Annual Board Report

"Methanol Chemicals Company"Chemanol

2025

شركة كيمائيات الميثانول (كيمانول)

شركة مساهمة سعودية مدرجة في السوق المالية السعودية — رمز التداول: 2001 السجل
التجاري: 2055001870 · الجبيل الصناعية، المملكة العربية السعودية

Methanol Chemicals Company

OPERATIONAL AND FINANCIAL SUMMARY

Fiscal Year 2025

SALES REVENUE (SECTION 8)

SAR 621.93 Million

Compared to SAR 668.81 Million in 2024 – a decrease of 11.85%

GROUP NET LOSSES (SECTION 13)

SAR 479.7 Million

Parent Company: SAR 162.2 Million (34%) and Subsidiaries: SAR 317.5 Million (66%)

TOTAL PRODUCTION (SECTION 8)

626,557 Metric Tons

An 11.4% decrease from 2024

EXPORTS (SECTION 1)

67% of Total Sales

12 products exported to more than 75 countries

PRODUCTION CAPACITY (SECTION 1)

Approximately 1 Million Metric Tons

An integrated industrial complex in Jubail Industrial City

SAUDIZATION / LOCALIZATION (SECTION 7)

71%

Achieved a 100% rating on the Ministry of Human Resources' Self-Assessment Platform

CAPITAL (SECTION 1)

SAR 674.5 Million

67,450,863 shares with a nominal value of SAR 10 per share

NUMBER OF CUSTOMERS

1,000 Customers

20% of customers are within the Kingdom

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BOARD MEMBERS

Chairman
Mr. Fahad Fozan Al-Shaya
Vice Chairman
Mr. Abdullah Sulaiman Al-Sayari
Members
Mr. Yousif Abdullah Abdul Aziz Al-Rajhi
Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh
Eng. Sultan Saleh Al-Khomashi
Mr. Abdullah Mushabab Al-Qahtani
Mr. Fahad Saud Al-Omran
Mr. Basem Mohammed Bahloul

CHAIRMAN'S STATEMENT

Dear Valued Shareholders of Methanol Chemicals Company (Chemanol),

On behalf of the Board of Directors, I am honored to extend our deepest gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdul-Aziz Al-Saud, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdul-Aziz Al-Saud for their boundless support of the manufacturing and downstream industries. This sector stands as a fundamental pillar in the Kingdom's journey toward achieving the ambitious goals of Saudi Vision 2030.

The year 2025 has been a year of dedicated effort in Chemanol's journey. Despite our continuous endeavors to strengthen the Company's global market position and enhance its competitive efficiency, our operations have faced challenges arising from market dynamics and global economic conditions, alongside internal obstacles that we are working diligently to address and overcome to ensure operational stability and continuity. In this regard, safeguarding our shareholders' rights and interests remains our highest priority, as we take all necessary measures to protect and grow their investments.

Our confidence in Chemanol's ability to navigate this phase stems from our unwavering commitment to elevating operational and financial performance, correcting courses of action, and bolstering our market presence through a highly resilient business model. We are moving steadily toward entrenching financial and operational discipline to safeguard the Company's assets, while adhering to the highest standards of transparency and governance in all our directions and decisions.

We look toward the future with optimism, determined that Chemanol will remain a key contributor to the national economy, in alignment with the aspirations of our wise leadership and the objectives of Saudi Vision 2030.

In conclusion, we extend our sincere gratitude to our shareholders for their steadfast trust and support. We also highly commend the efforts of the Executive Management and all Company personnel for their unwavering dedication to overcoming current challenges.

Fahad Fozan Al-Shaya

Chairman of Board of Directors

1. ABOUT THE COMPANY

Methanol Chemicals Company (Chemanol) is a Saudi joint-stock company listed on the Saudi Exchange (Tadawul), registered under Commercial Registration No. (2055001870). The Company's share capital is SAR 674,508,630, divided into 67,450,863 ordinary shares with a nominal value of SAR 10 per share. Headquartered in Jubail Industrial City, the Company boasts a total annual production capacity of approximately one million metric tons. The Company is a key player in global markets, exporting 12 products to more than 75 countries worldwide, with exports averaging over 75% of total sales over the past ten years. In 2025, international exports accounted for approximately 67% of total sales volume.

The Company's core business focuses on the production and marketing of a wide range of chemical products, with Methanol serving as the primary feedstock for its integrated value chain. Our product portfolio includes methanol derivatives, formaldehyde-based products, and specialty chemicals, such as: Superplasticizers, Pentaerythritol, Hexamethylenetetramine (Hexamine), Monomethylamine, Dimethylamine, Trimethylamine, Dimethylformamide (DMF), Aq. Formaldehyde, Paraformaldehyde, Acetaldehyde, Amino Resins (Urea & Melamine based), Carbon Monoxide, Sodium Formate.

The following table outlines the Company's products and their respective annual production capacities*:*

Product	Capacity (MTY)
Aqueous & Urea Formaldehyde (AF – 37 & UFC – 85)	300,000
Methanol	231,000
Sulphonated Naphthalene Formaldehyde (SNF)	163,020
Dimethylformamide (DMF)	60,000
Dimethylamines (DMA)	50,000
Carbon Monoxide	33,000
Mono Pentaerythritol (Penta)	20,000
Formaldehyde RESINS (UF, MF & MUF)	13,200
Acetaldehyde	8,000
Sodium Formate (Sofo)	12,000
Hexamine (HMT)	9,600
Paraformaldehyde (Para)	8,000

*Including intermediate products which are converted into finished products.

2. COMPREHENSIVE QUALITY

Chemanol is committed to implementing the highest international standards in Quality, Safety, and Environment (QSE). In line with this commitment, the Company adopted the ISO 9001 Quality Management System in 2000 as a strategic tool to achieve its objectives through continuous self-assessment of internal and external activities. Furthermore, Chemanol has been certified under the Responsible Care system (RC 14001) and the Laboratory Management System (ISO 17025) since 2015, in addition to obtaining the ISO 50001 Energy Management System certification at the beginning of 2025. The Company remains dedicated to maintaining and updating all its certifications by fulfilling internal and external audit requirements, viewing these credentials as a significant value-add to its products and operations.

3. ENERGY EFFICIENCY PROGRAM

The Company has successfully completed the first phase of its Energy Efficiency and Conservation Program and is currently progressing through the second phase in full alignment with the standards and policies of the Saudi Energy Efficiency Center (SEEC).

The following table presents the actual and target performance indicators for the Methanol, Dimethylformamide (DMF), and Formaldehyde plants under the Energy Efficiency Program, which commenced in 2011. Phase I was concluded in 2019, while Phase II began in 2021 and concluded at the end of 2025. Furthermore, the Company targets to launch Phase III in 2026, with a planned duration of five years.

Plants under the Supervision of SEEC Program	
	Energy Intensity Achieved 2025 (MMBtu/Tons
Methanol plant	37.92
Methylamine & Dimethyl Formamide Plant	29.29
Formaldehyde plant 30000	- 0.79
Formaldehyde plant 33000	- 3.76

This data has been calculated through an energy efficiency program and is pending approval.

Most of the Company's plants under the Energy Efficiency Program achieved distinguished results in energy consumption reduction, driven by improved operational performance and optimized resource utilization. The Company continues to pursue the highest efficiency standards by enhancing and developing its systems and improving the operational performance of the plants covered under the Saudi Energy Efficiency Center (SEEC) program. Furthermore, the Company is working toward full compliance through an SEEC-approved roadmap, which includes increasing the Methanol plant's production capacity and implementing the ISO 50001 Energy Management System to ensure precise monitoring and optimal operation of all equipment.

4. RELIABILITY

In line with the Company's commitment to enhancing preventive maintenance programs and performance during 2025, several strategic initiatives were implemented to maximize operational efficiency across all sectors. These efforts resulted in full adherence to the Risk-Based Inspection (RBI) program, the Reliability-Centered Maintenance (RCM) program, and the Mean Time Between Failures (MTBF) program. Additionally, the Predictive Maintenance program's performance improved to 85.3% in 2025, up from 83.9% in 2024. These programs have collectively contributed to a tangible reduction in production losses caused by unplanned downtime, while simultaneously enhancing plant productivity and operational efficiency.

As a result of these sustained efforts since the launch of the Reliability Program in 2021, the Service Factor has improved from 95.4% to 99.2% in 2025. On the production front, the Methanol Complex—which includes Methanol, Methylamines, Dimethylformamide (DMF), and Formaldehyde Liquid—achieved its highest production rates since its commissioning in 2009. The Methanol plant played a central role in this achievement, setting a new production record since its inception. Furthermore, the Hexamine plant within the Formaldehyde Complex recorded its highest production level since it commenced operations in 2004.

