies require that cash and cash equivalents and short-term investments be invested with a diversified group of financial institutions, in the majority of cases with investment grade credit ratings. The Group ensures that each counterparty is of an acceptable credit quality by relying on quantitative and qualitative measures compiled from internal and third party rating models.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.1 CREDIT RISK (CONTINUED)

	For the year ended 31 December 2025										
	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Other	Carry value in the statement of financial position
Bank balances and fixed term deposits	-	15,441	24,989	6,976,905	16,276,265	4,159,230	-	-	12,794	280,681	27,746,305
Investments in equity instruments	-	-	-	-	-	-	-	-	-	304,260	304,260
Investments in debt instruments	-	-	-	-	336,685	-	-	-	-	-	336,685
Short-term investments (i)	-	-	1,305,040	1,200,821	6,758,132	2,739,862	-	-	-	909,466	12,913,321
Other financial assets	-	-	-	1,928,683	-	-	-	-	-	3,780,777	5,709,460
	-	15,441	1,330,029	10,106,409	23,371,082	6,899,092	-	-	12,794	5,275,184	47,010,031

	For the year ended 31 December 2024										
	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Other	Carry value in the statement of financial position
Bank balances and fixed term deposits	-	8,930	419,076	1,437,608	24,403,846	3,840,774	153	-	4,499	423,913	30,538,799
Investments in equity instruments	-	-	-	-	-	-	-	-	-	253,402	253,402
Investments in debt instruments	-	-	-	187,500	-	-	-	-	-	149,082	336,582
Short-term investments (i)	-	-	259,512	245,735	4,279,377	2,653,413	-	-	-	226,646	7,664,683
Other financial assets	-	-	-	4,826,091	-	-	-	-	-	4,397,242	9,223,333
	-	8,930	678,588	6,696,934	28,683,223	6,494,187	153	-	4,499	5,450,285	48,016,799

(i) Excludes investments in debt instruments.

All amounts in thousands of Saudi Riyals unless otherwise stated

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.1 CREDIT RISK (CONTINUED)

TRADE RECEIVABLES

The Group's exposure to credit risk is influenced mainly be the individual characteristics of each customer. However, management also considers the customer demographics, including default risk of the industry and country in which customer operates, as these factors may have an influence on credit risk. Due to the global activities and diversified customer structure of the Group, there is no significant concentration of credit default risk.

The Group takes credit risk on trades with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Credit quality of the customer is assessed based on an extensive internal credit rating scorecard by considering the payment behaviour, company legal structure, financial and non-financial profile and external data where available. Credit limits are established accordingly and frequently monitored in accordance with the established policy. Payment terms are generally agreed upon individually with customers and, as a rule, are within 30-120 days. The Group considers additional measures to mitigate credit risk when deemed appropriate by means of letter of credits, credit insurance, bank guarantees or parent company guarantees.

The Group applies the simplified approach allowed by IFRS 9 *'Financial Instruments'* in providing for expected credit losses for trade receivables which uses the lifetime expected credit loss provision for all trade receivables. Such credit losses have historically been nominal and the loss allowance for trade receivables (refer to Note 17) is not material.

37.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities, as they fall due. Liquidity risk mainly relates to trade and other payables, borrowings, leases liabilities, and financial instruments. SABIC's approach to managing liquidity risk is to maintain sufficient cash and cash equivalents and short-term investments, and through ensuring the availability of adequate banking facilities (refer to Note 22).

At the group level liquidity risk is managed through, setting an appropriate liquidity framework, monitoring cash flow forecasts to ensure overall liquidity is available, maintaining a sufficient portfolio of assets that can be easily liquidated and through the use of a global cash pooling mechanisms.

The Group invests surplus funds in current accounts, fixed term deposits, money market deposits and marketable securities. The Group prioritizes security and liquidity over yield.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.2 LIQUIDITY RISK (CONTINUED)

The table below summaries the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	31 December 2025				
	Within 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
Debt (excludes lease liabilities)	10,973,221	895,631	10,448,095	10,132,000	32,448,947
Short-term borrowings	998,944	-	-	-	998,944
Interest on loans and borrowings (i)	1,300,190	1,140,619	2,549,266	2,166,939	7,157,014
Trade payables	17,103,449	-	-	-	17,103,449
Lease liabilities	482,300	323,189	487,597	6,958,277	8,251,363
Dividend payable	1,121,440	-	-	-	1,121,440
Other liabilities	3,409,455	-	-	-	3,409,455
Obligations to acquire the remaining shares of certain subsidiaries	-	-	-	959,644	959,644
Financial liabilities - derivative financial instruments	-	-	-	911,250	911,250
	35,388,999	2,359,439	13,484,958	21,128,110	72,361,506

	31 December 2024				
	Within 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
Debt (excludes lease liabilities)	1,768,422	3,761,221	14,414,977	8,110,000	28,054,620
Short-term borrowings	2,080,922	-	-	-	2,080,922
Interest on loans and borrowings (i)	1,209,466	892,653	1,803,029	1,949,145	5,854,293
Trade payables	19,793,604	-	-	-	19,793,604
Lease liabilities	1,148,117	795,754	1,536,982	6,791,128	10,271,981
Dividend payable	7,471,836	-	-	-	7,471,836
Other liabilities	2,851	-	-	-	2,851
Obligations to acquire the remaining shares of certain subsidiaries	-	-	-	880,894	880,894
Financial liabilities - derivative financial instruments	-	-	-	1,095,000	1,095,000
	33,475,218	5,449,628	17,754,988	18,826,167	75,506,001

(i) Excludes interest on lease.

All amounts in thousands of Saudi Riyals unless otherwise stated

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.3 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign equity prices, exchange rates and interest rates and will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has derivative financial instruments, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board Sustainability, Risk and EHSS Committee.

EQUITY PRICE RISK

The Group's exposure to equity price risk arises from investments in equity instruments. To manage its price risk arising from these investments, the Group diversifies its investment portfolio. Diversification of the investment portfolio is in accordance with the limits set by the Group.

CURRENCY EXCHANGE RATE RISK

The Group's foreign currency risk management objective is to protect future cash flows in Saudi Riyals and in USD. Cash flow foreign currency risk exposures are considered at the Group level and these primarily consist of currency exchange risks from account payables and receivables.

SABIC management centrally manage currency risk and monitor currency exposures through applying a value-at-risk (VaR) methodology, which is based on a Monte Carlo simulation, at a 97.5% confidence level, a 12-month time horizon is considered. If a foreign currency exposure breaches certain thresholds, then the Group will apply risk management activities. There is no exposure of Saudi Riyal to USD, as the Saudi Riyal is pegged to the USD.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To lower volatility and increase predictability of interest expenses, the Group may enter into simple financial derivative instruments such as interest rate swaps. During the years ended 2025 and 2024, the Group had no interest rate swaps outstanding.

Debt interest rate classification between fixed and variable rate borrowings is disclosed under Note 22. The total value of variable rate borrowings was ⃁ 25,510 million (2024: ⃁ 22,337 million) and the total value of fixed rate borrowings were ⃁ 7,768 million (2024: ⃁ 7,928 million).

The following table demonstrates the sensitivity of the Group to a reasonably possible change in interest rates, with all other variables held constant, of the Groups profit before tax (through the impact on floating rate borrowings):

	31 December 2025	
	Gains (losses) through income and equity	
	+100 bps	-100 bps
1M SOFR	(3,813)	3,813
6M SAIBOR	(5,800)	5,800
6M SOFR	(1,403)	1,403

	31 December 2024	
	Gains (losses) through income and equity	
	+100 bps	-100 bps
1M SAIBOR	(3,217)	3,217
6M SAIBOR	(2,072)	2,072
6M SOFR	(4,663)	4,663

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All amounts in thousands of Saudi Riyals unless otherwise stated

38. CAPITAL MANAGEMENT

The primary objective to the Group's capital management is to support its business and maximise shareholder value.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure and adjusts it, in light of change in economic conditions.

The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, and non-controlling interests. There were no changes in the Group's approach to capital management during the year. The Board of Directors also monitors the level of dividends to ordinary shareholders and capital management. Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

SABIC defines net debt as total borrowings net of cash and cash equivalents and short-term fixed term deposits.

The Group's net debt to equity ratio at the end of the reporting years is as follows:

As at 31 December	2025	2024
Gross debt	37,055,227	35,198,069
Less: Cash and cash equivalents	(27,746,328)	(30,539,668)
Less: Short-term fixed term deposits	(12,917,548)	(7,668,807)
Net debt	(3,608,649)	(3,010,406)
Total equity	154,819,541	183,443,209
Net debt to equity ratio	(2)%	(2)%

38.1 COMPLIANCE WITH COVENANTS

The Group owes total borrowing, with carrying amount of ⃁ 25,806 million as at 31 December 2025 (31 December 2024: ⃁ 22,732 million), which is subject to certain covenants.

The Group was in compliance with covenants at 31 December 2025 and 31 December 2024. There are no indications that there would be any difficulties complying with these covenants when they will be next tested at the interim date.

39. COMMITMENTS AND CONTINGENCIES

39.1 COMMITMENTS

At 31 December 2025, the Group had commitments of ⃁ 6,503 million (31 December 2024: ⃁ 8,715 million) relating to capital expenditures.

SABIC has an equity contribution commitment towards its 15% interest in MWSPC. As at 31 December 2025, the outstanding commitment toward this investment amounts to ⃁ 74 million (31 December 2024: ⃁ 74 million). Pursuant to the terms of agreements with the other shareholders and external lenders, SABIC has agreed to contribute additional funds to the project, under certain circumstances and to the extent required, in the event of project cost over-runs.

NUSANED has equity contribution commitments towards its 60% interest in NUSANED Fund II. As of 31 December 2025, the outstanding commitment toward this investment amounts to ⃁ 361 million (31 December 2024: ⃁ 431 million).

On 9 Rajab 1445H (corresponding to 21 January 2024), SABIC decided to move forward with the development of a world scale Petrochemical complex located in Fujian (China) in partnership with Fujian Fuhua Gulei Petrochemical Co., Ltd., the joint venture partner. SIIC, a subsidiary of SABIC, has 51% ownership in the joint venture SABIC Fujian Petrochemicals Co., Ltd. ("FUJIAN"). As of 31 December 2025, the outstanding equity commitments toward FUJIAN's capital is ⃁ 1,341 million (31 December 2024: ⃁ 2,826 million).

39.2 GUARANTEES

SABIC issues financial guarantee contracts to make specified payments to reimburse holders for losses incurred due to certain associates and joint ventures failing to make payments when due, in accordance with original or modified terms of the debt instrument, such as a loan

All amounts in thousands of Saudi Riyals unless otherwise stated

39. COMMITMENTS AND CONTINGENCIES (CONTINUED)

agreement modified terms of the debt instrument, such as a loan agreement.

There are no outstanding financial guarantees as at 31 December 2025 (31 December 2024: nil).

39.3 CONTINGENT LIABILITIES

In the ordinary course of business, SABIC has a number of legal claims. After having obtained appropriate legal advice, management is of the opinion that these claims will not have a significant adverse impact on the financial position of SABIC or its future results, other than those that have been accrued for.

The Group's bankers have issued, on its behalf, bank guarantees amounting to ⃁ 1,070 million (31 December 2024: ⃁ 1,150 million) in the normal course of business, mainly related to its integral joint ventures.