5. SUBSIDIARY COMPANIES

Name of Subsidiary	Capital	Chemanol Ownership	The main activities of the subsidiary	Head office
ADDAR Chemicals Company (ACC)	64,000,000	84%	Manufacture of Basic Organic Chemicals	Kingdom of Saudi Arabia
Global Chemicals Industries (GCI)	17,000,000	80%	Manufacture of Basic Organic Chemicals	Kingdom of Saudi Arabia
Madarat Al Zara	2,000,000	60%	Manufacture of Basic Organic Chemicals	Kingdom of Saudi Arabia

During the previous Board of Directors' term, the Company acquired an 84% stake in Addar Chemicals Company (ACC) and an 80% stake in the Global Company for Chemical Industries (GCI). These acquisitions had a material negative impact on Chemanol's results during the financial years 2024 and 2025, resulting in a significant increase in the Company's losses. This was driven by the poor financial performance of both companies, in addition to technical issues arising from design flaws, which ultimately led to the failure to achieve the projected future cash flows for the acquired entities.

Consequently, a full goodwill impairment of SAR 127 million was recognized as of December 31, 2024. Additionally, operating expenses and impairment losses on the subsidiaries' assets were recognized during the second quarter of the financial year 2025, bringing the total estimated losses associated with these acquisitions to approximately SAR 428 million.

Given the negative financial impact incurred by the parent company due to these two acquisitions, the current Board of Directors commissioned Deloitte, a specialized consultancy firm, to conduct a Forensic Audit to evaluate the procedures and circumstances surrounding both acquisitions. The findings of this investigation were disclosed on the Tadawul website on December 7, 2025.

In line with its responsibilities to safeguard shareholders' rights and protect the Company's interests, the Board directed the Executive Management to appoint a specialized law firm to study the legal position regarding the acquisitions of ACC and GCI, as well as the accompanying procedures and circumstances during the previous Board's term.

Based on the outcomes of the study and investigation, the Company has initiated a number of legal proceedings against certain individuals responsible for these two acquisitions. Furthermore, the Company is working to complete the necessary statutory and legal measures against any other parties found to be liable, in accordance with the findings of the Forensic Audit and the legal evidence available, and in compliance with the relevant laws and regulations.

Based on the outcomes of the study and investigation, the Company has initiated a number of legal proceedings against certain individuals responsible for these two acquisitions. Furthermore, the Company is working to complete the necessary statutory and legal measures against any other parties whose liability may be proven, in accordance with the findings of the Financial Forensic Audit and the available legal evidence, and in compliance with the relevant laws and regulations.

Activity:

Addar Chemicals Company (ACC) and Global Company for Chemical Industries (GCI) focus on downstream chemical manufacturing, producing a variety of specialty chemicals for multiple industries, including oil and gas, personal care, mining, fertilizers, pharmaceuticals.

Addar Chemicals (ACC)	Global Company for Chemical Industries (GCI)
Sulphuric Acid Plant (22,800 MT)	Anisole (10,000 MT)
Oleum Plant (6,000 MT)	Toll Blending (2,500 MT)
Hydrogen Plant (3,780,000 SCM)	Corr Inhibitors (2,500 MT)
Sulfolane Plant (6,000 MT)	Fertilizer Additives (2,000 MT)
	Triazine Production (15,000 MT)
	Quaternary Ammonium Compounds (2,500 MT)

It is worth noting that the production capacities outlined above represent the actual production capacity for certain products due to technical challenges affecting operational levels. In 2025, the highest achieved production level for some of these products reached approximately 12% of their design capacity, which clearly impacted the operational and financial performance of both companies.

Key Figures:

- Total Sales Revenue for ACC: SAR 14.28 million.
- Total Losses for ACC in FY 2025: SAR 41.8 million.
- Total Impairment in ACC in FY 2025 251.57 million
- Total Sales Revenue for GCI: SAR 56.73 million.
- Total Losses of GCI in FY 2025: SAR 8.85 million.
- Total Impairment in GCI in FY 2025 84.92 million.

Geographic Revenue Distribution:

- Domestic (KSA): 54% (SAR 6.79 & 31.30 million from sales of ACC & GCI respectively).
- International (Export): 46% (SAR 7.48 & 25.43 million from sales of ACC & GCI respectively).

Madarat Al-Dhara Chemicals Company

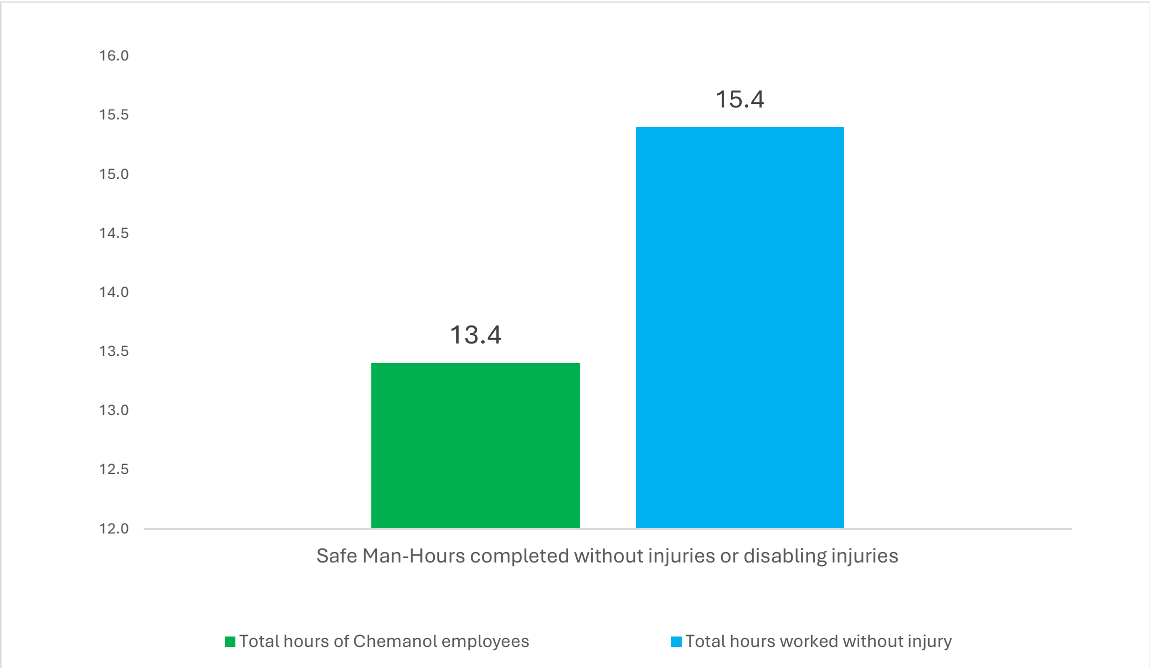
Established in December 2023 with a capital of SAR 2,000,000, in partnership with the Global Company for Downstream Industries (GDI), to develop multiple projects within the downstream chemicals sector. The company has not engaged in any operational activity since its inception. Chemanol is currently reviewing and evaluating the project's investment feasibility in light of current variables, in preparation for making an appropriate decision regarding its continuation, restructuring, or the pursuit of other strategic options to ensure the best return for shareholders.

6. ENVIRONMENT, HEALTH, SAFETY & SECURITY (EHSS)

The Company successfully implemented the requirements of the Responsible Care (RC 14001) certification throughout 2025, in strict adherence to internal and external audit standards.

1. **Safe Man-Hours (Zero Lost-Time Injuries):**

   In 2025, the Company achieved a milestone of 15.46 million man-hours without any lost-time injuries among employees and contractors. Of this total, the Company's direct employees contributed approximately 13.49 million injury-free man-hours.