39.4 LEASES

The Group is deemed as a lessor in certain supply contracts where the agreements convey the right to use related equipment, mainly gas pipelines and other related accessories. The duration of the lease agreements is between 15 to 20 years which are a significant majority of the useful lives of the related assets. The lessor is responsible for maintenance and insurance of the assets.

Generally, there are minimum payments due from the lessee regardless of potential termination of the agreements. Renewal of lease agreements are possible but are subject to mutual agreement.

Minimum lease payment receivables on leases are as follows:

	31 December 2025	31 December 2024
Within 1 year	35,497	36,276
1 – 2 years	32,894	35,497
2 – 3 years	31,907	32,894
3 – 4 years	31,322	31,907
4 – 5 years	21,362	31,322
More than 5 years	135,053	164,851
	288,035	332,747

40. APPROPRIATIONS

On 6 Safar 1447H (corresponding to 31 July 2025), SABIC declared interim cash dividends upon the Board's decision for the first half of the year 2025 amounting to ⃁ 4,500 million (at ⃁ 1.50 per share). This has been distributed to the shareholders on 17 Rabi' Al-Awwal 1447H (corresponding to 9 September 2025).

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

On 13 Dhu'l-Qi'dah 1445H (corresponding to 21 May 2024), SABIC declared interim cash dividends upon the Board's decision for the first half of the year 2024 amounting to ⃁ 5,100 million (at ⃁ 1.70 per share). This has been distributed to the shareholders on 21 Rabi' Al-Awwal 1446H (corresponding to 24 September 2024).

All amounts in thousands of Saudi Riyals unless otherwise stated

41. SUBSEQUENT EVENTS

On 18 Rajab 1447H (corresponding to 7 January 2026), SABIC signed protocol agreements with AEQUITA SE &Co. KGaA (“AEQUITA”) and Mutares SE & Co KGaA (“MUTARES”) to acquire SABIC’s shares in SABIC Europe B.V. and SABIC’s Engineering Thermoplastics business in the Americas and Europe respectively (refer to Note 34). As of 3 March 2026, SABIC and the buyers have not completed the transactions and the carve-out financial statements. Any adjustments to the set of assumptions and underlying estimates of the fair valuation will be recognised in discontinued operations during 2026.

On 9 Ramadan 1447H (corresponding to 26 February 2026), the Board of Directors of SABIC Agri-Nutrients Company approved the merger of National Chemical Fertilizer Company (“IBN AL-BAYTAR”), a wholly owned subsidiary of SABIC Agri-Nutrients, with SABIC Agri-Nutrients Company and liquidation of IBN AL-BAYTAR after completion of the transaction and the call for an Extraordinary General Assembly meeting to approve the merger and fulfilment of the relevant regulatory requirements.

On 14 of Ramadan 1447H (corresponding to 3 March 2026), SABIC declared interim cash dividends amounting to ⃁ 4,500 million (at ⃁ 1.50 per share) for the second half of financial year 2025, resulting in a full year cash dividend distribution of ⃁ 9,000 million (at ⃁ 3.00 per share).

In the opinion of management, there have been no further significant subsequent events, other than those disclosed in these consolidated financial statements, since the year ended 31 December 2025, which would have a material impact on the financial position of the Group as reflected in these consolidated financial statements.

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42. RESTATEMENT

SABIC has restated its comparative consolidated statement of financial position as at 31 December 2024 and consolidated statement of changes in equity as at 1 January 2024, 31 December 2024 and 1 January 2025 with an amount of ⃁ 475 million related to one of its associates, Power and Water Utilities Company for Jubail and Yanbu (“MARAFIQ”), based on the restatements of Marafiq which were reported in its published annual consolidated financial statements for the year ended 31 December 2024. This was mainly due to Marafiq’s reassessment of one of its joint arrangements and lease agreements.

The impact of the above adjustment is presented in the table below:

At 1 January 2024	As previously reported	Restatement	Restated
Assets			
Investments in associates and joint ventures	41,237,301	(474,950)	40,762,351
Equity			
Retained earnings	28,116,139	(474,950)	27,641,189

31 December 2024	As previously reported	Restatement	Restated
Assets			
Investments in associates and joint ventures	35,435,785	(474,950)	34,960,835
Equity			
Retained earnings	20,056,576	(474,950)	19,581,626

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

SUBSIDIARIES OF THE GROUP ARE SET OUT BELOW:

	Country of incorporation	Country of operation	Principal business activity (ii)	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABIC International Holdings B.V. and its subsidiaries	Netherlands	Netherlands	Petrochemicals	100.00	100.00	727,907	1,120,345	38,156,601	38,241
Sabic Investment and Local Content Development Company (“NUSANED”) and its subsidiaries	KSA	KSA	Investment	100.00	100.00	426,200	3,542	-	-
SABIC Industrial Investments Company (“SIIC”) and its subsidiaries	KSA	KSA	Investments	100.00	100.00	30,000	-	-	-
SABIC Capital B.V. and its subsidiaries	Netherlands	Netherlands	Financing	100.00	100.00	87	-	240,279	866
SABIC Agri-Nutrients Company and its subsidiaries (“SABIC AN GROUP”) (iii)	KSA	KSA	Agri-Nutrients	50.10	50.10	4,760,354	-	94,256	-
Arabian Petrochemical Company (“PETROKEMYA”)	KSA	KSA	Petrochemicals	100.00	100.00	1,955,540	-	379,339	-
SABIC Luxembourg S.à r.l.	Luxembourg	Luxembourg	Petrochemicals	100.00	100.00	34,388	56,880	13,834,835	53
National Global Business Services Company (“NGBSC”)	KSA	KSA	Shared Service	100.00	100.00	100	-	-	-
Saudi European Petrochemical Company (“IBN ZAHR”)	KSA	KSA	Petrochemicals	80.00	80.00	1,025,666	-	89,411	-
Jubail United Petrochemical Company (“UNITED”)	KSA	KSA	Petrochemicals	75.00	75.00	2,495,620	-	75,645	-
Saudi Methanol Company (“AR-RAZI”)	KSA	KSA	Petrochemicals	75.00	75.00	259,000	-	216,607	-
National Industrial Gases Company (“GAS”)	KSA	KSA	Utilities	74.00	74.00	248,000	-	79,500	-
Yanbu National Petrochemical Company (“YANSAB”) (iii)	KSA	KSA	Petrochemicals	52.08	52.08	5,625,000	-	102,547	-
National Methanol Company (“IBN-SINA”)	KSA	KSA	Petrochemicals	50.00	50.00	558,000	-	65,576	-
Arabian Industrial Fibers Company (“IBN RUSHD”)	KSA	KSA	Petrochemicals	48.37	48.37	2,000,000	-	32,579	-
Saudi Kayan Petrochemical Company (“SAUDI KAYAN”) (iii)	KSA	KSA	Petrochemicals	35.00	35.00	15,000,000	-	200,654	-