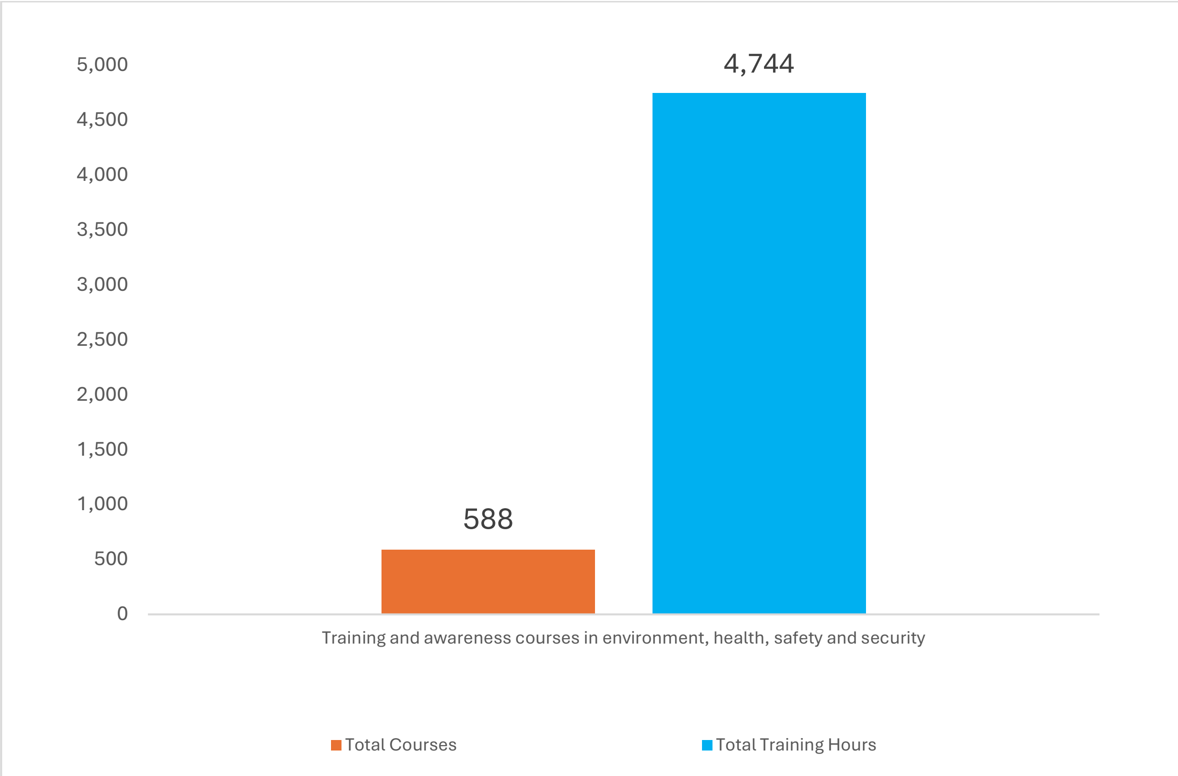


2. **Environmental Compliance**

Chemanol recorded zero instances of non-compliance with environmental standards during 2025, underscoring the Company's steadfast commitment to environmental regulations and requirements.

3. **EHSS Training and Awareness Programs:**

Chemanol places its internal training programs—aimed at qualifying and educating its employees and contractors - at the top of its priorities. During the year, the Company conducted extensive awareness training sessions in Environmental, Health, and Safety. A total of 588 training courses were delivered to both employees and contractors, amounting to 4,744 training hours.

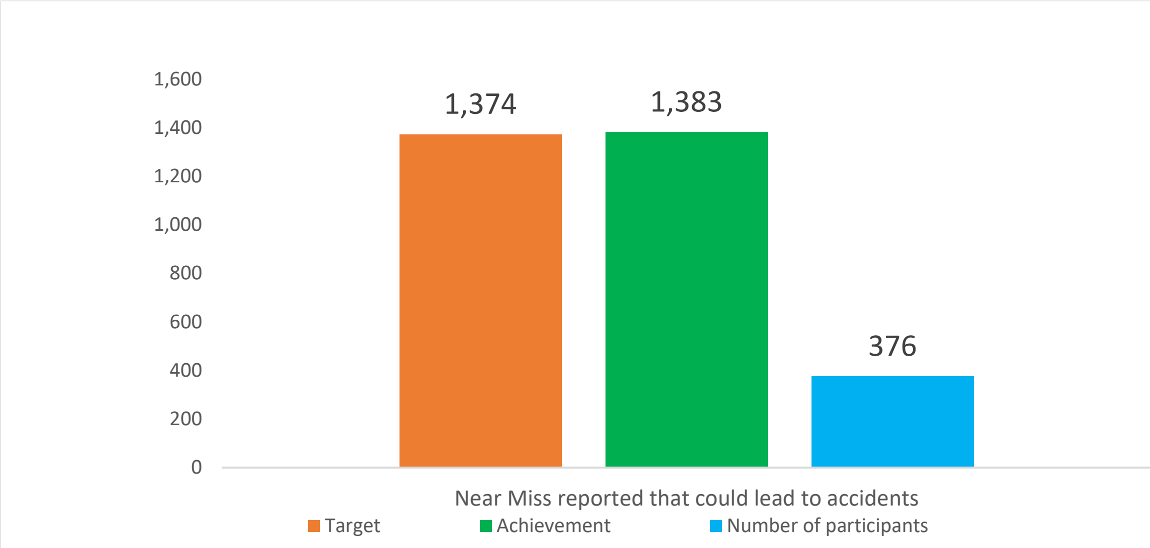


4. **Emergency Preparedness and Response:**

Chemanol conducted 51 emergency response drills to ensure the effectiveness of its internal systems. Furthermore, the Company completed the 2025 Annual Joint Drill with the Jubail Area Mutual Aid Association (JAMA'A), where Chemanol's response teams achieved a perfect score from the JEC for the eighth consecutive year. Additionally, Chemanol was awarded second place (the Silver Shield) for the Best Virtual Drill of 2025, ranking among 40 companies in the cities of Jubail and Ras Al-Khair.

5. **Quality Near-Miss Reports:**

To enhance Environmental, Health, Safety, and Security (EHSS) standards, the Company encourages employees to proactively report any situation that could potentially lead to incidents through its hazard reporting system. During 2025, a total of 1,383 quality near-miss reports were submitted by 376 of the Company's employees.



6. **Reducing Accident Rates:**

The implemented initiatives, training programs, and best practices have collectively contributed to achieving the highest standards of industrial safety.

7. INVESTING IN HUMAN CAPITAL

Chemanol firmly believes that its people are the cornerstone of its success. Accordingly, the Company places great emphasis on developing and nurturing the capabilities of its employees at all organizational levels.

National Talent (Saudization):

By the end of 2025, the total number of the Company's employees reached 444, compared to 481 employees at the end of 2024. The Saudization rate in the workforce stood at 71%, reflecting the Company's continuous efforts to enhance the employment of national talent and maintain high localization levels. This has successfully contributed to maintaining its Platinum ranking within the "Nitaqat" program of the Ministry of Human Resources and Social Development.

Training and Development Programs:

During 2025, the Human Resources Department implemented several initiatives and training programs, including:

- **Cooperative Training Program:** Chemanol actively participated in the cooperative training program by hosting university and college students to fulfill their academic requirements. During the year, 18 trainees successfully completed specialized training programs across various administrative and technical fields.

- **<u>Employment Support Program (Hadaf):</u>**

  Chemanol continued to utilize the Employment Support Program provided by the Human Resources Development Fund (HRDF) by recruiting eligible beneficiaries over the past years.

<u>Establishment Self-Assessment Program:</u>

Chemanol achieved a 100% compliance rate on the self-assessment platform of the Ministry of Human Resources and Social Development.

8. PRODUCTION AND SALES

First: Production

Chemanol's total production during 2025 reached 626,557 metric tons across its various products, compared to approximately 706,732 metric tons in 2024, reflecting a decline of 11.4%. This decrease is attributed to a number of operational factors and market conditions that affected production levels throughout the year.

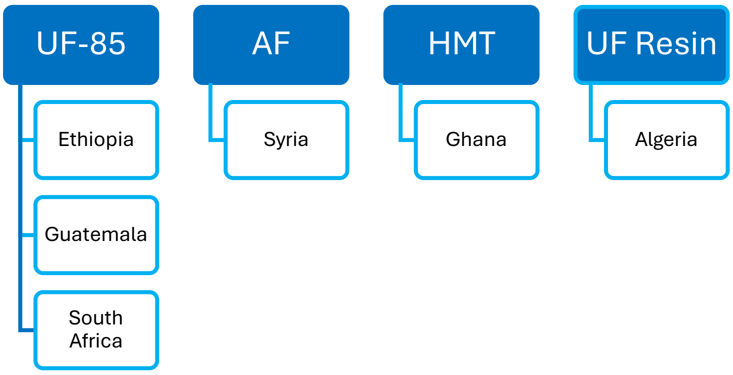
Sales volumes during 2025 amounted to 337,589 metric tons, compared to 341,922 metric tons in 2024, representing a slight decrease of 1.27%. This decline is primarily due to rising production costs, the slowdown in the global economy, and the resulting drop in demand levels in certain markets.

Second: Sales

The Company continues to strengthen its relationships with customers by building long-term partnerships and adopting a proactive approach to address the changes and challenges in both local and global markets. It also ensures continuous engagement with customers to understand their needs and address any challenges they may face, thereby supporting business sustainability and the continuity of commercial relationships.

Chemanol remains committed to adapting to economic changes and market conditions by regularly reviewing and updating its marketing strategies in line with developments in supply and demand, as well as economic and geopolitical variables. The Company also continues to expand its geographic reach, marketing its products in more than 45 countries worldwide, with a focus on exploring new markets that offer higher growth potential and returns—supporting customer base diversification and enhancing long-term profitability.

In 2025, the Company successfully introduced 4 products into 6 new markets, as illustrated in the following chart:



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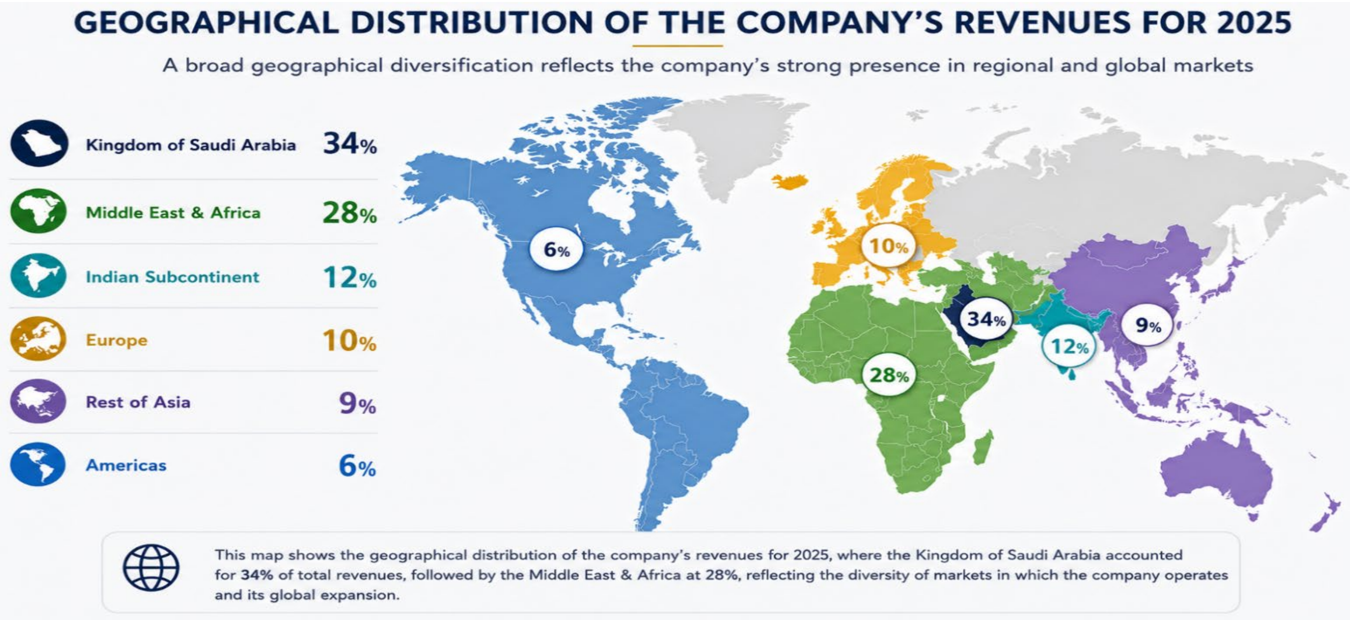
Sales revenues decreased to SAR 566.84 million in 2025, compared to SAR 668.81 million in 2024, representing a decline of approximately 15.3%. This decrease is mainly attributed to a 14.1% drop in the average selling prices of all products compared to the same period last year, driven by economic challenges in global markets, rising raw material costs, and supply chain disruptions.

Geographical Analysis of Revenues

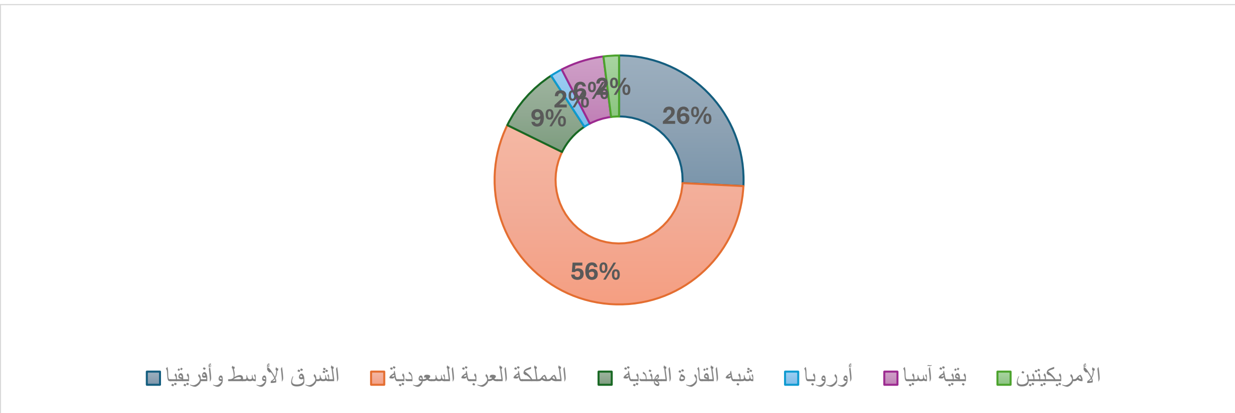
The following heat map illustrates the concentration of sales revenue in SAR, categorized by geographical region:

A broad geographical diversification reflecting the Company's strong presence across regional and global markets.



This chart illustrates the geographical distribution of the Company's revenues for 2025, with the Kingdom of Saudi Arabia accounting for 34% of total revenues, followed by the Middle East and Africa at 28%. This reflects the diversity of markets in which the Company operates and its geographical footprint.

The following diagram shows the percentage of sales quantities by geographical region



9. Transformation program (WIN)

In 2025, the Company launched the **WIN** transformation program with the aim of enhancing performance and improving both its financial and operational position. The program focuses on three key pillars: improving operational efficiency, optimizing costs, and strengthening revenues, in addition to establishing a forward-looking strategy that supports sustainable growth and enhances the Company's competitiveness.

As part of achieving the program's objectives, the Company introduced the **WIN** initiative to promote a culture of participation and innovation and to engage all employees in the transformation journey. The initiative enables employees to submit their ideas, proposals, and development projects, allowing the Company to benefit from their expertise and highlight their capabilities. All submitted initiatives are evaluated by a cross-functional team representing various departments to assess their feasibility and select the initiatives with the highest impact, in preparation for their approval and implementation - supporting the objectives of the transformation program and reinforcing a culture of continuous improvement.

During 2025, the Company received approximately 250 initiatives with the participation of more than 200 employees, reflecting a high level of engagement with the program. Several of these initiatives contributed to achieving tangible operational and financial results. Among the most notable implemented initiatives were:

- Enhancing operational efficiency and restructuring the Company's administrative and organizational framework by merging certain departments and eliminating some organizational layers to optimize expenses and increase productivity.
- Improving procurement and contracting efficiency: The Procurement, Contracts, and IT Departments jointly implemented an initiative to replace the internal communications system with a more efficient contractual model, resulting in a significant reduction in operating costs, enhanced management of communication services, and a stronger, more sustainable operational infrastructure to support future business needs.
- Investing in human capital: Despite the financial challenges faced in 2025, the Company continued to invest in developing its human capital as a key pillar for achieving sustainability and enhancing operational efficiency. In this context, the Company launched a program to train and develop distinguished leadership talent through internal training programs in safety, environmental, technical, and administrative fields. This contributed to improving employee competencies, enhancing knowledge transfer within the Company, and strengthening the readiness of national talent for future leadership roles, in addition to reducing reliance on external training programs to optimize expenses.
- Improving utilities and energy consumption efficiency in operational processes: The Operations Team implemented a set of operational enhancements aimed at improving utilities and energy consumption efficiency across the facility. The initiative included improving the management of potable water consumption and wastewater handling, as well as enhancing the efficiency of the seawater circulation system by operating a single circulation pump instead of two—based on a proposal submitted by operations technicians. These improvements contributed to more efficient

resource utilization, reduced electricity consumption, and enhanced utilities performance, supporting cost optimization and reinforcing sustainability and operational excellence.

10. PLANS AND FUTURE PROSPECTS

Chemanol continues to implement its strategic plan aimed at enhancing the sustainability of its operations, improving its financial position, and increasing operational efficiency, thereby strengthening its ability to navigate prevailing challenges and deliver sustainable long-term value to shareholders. Recognizing the importance of addressing the financial and operational challenges facing the Company, the Board of Directors and Executive Management have formulated a comprehensive set of strategic initiatives that are being executed in accordance with well-considered priorities, alongside continuous monitoring of key performance indicators to assess their impact on the Company's operations.

First: Financial Strengthening and Business Sustainability

- Restructuring the Company's share capital, based on the Capital Market Authority's (CMA) approval issued on 05/07/2026, with the aim of extinguishing accumulated losses and strengthening the Company's financial position, thereby supporting its ability to execute its strategic plans and achieve sustainable growth.
- Completing the regulatory procedures to increase the Company's share capital - targeted for completion during Q4 2026 - in order to enhance the financial position, support liquidity, and enable the implementation of operational and strategic plans, subject to obtaining the required regulatory approvals.
- Continuing to implement initiatives aimed at addressing accumulated losses and improving key financial performance indicators.
- Enhancing working capital management, improving cash flows, and increasing the efficiency of liquidity management.
- Continuing to implement the Company's plan to address the factors that previously raised substantial doubt regarding going concern, thereby strengthening its ability to meet obligations and sustain operations.
- Implementing a comprehensive financial corrective plan aimed at rationalizing expenditures, enhancing the efficient management of the Company's resources, and directing spending toward high-value-added priorities and activities, thereby improving financial performance and boosting sustainability.

Second: Operational Efficiency Enhancement

- Improving the efficiency of existing plants and maximizing the utilization of production assets.
- Implementing programs aimed at enhancing operational reliability, improving productivity, and reducing operating expenses.
- Developing supply chains and strengthening the efficiency of procurement and logistics functions.
- Expanding the adoption of digital transformation and automation solutions to enhance.