Notes:

(i) Determination of the control over entities is based on underlying agreements and constitutive documents.

(ii) The principal activities of majority of the Group’s subsidiaries are manufacturing, marketing and distribution of petrochemicals, specialties and related products except for SABIC AN, AL BAYRONI and IBN AL-BAYTAR that are involved in agri-nutrients business.

(iii) YANSAB, SABIC AN GROUP, and SAUDI KAYAN are publicly traded companies and listed on the Saudi Exchange (Tadawul).

(iv) Conventional financial assets comprise cash, time deposits, short-term investments and investments in securities and represent 100% amounts of subsidiaries, associates, joint ventures and joint operations before elimination of intercompany transactions.

(v) Conventional financial liabilities comprise debt and represent 100% amounts of subsidiaries, associates, joint ventures and joint operations before elimination of intercompany transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC CAPITAL B.V.

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABIC Capital I B.V.	Netherlands	Netherlands	Financing	100.00	100.00	87	3,543,445	32,985,915	865,428
SABIC Capital II B.V.	Netherlands	Netherlands	Financing	100.00	100.00	87	1,240,340	3,771,706	5,634

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V.

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABIC US Holdings LP	USA	USA	Petrochemicals	100.00	100.00	13,971,335	2,891,731	-	-
SABIC Innovative Plastics Holding Singapore Pte. Ltd.	Singapore	Singapore	Petrochemicals	100.00	100.00	1,902,551	12,420	-	5,067
SABIC Innovative Plastics (China) Co., Ltd.	China	China	Petrochemicals	100.00	100.00	392,226	466,249	4,571	7,132
SABIC Innovative Plastics Hong Kong Ltd.	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	279,709	29,559	-	1,667
SABIC Innovative Plastics (SEA) Pte. Ltd.	Singapore	Singapore	Petrochemicals	100.00	100.00	265,596	133,068	178	4,359
SABIC R&T Pvt Ltd.	India	India	Petrochemicals	100.00	100.00	259,653	66,251	166	318
SABIC Ventures US Holdings LLC	USA	USA	Petrochemicals	100.00	100.00	231,046	67,309	-	20,550
SABIC (China) Research & Development Co. Ltd.	China	China	Petrochemicals	100.00	100.00	170,589	43,740	15	151
SABIC Global Ltd.	UK	UK	Petrochemicals	100.00	100.00	166,298	217,350	-	11,330
SABIC Innovative Plastics Chongqing Co., Ltd.	China	China	Petrochemicals	100.00	100.00	112,500	9,135	170,266	138
SABIC Australia Pty Ltd.	Australia	Australia	Petrochemicals	100.00	100.00	110,155	23,302	-	1,187
SABIC Taiwan Holding Ltd. (Hong Kong)	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	92,724	2,471	-	1,506
SABIC Korea Ltd.	Korea	Korea	Petrochemicals	100.00	100.00	86,659	64,149	8,312	1,755
Scientific Design Co. Inc.	USA	USA	Specialties	100.00	100.00	69,163	310	18,355	105
SABIC US Projects LLC	USA	USA	Petrochemicals	100.00	100.00	56	851,489	747,987	-
SABIC Innovative Plastics India Private Ltd.	India	India	Petrochemicals	100.00	100.00	34,372	108,037	263	535
SABIC (Thailand) Co. Ltd.	Thailand	Thailand	Petrochemicals	100.00	100.00	28,785	24,429	253	-
SABIC Innovative Plastics SIT Holding Ltd.	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	27,358	447	-	-
SABIC (Shanghai) Trading Co. Ltd.	China	China	Petrochemicals	100.00	100.00	16,912	344,204	-	917
SABIC Innovative Plastics Malaysia Sdn Bhd	Malaysia	Malaysia	Petrochemicals	100.00	100.00	162,251	13,016	-	528
SABIC Americas LLC	USA	USA	Petrochemicals, Agri-Nutrients	100.00	100.00	7,000	433,567	4,377	-
SABIC Petrochemicals Japan LLC	Japan	Japan	Petrochemicals	100.00	100.00	3,631	6,845	-	220
SABIC India Pvt. Ltd.	India	India	Petrochemicals	100.00	100.00	3,346	36,012	2,669	-
SABIC Vietnam Company Ltd.	Vietnam	Vietnam	Petrochemicals	100.00	100.00	1,875	4,233	995	-
SABIC Asia Pacific Pte Ltd (“SAPPL”)	Singapore	Singapore	Petrochemicals, Agri-Nutrients	100.00	100.00	226	1,015,891	1,622,638	48,987

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABIC Innovative Plastics International Trading (Shanghai) Ltd.	China	China	Petrochemicals	100.00	100.00	1,162	56,762	-	101
SD Verwaltungs GmbH (i)	Germany	Germany	Administrative Company	-	100.00	-	-	-	-
SABIC Ventures B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	98	199,289	-	10,007
SABIC Innovative Plastics Holding B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	345,002	-	13,079
SABIC (China) Holding Co., Ltd	China	China	Petrochemicals	100.00	100.00	113,250	2,178,218	438,733	14,172
LLC SABIC Eastern Europe	Russia	Russia	Petrochemicals	100.00	100.00	1	6,232	227	-
SABIC Licensing B.V.	Netherlands	Netherlands	License Company	100.00	100.00	99	626,448	-	24,891
SABIC Global Technologies B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	200,038	540	11,296
SABIC Petrochemicals Holding US, LLC	USA	USA	Petrochemicals	100.00	100.00	1	190,763	7	-
SABIC Innovative Plastics (Fujian) Co., Ltd. (ii)	China	China	Petrochemicals	100.00	-	42,376	32,711	-	1
SHPP Holding B.V. (iii)	Netherlands	Netherlands	Specialties	100.00	100.00	2	107,920	-	4,056
Jadeed Holding B.V. (iv)	Netherlands	Netherlands	Petrochemicals	100.00	-	1	1	-	-
Plastics US Holdings LLC (iv)	USA	USA	Petrochemicals	100.00	-	22,135,448	-	-	-
SABIC Europe B.V. (v)	Netherlands	Netherlands	Petrochemicals	100.00	100.00	747,092	2,834,734	2,832	28,697

Notes:

(i) SD Verwaltungs GmbH was liquidated in 2025.
(ii) SABIC Innovative Plastics (Fujian) Co., Ltd. was incorporated in 2025.
(iii) SABIC International Holdings B.V. has investments in a number of subsidiaries that are held through SHPP Holding B.V.
(iv) Jadeed Holding B.V. and Plastics US Holdings LLC were incorporated in 2025. As at 31 December 2025, these companies together with their respective subsidiaries have been reclassified as part of disposal group, ETP in Americas and Europe (refer to Note 34).
(v) As at 31 December 2025, SABIC Europe B.V. together with its respective subsidiaries, have been reclassified as part disposal group, EP (refer to Note 34).

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43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of SHPP Holding B.V.									
SHPP Singapore Pte. Ltd.	Singapore	Singapore	Specialties	100.00	100.00	1,827,525	802,891	22,837	33,304
SHPP (Shanghai) Co., Ltd.	China	China	Specialties	100.00	100.00	432,713	181,052	5,197	1,238
SHPP Japan LLC	Japan	Japan	Specialties	100.00	100.00	276,755	73,089	4,737	702
SHPP Canada, Inc.	Canada	Canada	Specialties	100.00	100.00	209,100	59,085	42	1,553
SHPP Manufacturing UK Ltd	UK	UK	Specialties	100.00	100.00	80,052	27,158	5,089	1,041
SHPP Thailand Co. Ltd.	Thailand	Thailand	Specialties	100.00	100.00	70,904	106,567	40	6
SHPP Korea Ltd.	Korea	Korea	Specialties	100.00	100.00	63,634	29,094	84	3
SHPP South America-Comércio de Plásticos Ltda	Brazil	Brazil	Specialties	100.00	100.00	44,317	20,172	22	5
High Performance Plastics Manufacturing Mexico S de RL de CV	Mexico	Mexico	Specialties	100.00	100.00	13,839	9,198	407	373
SHPP Hong Kong	Hong Kong	Hong Kong	Specialties	100.00	100.00	12,652	26,808	-	1,753
SHPP France S.A.S.	France	France	Specialties	100.00	100.00	9,834	14,550	259	256
SABIC High Performance Plastic (“SHPP”) Argentina SRL (i)	Argentina	Argentina	Specialties	-	100.00	-	-	-	-
SHPP Malaysia Sdn Bhd	Malaysia	Malaysia	Specialties	100.00	100.00	904	5,594	-	-
SHPP Vietnam Co Ltd	Vietnam	Vietnam	Specialties	100.00	100.00	375	12,369	53	-
SHPP Germany GmbH	Germany	Germany	Specialties	100.00	100.00	105	34,054	658	753
SHPP Italy Srl	Italy	Italy	Specialties	100.00	100.00	44	30,546	116	526
SHPP Sales Italy Srl	Italy	Italy	Specialties	100.00	100.00	44	13,545	710	346
SHPP Hungary Kft.	Hungary	Hungary	Specialties	100.00	100.00	37	2,116	182	73
SHPP Petrokimya Ticaret Ltd Sirketi	Turkey	Turkey	Specialties	100.00	100.00	34	1,743	-	-
High Performance Plastics India Pvt Ltd.	India	India	Specialties	100.00	100.00	19	15,854	19,545	-
SHPP Manufacturing Spain SL	Spain	Spain	Specialties	100.00	100.00	13	1,819	591	27
SHPP Marketing Plastics SL	Spain	Spain	Specialties	100.00	100.00	13	6,478	145	137
SHPP Finland OY	Finland	Finland	Specialties	100.00	100.00	11	1,753	256	44
SHPP Poland Sp. Z o.o.	Poland	Poland	Specialties	100.00	100.00	5	6,009	154	222