Third: Innovation and Product Development

- Enhancing Research and Development activities to develop value-added products that meet the needs of local and global markets.
- Improving the quality of existing products and boosting their competitive advantage.
- Exploring expansion opportunities in specialty chemicals in line with feasibility studies, resource availability, and the requirements of target markets.

Fourth: Growth and Strategic Partnerships

- Re-evaluating the Company’s current investments to ensure alignment with its strategic objectives, maximizing return on investment, and deliver optimal value to shareholders.
- Evaluating expansion and investment opportunities that yield viable returns and align with the Company's priorities and financial capabilities.
- Exploring opportunities to establish strategic partnerships and alliances with local and global partners, contributing to knowledge and technology transfer, enhancing industrial integration, and securing broader market access.
- Continuing to evaluate opportunities for production capacity expansion or setting up new projects in line with economic feasibility and the availability of appropriate funding.

Fifth: Sustainability and Governance

In alignment with the objectives of Saudi Vision 2030, the Company continues to uphold its commitment to applying leading sustainability and governance practices through:

- Strengthening governance and compliance and enhancing risk management frameworks to support business sustainability.
- Improving energy and natural resource efficiency and reducing carbon emissions in accordance with relevant national initiatives.
- Supporting localization initiatives for specialty chemical industries in collaboration with national entities and programs.
- Integrating Environmental, Social, and Governance principles into the Company’s operations and future projects.

The Company affirms that the implementation of these plans and initiatives will proceed in accordance with economic developments, market conditions, the availability of financial resources, and the completion of relevant regulatory requirements and approvals, ensuring the protection of shareholders’ interests and reinforcing the long-term sustainability of the Company’s business.

11. RISKS

- **Operational and Industrial Risks**

  The Company's core activities involve the manufacturing and marketing of chemical products, some of which are inherently hazardous or flammable. To mitigate these risks, the Company is committed to implementing approved systems and standards in Occupational Health and Safety (OHS). This includes applying the highest safety standards for the storage and transportation of finished products and raw materials. Furthermore, the Company ensures continuous safety training for its workforce and maintains comprehensive insurance coverage for its assets, properties, and operational activities, in line with prevailing industry practices.

- **Product Price Volatility and Supply Chain Risks**

  The Company's financial performance may be affected by fluctuations in global chemical product prices, as well as changes in supply chain and logistics costs. This risk is particularly relevant amid global economic and geopolitical developments during 2026, along with associated oil price volatility and rising transportation costs and related services. The Company continuously monitors these variables and seeks to develop and implement appropriate strategies to mitigate the impact of such fluctuations on its operations and financial results.

- **Human Resources Risks**

  The Company places a high priority on nurturing and retaining top national talents, believing that human capital represents one of the most critical factors for its success and the achievement of its strategic objectives. Accordingly, the Company strives to provide a stimulating work environment that supports the growth and development of its employees through targeted training programs and initiatives designed to enhance performance and elevate capabilities.

  In light of the intensifying competition for talent within the labor market, the Company may face challenges in attracting and retaining qualified professionals. However, it actively mitigates these challenges by implementing internally executed professional development programs, thereby contributing to organizational stability, enhanced performance, and increased productivity.

- **Operational Downtime Risks**

  Similar to other industrial facilities, the Company's plants may occasionally experience scheduled or unscheduled operational shutdowns. To reduce the likelihood and impact of such risks, the Company implements comprehensive preventive and reliability maintenance programs designed to detect potential failures before they occur and execute the necessary corrective measures, thereby ensuring operational continuity.

- **Methanol Dependency Risks**

  The Company's products primarily rely on methanol derivatives, making product pricing and profit margins sensitive to methanol price fluctuations. As part of its forward-looking strategy, the Company is working to diversify its product base to reduce its level of dependency on a single product.

- **Liquidity and Interest Rate Risks**

  A significant portion of the Company's cash flow is allocated to the servicing of long-term loans. Consequently, any volatility in interest rates directly impacts on the Company's profitability and cash flows. The Company continuously assesses its financial capacity for the early settlement of annual installments and explores opportunities to refinance existing debt to reduce financing costs. Liquidity risk is managed by periodically ensuring the availability of sufficient liquidity to meet all future obligations as they fall due.

- **Foreign Exchange Volatility Risks**

  The Company is exposed to risks associated with foreign currency transactions, where the value of a financial instrument may fluctuate due to changes in exchange rates. To mitigate this, the Company ensures that the majority of its transactions are conducted in Saudi Riyals and US Dollars. Management believes that foreign exchange risk is currently immaterial.

- **Legal Risks**

  The Company is involved in several legal proceedings related to certain companies acquired during the previous Board of Directors' term, whether initiated by or against the Company. These cases remain pending before the competent judicial authorities. The Company, through its legal counsel, is closely monitoring these developments and taking all necessary statutory measures. At this stage, it is not possible to determine the final outcomes of these lawsuits or accurately estimate their potential impact.

12. ASSETS, LIABILITIES AND BUSINESS RESULTS

- Statement of Financial Position (All figures in SAR '000)

Statement	2025	2024	2023	2022	2021
Current Assets	370,937	475,181	597,294	620,530	655,901
Non-current Assets	912,505	1,319,141	1,051,644	1,175,545	1,246,665
Total Assets	1,283,443	1,794,322	1,648,938	1,796,075	1,902,567
Current Liabilities	700,902	649,956	199,252	142,685	385,789
Long-term Loans & Other Liabilities	375,895	398,046	409,128	431,775	498,929
Shareholders' Equity	206,646	746,320	1,040,558	1,221,616	1,018,542
Total Liabilities & Shareholders' Equity	1,283,443	1,794,322	1,648,938	1,796,075	1,902,567

- Statement of Income (All figures in SAR '000)

Statement	2025	2024	2023	2022	2021
Sales	621,934	705,565	727,967	1,076,824	1,009,548
Cost of Sales	(613,883)	(612,263)	(646,582)	(664,630)	(571,478)
Gross Profit	8,050	93,303	9,386	412,194	(413,065)
Selling, Administrative & General Expenses	(165,861)	(200,332)	(154,455)	(161,045)	(122,167)
Other Expenses	(6,359)	(11,025)	(1,139)	(6,760)	(4,634)
Impairment losses on goodwill	-	(127,025)	-	-	-
Impairment loss on PPE	(336,488)	(2,042)	(72,000)	-	(25,005)
Financial Expenses	(45,934)	(40,852)	(18,917)	(30,003)	(23,285)
Zakat	4,406	(4,545)	(12,674)	(7,958)	(18,974)
Net Profit / (Loss)	(542,187)	(292,519)	(177,800)	206,428	244,005

13. CLARIFICATION ON MATERIAL DIFFERENCES IN OPERATING RESULTS

Particulars	(in '000 SAR)		Variances + or (-)	Percentage of Variance
	2025	2024		
Sales	621,934	705,565	(83,631)	-12%
Cost of Sales	(613,883)	(612,263)	(1,620)	0.3%
Gross Profit	8,050	93,303	(85,253)	-91%
Impairment losses	(336,488)	(129,067)	(207,421)	161%
Operating Profit	(500,658)	(247,122)	(253,536)	103%

The parent company recorded an operating loss of SAR 162.2 million during 2025, representing 34% of the current year's total net loss of SAR 479.7 million, compared to a loss of SAR 100.6 million in 2024.

This is mainly attributed to:

- The decrease in revenues is due to a 10% decline in average selling prices and a 2% drop in quantities sold compared to the previous year.
- The rise in feedstock prices (natural gas) at the beginning of the year, which led to an increase in production costs.
- The impact of the two subsidiaries (ACC) and (GCI): The remaining 66% of the Group's total net loss (SAR 317.5 million) is mainly attributed to the impact of these two subsidiaries, as follows:

- Continued losses from the two subsidiaries, with total combined losses of SAR 42.2 million during the current year (compared to losses of SAR 42.7 million in the previous); and
- Recognition of asset impairment charges amounting to SAR 280.4 million during Q2 2025, relating to the assets of the two subsidiaries (ACC) and (GCI)).

In conjunction with the announcement of the financial results for the financial year 2025, the Company's accumulated losses as of 31 December 2025 amounted to SAR 551.3 million, representing 82% of its share capital. The majority of these losses resulted from the negative impact of the two acquisitions.

Given the magnitude of these losses and their underlying causes, and in line with the Board of Directors' commitments since the beginning of its term in November 2024—to protecting shareholders' rights and interests, it resolved to initiate a Forensic Audit to examine all events related to the two acquisitions (ACC and GCI). Based on the findings of this Forensic Audit, which was completed in December 2025, the Company appointed a specialized law firm to assess its legal position regarding these acquisitions and the circumstances surrounding their conclusion during the previous Board's term.