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All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of SHPP Holding B.V.									
SHPP Czech s.r.o.	Czech Republic	Czech Republic	Specialties	100.00	100.00	2	3,296	46	75
SHPP Capital B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	1,913	-	329
SHPP Russia OOO	Russia	Russia	Specialties	100.00	100.00	1	55	-	-
SHPP Sales B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	19,690	-	315
SHPP Sales UK Ltd.	UK	UK	Specialties	100.00	100.00	1	2,495	-	61
SHPP Ventures B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	211	-	5
SHPP B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	-	834,294	280
SHPP Global Technologies B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	3,955	-	125
SHPP Capital I B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	328,280	347,792	105,809
SHPP Capital II B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	488,274	496,720	14,082
SHPP US LLC	USA	USA	Specialties	100.00	100.00	1	489,180	369,523	-
Subsidiaries of Plastics US Holdings LLC									
SABIC Innovative Plastics US LLC	USA	USA	Petrochemicals	100.00	100.00	10,603,212	7,277	10,554,902	-
Subsidiaries of Jadeed Holdings B.V.									
SABIC Innovative Plastics Mt. Vernon, LLC (i)	USA	USA	Petrochemicals	-	100.00	-	-	-	-
SABIC Innovative Plastics España SL	Spain	Spain	Petrochemicals	100.00	100.00	2,603,643	144,149	117,394	11,297
SABIC Innovative Plastics B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	648,567	7,157	5,466,824	8,178
Exatec, LLC (i)	USA	USA	Petrochemicals	-	100.00	-	-	-	-
SABIC Innovative Plastics South America - Indústria e Comércio de Plásticos Ltda.	Brazil	Brazil	Petrochemicals	100.00	100.00	402,570	108,834	4,833	2,388
SABIC Innovative Plastics Mexico S de RL de CV	Mexico	Mexico	Petrochemicals	100.00	100.00	36,215	37,044	123,099	5,268
SABIC Innovative Plastics Argentina SRL	Argentina	Argentina	Petrochemicals	100.00	100.00	33,460	16,253	-	-
SABIC Innovative Plastics Ltd.	UK	UK	Petrochemicals	100.00	100.00	17,478	16,855	-	1,245
SABIC Innovative Plastics France S.A.S.	France	France	Petrochemicals	100.00	100.00	4,527	10,305	601	1,508
SABIC Innovative Plastics Finland OY	Finland	Finland	Petrochemicals	100.00	100.00	3,024	5,288	19	290
SABIC Innovative Plastics Poland Sp. Z o.o.	Poland	Poland	Petrochemicals	100.00	100.00	1,817	52,576	419	2,621

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43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of Jadeed Holdings B.V. (continued)									
Saudi Innovative Plastics Sweden AB (ii)	Sweden	Sweden	Petrochemicals	100.00	100.00	1	-	-	229
SABIC Innovative Plastics GmbH	Germany	Germany	Petrochemicals	100.00	100.00	478	227,134	952	5,831
SABIC Innovative Plastics Holding Germany GmbH	Germany	Germany	Petrochemicals	100.00	100.00	254	-	107,695	475
SABIC Innovative Plastics GP B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	62,209	-	1,670
SABIC Innovative Plastics Denmark Aps	Denmark	Denmark	Petrochemicals	100.00	100.00	69	27,674	134	631
SABIC Innovative Plastics Kereskedelmi Kft.	Hungary	Hungary	Petrochemicals	100.00	100.00	66	2,781	152	1,137
SABIC Sales Italy Srl	Italy	Italy	Petrochemicals	100.00	100.00	41	19,962	393	282
SABIC Innovative Plastics Czech s.r.o.	Czech Republic	Czech Republic	Petrochemicals	100.00	100.00	37	1,548	180	251
SABIC Sales Spain SL	Spain	Spain	Petrochemicals	100.00	100.00	12	7,223	63	357
SABIC Innovative Plastics Utilities B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	1	4,046	-	126
SABIC Canada, Inc.	Canada	Canada	Petrochemicals	100.00	100.00	750	16,388	11	1,282
Subsidiaries of SABIC Europe B.V.									
SABIC UK Petrochemicals Ltd.	UK	UK	Petrochemicals	100.00	100.00	2,576,265	-	1,168,224	7,501
SABIC Tees Holdings Ltd.	UK	UK	Petrochemicals	100.00	100.00	1,245,003	331	1,637,672	955
SABIC Belgium NV	Belgium	Belgium	Petrochemicals	100.00	100.00	210,064	23,796	38,081	248
SABIC Petrochemicals B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	192,086	4,156	6,730,500	39,200
Petrochemical Pipeline Services B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	13,559	51,464	6,146	574
NV Pijpleiding Antwerpen-Limburg-Luik (PALL)	Belgium	Belgium	Support services	100.00	100.00	12,345	-	20,438	41
SABIC Nordic A/S	Denmark	Denmark	Petrochemicals	100.00	100.00	2,004	2,787	116	322
SABIC France S.A.S.	France	France	Petrochemicals	100.00	100.00	1,898	27,907	295	1,354
SABIC Italia Srl	Italy	Italy	Petrochemicals	100.00	100.00	514	31,464	3,374	1,360
SABIC Sales Europe B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	498	647,659	-	9,424
SABIC Marketing Ibérica S.A.	Spain	Spain	Petrochemicals	100.00	100.00	329	41,956	199	1,923
SABIC Polyolefine GmbH	Germany	Germany	Petrochemicals	100.00	100.00	127	333,263	53,193	7,883
SABIC Deutschland GmbH	Germany	Germany	Petrochemicals	100.00	100.00	125	146,843	2,082	5,295

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of SABIC Europe B.V. (continued)									
SABIC Holding Deutschland GmbH	Germany	Germany	Petrochemicals	100.00	100.00	125	83,184	726,784	2,839
SABIC Limburg B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	90	126,244	-	-
SABIC Poland Sp. Z o.o.	Poland	Poland	Petrochemicals	100.00	100.00	50	21,951	963	1,057
SABIC Hungary Kft.	Hungary	Hungary	Petrochemicals	100.00	100.00	40	2,294	171	319
SABIC UK Ltd.	UK	UK	Petrochemicals	100.00	100.00	-	43,584	-	2,432
SABIC UK Pension Trustee Ltd.	UK	UK	Petrochemicals	100.00	100.00	-	-	-	-
SABIC Manufacturing Geleen BV	Netherlands	Netherlands	Petrochemicals	100.00	100.00	1	-	-	-
SABIC Plastic Energy Advanced Recycling B.V (refer to Note 10.3)	Netherlands	Netherlands	Petrochemicals	76.00	-	36,649	1,328	-	-

Notes:

(i) SABIC High Performance Plastic Argentina SRL, SABIC Innovative Plastics Mt. Vernon LLC and Exatec, LLC were liquidated in 2025.