The Company has already taken certain legal actions against individuals responsible for these acquisitions. Furthermore, additional legal and regulatory measures will be taken later against members of the previous Board who held direct or indirect executive powers, based on the results of the Forensic Audit conducted by a specialized consulting firm (Deloitte), the findings of which were published on the Tadawul website on 7 December 2025.

The Company's Board of Directors received official notification on 10 August 2025, stating that the accumulated losses have reached this level, due to the following reasons:

- Recording losses resulting from a decline in the value of fixed assets and goodwill related to ACC and GCI, both of which were acquired during the previous Board's term.
- The financial results were also impacted by additional provisions related to the aforementioned acquired companies, in addition to the operational losses of the Group.

Accordingly, the Company has taken the following measures:

- The Company announced its capital restructuring plan on 9 October 2025.
- The Company amended the recommendation submitted to the Extraordinary General Assembly dated 25 December 2025 regarding capital restructuring.
- The Company submitted the capital reduction file to the Capital Market Authority (CMA) on 4 January 2026, and the CMA issued its approval on 7 May 2026.
- On 21 June 2026, the Company announced the call for the Extraordinary General Assembly meeting, scheduled for Tuesday, 14 July 2026, to vote on the capital reduction.

14. CLARIFICATION OF ANY DIFFERENCE FROM THE ACCOUNTING STANDARDS APPROVED BY THE SAUDI ORGANIZATION FOR CERTIFIED PUBLIC ACCOUNTANTS

The Company's financial statements for FY ended December 31, 2025, have been prepared in accordance with the International Financial Reporting Standards adopted by the Kingdom of Saudi Arabia.

15. AUDITORS' REPORT AND THE FINANCIAL STATEMENTS

The Auditor's report shows that the financial statements are free from material misstatement and there are no reservations about them. Furthermore, the Board of Directors has not recommended replacing the Auditor.

16. DIVIDEND POLICY

Article (46) of the Company's Articles of Association stipulates the dividend distribution policy as follows:

1. The Company may distribute interim dividends on a semi-annual or quarterly basis, subject to the following controls:
    a. The General Assembly shall delegate the Board of Directors to distribute dividends in accordance with the approved policy.
    b. The Company shall maintain consistent and healthy profitability.
    c. The Company shall possess adequate liquidity and a reasonable degree of predictability regarding its earnings levels.
    d. The Company shall have sufficient distributable profits, as per the latest financial statements, to cover the proposed dividend distribution after deducting any amounts distributed or capitalized from such profits following the date of those statements.
2. Distributable profits consist of the retained earnings balance as shown in the statement of financial position for the period immediately preceding the period in which the distribution resolution is adopted, plus any distributable reserves, after setting aside the specified percentage of net profits for reserves established for specific purposes, if any.

17. CHANGE IN EQUITY FOR PERSONS OTHER THAN DIRECTORS AND SENIOR EXECUTIVES

None of the shareholders other than Directors or Senior Executives have notified the Company of any change in the ownership of shares during the year ended 31/12/2025.

18. INFORMATION ON COMPANY LOANS

The Company's loans and financing facilities at the end of 2025 amounted to SAR 314.9 million compared to SAR 354.2 million at the end of 2024. Financing facilities include bank loans in accordance with the Islamic Murabaha Regulation.

The following table details the Company's outstanding loans as at the end of FY 2025 (All figures in SAR '000):

Lender	Loan Amount	Loan Period (year)	Maturity Date	Opening Balance	Additions	Payments	Restructured Amounts	Closing Balance
Banque Saudi Fransi / Alinma (Syndicate)	455	8	31/12/2030	324,230	-	(9,370)	-	314,860
Exim Bank	100,000	0.5	15/04/2025	30,000	-	(30,000)	-	-
Total commercial banks' long-term loans	555,000	-	-	354,230		(32,628)	-	314,860

19. DESCRIPTION OF DEBT INSTRUMENTS ACTIVITIES

The Company did not issue or grant any convertible debt instruments, contractual securities, warrants, or similar rights during the 2025 financial year. Furthermore, no conversion or subscription rights were exercised under any such instruments. Additionally, the Company has not redeemed, purchased, or cancelled any redeemable debt instruments during the period.

Moreover, there are no interests in voting shares belonging to persons (other than the Company's directors, Senior Executives, and their relatives) who have notified the Company of such holdings pursuant to Article (85) of the Rules on the Offer of Securities and Continuing Obligations.

20. CORPORATE GOVERNANCE

The Company implements all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority except for the following provisions:

Article No.	Article	Reasons for Non-application
13/ c	Shareholders' General and Special Assemblies shall convene upon a request of the Board of Directors in accordance with the conditions stipulated in the Companies' Law, its implementing regulations, as well as the Company's Articles of Association. The Board of Directors shall invite the Ordinary General Assembly to convene within thirty days from the date of a request made by the external auditor, the Audit Committee, or a number of shareholders holding shares equal to at least (10%) of the Company's share capital with voting rights. The external auditor may call the Ordinary General Assembly to convene if the Board of Directors does not call the Assembly to convene within thirty days from the date of the auditor's request.	The external auditor or any of the shareholders holding shares equal to 10% of the share capital of the Company did not request the Ordinary General Assembly to convene during FY 2024.
39/a	The Board shall develop, based on the proposal of the Nomination Committee, the necessary mechanisms to annually assess the performance of the Board, its members, its committees, and the Executive Management, through appropriate performance indicators linked to the achievement of the Company's strategic objectives, ensuring that	A guiding article. Although it is a guiding article, the Nominations and Remuneration Committee sets annual performance indicators to assess the performance of Executive Management in accordance with the Company's strategic objectives. The Committee also aims,

	strengths, weaknesses, and proposals for addressing them are identified in the best interest of the Company.	during the next phase, to develop the necessary mechanisms to assess the performance of the Board, its members, and its committees.
39/e	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.	A guiding article. It hasn't been implemented till date.
39/f	The non-executive members of the Board of Directors shall conduct a periodic assessment to the Chairman of the Board after taking the views of the executive members provided that the Chairman of the Board shall not attend the discussion designated for this purpose. Strengths and weaknesses, and proposal for addressing them shall be identified in accordance with the interest of the Company.	A guiding article. It hasn't been implemented till date.
67	A Risk Management Committee shall be formed by a resolution from the Company's Board of Directors where the Chairman and majority of its members shall be non-executive directors. The members of that Committee shall possess adequate levels of knowledge in risk management and finance.	A guiding article. An ad hoc Risk Management Committee consisting of Senior Executives was formed. It is to be noted that risk monitoring falls within the functions of the Audit Committee. Also, a risk register has been established, and it will be annually updated and submitted to the Audit Committee and Board of Directors.
68	Authorities of the Risk Management Committee.	
69	Meetings of the Risk Management Committee.	
84	The Ordinary General Assembly, based on the recommendation of the Board, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	A guiding article. The Company's Corporate Governance Regulation includes Policy for social responsibility and contributions which shall be approved by the General Assembly later.
85	Social Work Initiatives	The Board of Directors carries out many social initiatives towards the community, whether through organizing awareness initiatives related to security and environmental safety or through training students from technical colleges in the Company's plants.
93	Formation of a Corporate Governance Committee.	A guiding article. The Board formed specialized committees in accordance with the Company's needs and circumstances to enable it to perform its functions and duties effectively. In addition, the Board currently places significant emphasis on strengthening the Company's governance framework and has directed the restructuring and enhancement of governance policies and regulations to align with the Company's future objectives and reflect best-practice standards.

21. BOARD OF DIRECTORS

The current Board of Directors was elected for a four-calendar-year term using the cumulative voting method during the Ordinary General Assembly meeting held on October 31, 2024, for a new term commencing on November 12, 2024, and ending on November 11, 2028. The Board consists of the following members:

Name of Member	Membership Classification	Position
Mr. Fahad Fozan Al-Shaya	Non-Executive	Chairman of the Board
Mr. Abdullah Sulaiman Al-Sayari	Independent	Vice Chairman
Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh	Non-Executive	Board Member
Eng. Sultan Saleh Al-Khomashi	Independent	Board Member
Mr. Fahad Saud Al-Omran	Independent	Board Member
Mr. Yousif Abdullah Al-Rajhi	Independent	Board Member
Mr. Abdullah Mushabab Al-Qahtani	Independent	Board Member
Mr. Basem Mohammed Bahloul	Independent	Board Member

Changes in the Board of Directors During 2025

- Mr. Fahad Fozan Al-Shaya was appointed to the Board of Directors, replacing Eng. Abdullah Abdul Aziz Al-Znaedi, who submitted his resignation on February 27, 2025.
- Mr. Fahad Fozan Al-Shaya was appointed Chairman of the Board of Directors, replacing Engr. Faris bin Mansour Al-Rajhi, who submitted his resignation on April 15, 2025.
- Mr. Abdullah Sulaiman Al-Sayari was appointed Vice-Chairman of the Board of Directors on April 15, 2025.
- Mr. Hani Sulaiman Al-Saleh submitted his resignation from the Board of Directors on June 11, 2025.
- Engr. Sabri Abdullah Al-Ghamdi submitted his resignation from the Board of Directors on June 11, 2025.
- Mr. Bassem Mohammed Bahloul was appointed as a member of the Board of Directors on October 02, 2025 (subject to the approval of the next General Assembly meeting).