(ii) Saudi Innovative Plastics Sweden AB is under liquidation.

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SIIC

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABCAP Insurance Limited	Guernsey	Guernsey	Insurance	100.00	100.00	187,500	458,481	-	-
SABIC Petrokemya Ticaret Limited	Turkey	Turkey	Petrochemicals	100.00	100.00	931	51,056	-	39
SABIC Pakistan (Pvt.) Ltd.	Pakistan	Pakistan	Petrochemicals	100.00	100.00	907	10,181	1,028	1,232
SABIC Kenya	Kenya	Kenya	Petrochemicals	100.00	100.00	883	1,738	1,494	20
SABIC Tunisia	Tunisia	Tunisia	Petrochemicals	100.00	100.00	763	1,614	-	49
SABIC Morocco	Morocco	Morocco	Petrochemicals	100.00	100.00	437	12,468	-	-
SABIC Middle East Offshore Company (“SABIC MIDDLE EAST”) (i)	Lebanon	Lebanon	Petrochemicals	100.00	100.00	75	69	-	-
SABIC Middle East Business Management LLC	Jordan	Jordon	Petrochemicals	100.00	100.00	76	-	336	-
SABIC Global Mobility (“GMC LLC”)	UAE	UAE	Personnel and other support services	100.00	100.00	51	-	1	-
SABIC Gulf, LLC (ii)	UAE	UAE	Marketing services	100.00	-	531	-	-	-
SABIC Innovative Plastics Rus Z.o.o	Russia	Russia	Petrochemicals	100.00	100.00	1	3,077	581	-
SABIC South Africa Proprietary Ltd.	South Africa	South Africa	Petrochemicals	99.99	100.00	1	3,192	3,321	91
SABIC East Africa for Trade and Marketing LLC	Egypt	Egypt	Petrochemicals	99.99	99.99	47	8,767	5,711	-
International Shipping and Transportation Co. (“ISTC”)	KSA	KSA	Supply chain	99.00	99.00	40,000	-	352,817	-
SABIC Supply Chain Services Limited Company (“SSCS”)	KSA	KSA	Supply chain	99.00	99.00	500	-	122,354	-
SABIC Terminal Services (“SABTANK”)	KSA	KSA	Supply chain	90.00	90.00	30,000	-	7,305	-
Jubail Chemical Storage and Services Company (“CHEMTANK”)	KSA	KSA	Supply chain	58.00	58.00	466,250	-	56,557	-

Notes:

(i) SABIC Middle East is under liquidation.

(ii) SABIC Gulf, LLC was established in 2025.

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS OF SABIC AN (I)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
Al-Jubail Fertiliser Company ("AL BAYRONI")	KSA	KSA	Agri-Nutrients and Petrochemicals	50.00	50.00	671,500	-	70,964	-
National Chemical Fertiliser Company ("IBN AL-BAYTAR")	KSA	KSA	Agri-Nutrients	100.00	100.00	494,700	-	50,091	-
SABIC Agri-Nutrients Investment Company ("SANIC")	KSA	KSA	Agri-Nutrients	100.00	100.00	25	-	-	-
Associates									
Gulf Petrochemical Industries Company ("GPIC")	Bahrain	Bahrain	Agri-Nutrients	33.33	33.33	600,000	-	1,224	-
Joint Ventures									
ETG Inputs Holdco Limited ("EIHL")	UAE	UAE	Agri-Nutrients	49.00	49.00	229	-	-	-

Notes:

(i) SABIC AN owns 100% (direct and indirect) in SANIC and IBN AL-BAYTAR, 50% in AL-BAYRONI, 33.33% in GPIC and 49% in EIHL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES OF NUSANED

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Joint ventures (i)									
Advanced Energy Storage System Investment Company (“AESSIC”) (ii)	KSA	KSA	Renewable Energy	100.00	100.00	500	-	-	-
Saudi Pallet Manufacturing Company (“SPMC”) (iii)	KSA	KSA	Logistic	38.00	38.00	61,273	-	-	-
Isotopes Company (“IHC”) (iv)	KSA	KSA	Machinery Equipment	31.95	13.44	26,188	628	5,100	-
Associates (i)									
Nusaned Fund I (v)	KSA	KSA	Equity Investments	50.00	50.00	71,275	-	-	-
Nusaned Fund II (v)	KSA	KSA	Equity Investments	60.00	60.00	88,334	84,667	239	-

Notes:

(i) Determination of the classification of these investments as associates and joint ventures is based on underlying agreements and constitutive documents.

(ii) AESSIC is a limited liability company and as per share exchange agreement, Nusaned has acquired remaining 51.28% equity stake in AESSIC during 2024 and it is under liquidation.

(iii) SPMC is engaged in the production of plastic pallets and products using roto mold method, and during 2024 this investment was written off.

(iv) IHC is engaged in supply of radioisotopes and associated services for industrial and medical end-use sectors.

(v) Nusaned Funds are engaged in investments in companies operating within the Petrochemicals value chain. The share capital of the funds represents the net assets at the reporting date.

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

GROUP'S INVESTMENTS IN ASSOCIATES:

				% Shareholding (direct and indirect) at					
	Country of incorporation	Country of operation	Principal business activity	31 December 2025	31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Associates (i)									
Clariant AG ("CLARIANT")	Switzerland	Switzerland	Specialty chemical	31.50	31.50	2,095,736	1,935,613	3,419,112	84,771
Ma'aden Phosphate Company ("MPC")	KSA	KSA	Agri-Nutrients	30.00	30.00	6,208,480	-	164.919	-
Power and Water Utilities Company for Jubail and Yanbu ("MARAFIQ")	KSA	KSA	Utilities	17.50	17.50	2,500,000	-	8.040.468	-
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC")	KSA	KSA	Agri-Nutrients	15.00	15.00	7,942,502	-	6,449	-
National Chemical Carrier Company ("NCC")	KSA	KSA	Transportation	20.00	20.00	610,000	-	-	-
Saudi Arabian Industrial Investment Company ("DUSSUR")	KSA	KSA	Investments	25.00	25.00	3,850,000	-	259,977	-
ARG mbH & Co KG ("ARG") (ii)	Germany	Germany	Transportation	25.00	25.00	27,428	-	-	-
ARG Verwaltungs GmbH (ii)	Germany	Germany	Administrative company	16.67	16.67	119	-	-	-
German Pipeline Development Company GMBH ("GPDC") (iii)	Germany	Germany	Transportation	39.00	39.00	110	2,756	20,923	-
Mallinda, Inc. ("MALLINDA") (iv)	USA	USA	Ventures	-	26.20	-	-	-	-
Gulf Aluminium Rolling Mill Company ("GARMCO") (iv)	Bahrain	Bahrain	Aluminium	14.90	14.90	551,823	-	-	-

Notes:

(i) Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.

(ii) ARG includes ARG Verwaltungs GmbH which is administrative and non-operating company based in Germany. During the year ended 31 December 2025, these investments are reclassified to assets held for sale.

(iii) During the year ended 31 December 2025, GPDC is reclassified to assets held for sale.

(iv) Investment in Mallinda was disposed during 2025, whereas investment in GARMCO was fully written off during 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

GROUP'S INVESTMENTS IN JOINT ARRANGEMENTS:

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Joint ventures (i)									
Eastern Petrochemical Company ("SHARQ")	KSA	KSA	Petrochemicals	50.00	50.00	1,890,000	-	165,062	-
Saudi Yanbu Petrochemical Company ("YANPET")	KSA	KSA	Petrochemicals	50.00	50.00	4,596,000	-	199,169	-
Al-Jubail Petrochemical Company ("KEMYA")	KSA	KSA	Petrochemicals	50.00	50.00	2,149,000	-	153,178	-
SINOPEC/SABIC Tianjin Petrochemical Company Limited ("SSTPC")	China	China	Petrochemicals	50.00	50.00	4,518,309	516,941	-	-
SABIC SK Nexlene Company Pte. Ltd. ("SSNC")	Singapore	Singapore	Petrochemicals	50.00	50.00	1,125,038	-	-	-
Cosmar Company ("COS-MAR") (ii)	USA	USA	Petrochemicals	50.00	50.00	1,050,000	61,593	-	-
Utility Support Group ("USG") B.V. (iii)	Netherlands	Netherlands	Utilities	50.00	50.00	79	327,431	680,265	-
SABIC Fujian Petrochemicals Co., Ltd. ("FUJIAN")	China	China	Petrochemicals	51.00	51.00	5,433,750	280,608	522,214	1,059
Joint operations (iv)									
Saudi Methacrylates Company ("SAMAC") (v)	KSA	KSA	Petrochemicals	50.00	50.00	1,350,000	-	157,129	-
Gulf Coast Growth Venture LLC ("GCGV") (vi)	USA	USA	Petrochemicals	50.00	50.00	24,701,497	-	-	-
Saudi Acrylic Butanol Company ("SABUCO") (vii)	KSA	KSA	Petrochemicals	11.67	11.67	-	-	-	-
Geismar (viii)	USA	USA	Petrochemicals	11.50	11.50	-	-	-	-

Notes:

(i) Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.

(ii) COS-MAR is a joint venture with Total Energy in Carville, Louisiana producing styrene monomer, and SABIC owns a 50% share. The total share capital presented above represent venturers' equity of both shareholders.

(iii) USG (Geleen, Netherlands), which is operated jointly with other stakeholders to produce utilities for a production site. During the year ended 31 December 2025, USG is reclassified to assets held for sale.

(iv) The Group holds a joint control in each of these joint operations with the respective partners. The partners ensure the ongoing financing of the companies, either by the product and utility directly sold to the partners or sharing the costs. Refer to Note 6.2 which explains the classification of these investments as joint operations based on underlying agreements and constitutive document.

(v) SAMAC is a Limited Liability Company, registered in KSA and involved in production and selling of Methyl Methacrylate ("MMA") and Poly Methyl Methacrylate ("PMMA").

(vi) Gulf Coast Growth Venture LLC ("GCGV") is a joint venture established with Exxon Mobil (a foreign partner) for the production of petrochemicals products.

(vii) SABUCO, a Saudi based mixed limited liability company, having principal activities comprise of Butanol plant in Jubail for production of N-Butanol and Iso-Butanol. SABUCO is owned 33.33% by SAUDI KAYAN and SABIC share is 11.67%.

(viii) Geismar, Louisiana, USA, is a cooperation with NOVA Chemicals to produce ethylene. The Group holds 11.5% share in this joint operation and controls it jointly with the partner.