Current and previous positions, qualifications, and experience of Board & Committees Members:

Mr. Fahad Fozan Al-Shaya
Chairman of the Board
Chairman of the Executive Committee
Member of the Project Steering Committee

Current Position:

- Acting CEO, Tatweer Education Holding Co .

.**Previous Positions & Experience:**

- CEO, Tatweer Transportation Services Co. (Rafed)
- Held several leadership and executive positions at SABIC and Ma'aden.
- Board Member, Talemia Co. (a subsidiary of Tatweer Education Holding Co)

Mr. Fahad Al-Shaya holds a Bachelor's degree in Accounting with honors from King Saud University, KSA.

Mr. Abdullah Sulaiman Al-Sayari
Vice Chairman
Member of the Executive Committee

Current Position:

- Founding partner in Namaa Financial Technology Co.

Previous Positions & Experience:

- Saudi Arabian Mining Co. (Ma'aden).
- Saudi Basic Industries Corporation (SABIC).
- Saudi Ports Authority.
- Tatweer Educational Transportation Services Co. (RAFED).

Mr. Al-Sayari graduated from the University of Tampa, USA with a Bachelor of Business Administration.

Eng. Sultan Saleh Al-Khomashi
Board Member
Member of the Executive Committee

Current Position:

- CEO, General Insurance Sector, Tawuniya Insurance Co.

Previous Positions & Experience:

- Board Member, United Insurance Co., Bahrain.
- Board Member, Arab War Risks Insurance Syndicate (AWRIS)
- Branch Manager of Al-Rajhi Banking & Investment Corporation.

Eng. Sultan Al-Khomashi holds a Master's degree in Chemical Engineering and a Master's degree in Insurance and Risk Management.

Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh
Board Member

Current Position:
Chairman of Board of Directors, Dar Al-Shamekh Consulting.

Previous Positions & Experience:

- Advisor to H.E. Minister of Human Resources and Social Development.
- Member of the Shura Council.
- Chairman of Board of Directors, Asharqiyah Development Co.
- CEO, Prince Sultan bin Abdul-Aziz Humanitarian City

Dr. Abdul-Aziz Al-Shamekh holds Ph.D. in Health Services Administration from University of Pittsburgh, Pennsylvania, USA.

Mr. Abdullah Mushabab Al-Qahtani
Board Member

Current Position:

- CEO, Masar Al-Ula Trading (Hashikom) Co .

Previous Positions & Experience:

- CEO, Hashi Pasha Food Co.
- CEO, Nakhet Al-Badiya Factory.
- Corporate Relationship Manager, Al Rajhi Bank.
- Board Member, Talemia Co. (a subsidiary of Tatweer Education Holding Co).

Mr. Abdullah Al-Qahtani holds a Bachelor's degree in Accounting from King Saud University, KSA, and a Master's degree in Accounting from La Trobe University, Australia.

Mr. Yousif Abdullah Al-Rajhi
Board Member
Member of the Audit Committee

Current Position:

General Manager of Abdullah Abdul Aziz Al-Rajhi & Sons Industrial Co.

Previous Positions & Experience:

- General Manager of Al-Rajhi Industrial & Trading Co.
- Financial Project Manager at Al-Rajhi Exchange & Investment Co.
- Branch Manager of Al-Rajhi Banking & Investment Corporation.

Mr. Yousif Al-Rajhi holds a Bachelor's Degree in Economic & Political Sciences from King Saud University, KSA, and a Master of Development Administration from Western Michigan University, USA.

Mr. Fahad Saud Al-Omran
Board Member
Member of the Executive Committee

Previous Positions & Experience:

- Credit Risk Consultant, Saudi Industrial Development Fund (SIDF).
- Senior Credit Risk Analyst, Bank Al Bilad (BBD).
- Assistant Financial Analyst, KPMG.

Mr. Fahad Al-Omran holds a Bachelor's degree in Financial Management from Prince Sultan University, KSA.

Mr. Basem Mohammed Bahloul
Board Member
Chairman of the Nomination & Remuneration Committee
Current Position:

- Group People & Culture Vice President at Etihad Atheeb Telecommunication Co. (Go Group).
- Member of the Nomination and Remuneration Committee (NRC) for Jazan Development & Investment Co. (JAZADCO)

Previous Positions & Experience:

- Human Capital Strategy Vice President at National Water Co. (NWC).
- Human Capital Executive Director at Tatweer Educational Holding Co.
- Operations Manager at Al-Hayat Public Establishment.
- Human Resources & Administration Manager at Abunayyan Group and ACWA Power Co.
- Consultant – Trainee in the Saudi Arabian Airlines Program (Al-Fursan Travel & Tourism Co.).

Mr. Basem Bahloul a Bachelor's degree in Business Administration from King Faisal University KSA.

The following table shows the Directors' membership in current and former Boards:

Name of Member	Memberships in current boards of directors of companies or being one of their Management Teams	Memberships of Former boards of directors or Being one of their Management Teams
Mr. Fahad Fozan Al-Shaya	None	**None**
Mr. Abdullah Sulaiman Al-Sayari	None	None
Mr. Yousif Abdullah Al-Rajhi	**Inside the Kingdom** - Abdullah Abdulaziz Al Rajhi & Sons Holding Co. - Abdullah Al-Rajhi Trust Foundation - Almatar Co. for Commercial Services. - Tabuk Agricultural Development Co. - United International Transportation Co. (Budget, Saudi). - Riyada International Hotels & Resorts. - Al Rajhi Hydraulic Center. **Outside the Kingdom** Islami Bank Bangladesh plc.	Tabuk Agriculture Development Company (TADCO)
Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh	**Inside the Kingdom** None	**Inside the Kingdom** Chairman of Board of Directors, Asharqiyah Development Co.
Eng. Sultan Saleh Al-Khomashi	**Inside the Kingdom** Board Member of Arab War Risks Insurance Syndicate (AWRIS) **Outside the Kingdom**: Board Member, United Insurance Co., Bahrain. Board Member of Arab War Risks Insurance Syndicate (AWRIS)	**Inside the Kingdom** - Board Member of Nizam Transport Co.
Mr. Fahad Saud Al-Omran	**Inside the Kingdom** None	
Mr. Abdullah Mushabab Al-Qahtani	**Inside the Kingdom** - Board Member, Addar Chemicals Company (ACC). Board Member, and Global Company for Chemical Industries (GCI).	**Inside the Kingdom** None
Mr. Basem Mohammed Bahloul	None	None

Current & previous positions of members of Committees who come from outside the Board:

Mr. Fahad Abdullah Al-Ageefi

Chairman of the Audit Committee

Current Positions:

- General Manager of Internal Audit and Audit Committee Secretary at the Real Estate General Authority (REGA).
- Member of the Audit Committee at the Development Authorities Support Centre.

Previous Positions and Experience:

- Financial Internal Audit Manager at the Human Resources Development Fund (HRDF - HADAF).
- Audit Manager at the Saudi National Bank (SNB).
- Held various key operational and leadership roles in the private sector, including positions at the National Agricultural Development Company (NADEC) and Fawaz Abdulaziz Al Hokair Co.

Qualifications:

Mr. Fahad Al-Ageefi holds a Bachelor's degree in Accounting from King Saud University, KSA, along with advanced professional certifications and diplomas in Internal Audit, and Financial Strategies for Value Creation from London Business School.

Mr. Abdullah Abdulrahman Al-Kharashi

Member of the Audit Committee

Current Positions:

- Chief Executive Officer of Abdullah Al-Kharashi Management Consulting Co.
- Vice Chairman of the Board of Directors of the Cooperative Agri-Rural Tourism Association (Refena).
- Chairman of the Internal Audit Committee of Refena.

Previous Positions and Experience:

- Senior Auditor, Leading Audit teams, SABIC Internal Audit Team.
- Internal Auditor, SABIC.
- Secretary of the Accounting & Auditing Standards Committees of the Saudi Organization for Public Accountants (SOCPA).

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Mr. Abdullah Al-Kharashi holds a Bachelor's degree in Accounting from King Saud University, KSA. He also attended several specialized courses in Anti-Corruption, Anti-Money Laundering Laws & Regulations, and Effective Technology Audit.

Dr. Abdullah Saghir Al-Husseini

Member of the Audit Committee

Current Positions:

- Professor of Financial Accounting and Auditing, Prince Sultan University.
- Supervisor General for Administrative & Financial Affair, Prince Sultan University.
- Chairman of the Board of Directors of Sadu Capital Co.
- Founder and Chairman of the Board of Directors of Asateen Al-Arqam Financial Consulting.
- Board Member and Chairman of the Audit Committee, Al-Khaleej Training and Education Co.
- Board Member and Chairman of the Audit Committee, Saudi Networkers Services Co.
- Board Member and Chairman of the Audit Committee, The First National Company for Human Resources.
- Board, Executive & Risk Committees Member, Sijjel Co.
- Board Member and Chairman of the Nomination and Remuneration Committee, Mutakamela Insurance Co.
- Board Member and Chairman of the Nomination and Remuneration Committee, Masar Al-Numou Finance Co.
- Board member of Al-Mouwasat Medical Services Co.
- Member of audit, risk and compliance committees in several governmental entities, including the General Authority for Tourism, the General Authority for Foreign Trade, the

Dr. Sulaiman Ali Al-Hudaif

Member of the Nomination & Remuneration Committee

Previous Positions and Experience

- Chairman of the Board of Directors, Loan Financing Co.
- Executive Vice President of Strategy & Business Excellence Group at Alinma Bank.
- General Manager of Human Capital at Alinma Bank.
- CEO of Elite World for Human Resources (Alam Al-Nokhbah).
- Executive Director of Human Resources at Al Rajhi Banking and Investment Corporation (Al Rajhi Bank).
- Member of the Nomination & Remuneration Committee, Jarir Marketing Co.
- Member of the Nomination & Remuneration Committee, Saudi Entertainment Ventures (SEVEN).
- Member of the Nomination & Remuneration Committee, Chemanol.
- Advisor to the Nomination & Remuneration Committee, Leejam Sports Co. (Fitness Time).
- Vice Chairman of the Education and Training Committee at the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Saudi Football Federation, King Abdulaziz University, and Inaya Medical College.
- Member of the GCC Board Directors Institute.
- Member of the Saudi Organization for Chartered and Professional Accountants - SOCPA.
- Member of the Saudi Accounting Association.

Previous Positions and Experience:
- Former Dean at Prince Sultan University.
- Financial and Tax Advisor, London.
- Board Member, Chairman of the Audit, and the Nomination & Remuneration Committees, Al-Babtain Power and Telecommunications Co.
- Board Member and Chairman of the Audit Committee, Saudi Advanced Industries Co. (SAIC)
- Board Member and Chairman of the Audit Committee, Allianz Saudi Fransi Cooperative Insurance Co.
- Board Member, Chairman of the Nomination and Remuneration Committee, and Member of Audit and Risk Committees, Deutsche Gulf Finance Company.
- Audit Committee Member, Dammam Pharma Co.
- Member of the Advisory Board, Strategy Mission Co.
- Consultant in several financial consulting companies.
- Financial Accounting and Auditing Trainer.
- Financial Consultant for the National Health Accounts Project at the International Development Office.
- Financial Monitor and Analyst, the Saudi Stock Market.
- External Consultant in preparing and evaluating economic feasibility studies for commercial and industrial projects.

Dr. Abdullah Al-Husseini holds a PhD in Financial Accounting and Auditing from University of Kent, UK., July 2005, Fellowship of Certified Public Accountant (CPA), Certified Management Accountant (CMA), Certified Internal Auditor (CIA), Governance, Risk and Compliance Professional Certification, and he is a licensed financial expert.

Qualifications:

Dr. Sulaiman Al-Hudaif holds a PhD in Business Administration (DBA) from LYCEUM-NORTHWESTREN University, Dagupan City, Philippines, a Master of Public Administration from NY State University, USA, a Master’s in International Relations from Troy State University, USA, and a Bachelor’s in Public Administration from King Abdulaziz University.

Mr. Sulaiman Nasser Al-Hatlan

Member of the Nomination & Remuneration Committee

Current Position:

- Board Member and Chief Operating Officer, Al Hilal Club Co.
- Board Member, Chairman of the Audit and the Nomination & Remuneration Committees, Saudi Ceramic Pipes Co.
- Board Member and Chairman of the Audit Committee, Riyadh Development Co.
- Board Member and Chairman of the Audit Committee, Lumi Rental Co.
- Board Member and Executive Committee, Maharah Human Resources Co.

Previous Positions and Experience:

- Teaching Staff Member, Institute of Public Administration.
- Partner, Board Member, and Chief Executive Officer, House of Consulting Co.
- Managing Director, Maharah Human Resources Co.
- Founder and CEO, Griffin Financial Consulting Company.
- CEO, Masar Al-Namo Investment Co. (subsidiary of Maharah Human Resources Co.).

Mr. Sulaiman Al-Hutlan holds a Master's degree in Accounting from California State University, San Diego, USA.

22. BOARD MEETINGS AND ATTENDANCE RECORD FOR EACH MEETING

The Board of Directors held eight (8) meetings during 2025, detailed as follows:

Name of Member	1st Meeting	2nd Meeting	3rd Meeting	4th Meeting	5th Meeting	6th Meeting	7th Meeting	8th Meeting	Total
	March 28	April 8	May 14	May 15	August 6	August 10	August 21	November 10	
Mr. Fahad Fozan Al-Shaya	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Abdullah Sulaiman Al-Sayari			✓	✓	✓	✓	✓	✓	6
Mr. Yousif Abdullah Al-Rajhi	✓	✓	✓	✓	✓	✓	✓	✓	8
Eng. Sultan Saleh Al-Khomashi	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Fahad Saud Al-Omran	✓	✓	✓	✓	✓	✓	✓	✓	8
Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Abdullah Mushabab Al-Qahtani	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Basem Mohammed Bahloul								✓	**1**
Eng. Faris Mansour Al-Rajhi*	✓	✓							**2**
Mr. Hani Sulaiman Al-Saleh**	✓	✓	✓	x					**3**
Eng. Abdullah Abdul Aziz Al-Znaedi***									
Eng. Sabri Abdullah Al-Ghamdi****	✓	✓	✓	✓					**4**

*Eng. Faris Mansour Al-Rajhi submitted his resignation on 15/04/2025.
**Mr. Hani Suliman Al-Saleh submitted his resignation on 11/06/2025.
***Eng. Abdullah Abdul Aziz Al-Znaedi submitted his resignation on 27/02/2025.
**** Eng. Sabri Abdullah Al-Ghamdi submitted his resignation on 11/06/2025.

23. EXECUTIVE MANAGEMENT

Current and previous positions, qualifications, and experience of Senior Executives of the Company:

Eng. Awadh Fahad Al-Waridah

Chief Executive Officer

Previous Positions & Professional Experience:

- General Manager, "STAR" Strategic Transformation Project – SABIC.
- General Manager, Technology Licensing – SABIC.
- Investment Development Manager, SABIC Local Content Initiative (Nusaned).
- Business Manager, Oxygenates & Chemicals Sales – SABIC.
- Business Manager, Polyethylene, Polymers Sales & Technology – SABIC (Shanghai, China).
- Senior Manager, Polyethylene Business Development & Polymers Sales – SABIC.
- Operations Manager, Polyethylene Plant – Al-Jubail Petrochemical Company (KEMYA).
- Research Engineer, Polyethylene Process – SABIC Research & Development (R&D) Center.

Engr. Awadh Al-Waridah holds a Bachelor’s degree in Chemical Engineering from King Saud University, Riyadh.

Eng. Abdulaziz Mohamed H. Abudawsha
Vice President, Technical Services & Projects

Previous Positions & Experience:

- 30 years of extensive experience in the petrochemicals and desalinated water production industries.
- General Manager of Maintenance – National Industrialization Co. (Tasnee) (*Over 8 years of experience*).
- Senior Operations Manager – SABIC (*10 years of experience*).
- Electrical Maintenance Manager – Saline Water Conversion Corporation (SWCC) (*11 years of experience*).

Eng. Abdulaziz Abudawsha holds an Executive Master of Business Administration (EMBA) from King Abdulaziz University, as well as a Bachelor of Science in Electrical Engineering from King Fahd University of Petroleum and Minerals (KFUPM).

Mr. Syed Sohaib Ahsan

Acting Chief Financial Officer (CFO)

Previous Positions & Experience:

A seasoned finance executive with over 18 years of extensive background in finance operations, including financial analysis, financial and accounting reporting in accordance with IFRS, board reporting, audit, as well as team management and leadership.

- Senior Manager – PwC Saudi Arabia.
- IPO Advisor – Marafiq.
- Corporate Accounting Manager – Marafiq.
- Assistant Manager – EY (UAE and UK).
- Senior Auditor – PwC Pakistan.

Mr. Syed Sohaib holds a Bachelor's degree in Business Administration from the University of Karachi, Pakistan, and he is a Chartered Certified Accountant from the Association of Chartered Certified Accountants (ACCA) in the UK.

Mr. Osama Saeed Abdul Fattah
Legal Counsel

Previous Positions & Experience:

- Over 20 years in the field of Companies Regulations, Commercial contracts, corporate governance, secretariat of Boards of Directors of joint-stock companies.

Held several leadership positions such as:

- Deputy Director of Legal Affairs, Concord International Co. (Egypt).
- Director of Legal Affairs, Al Hassan Ghazi Ibrahim Shaker Co. (SHAKER).
- Board Secretary, Al Hassan Ghazi Ibrahim Shaker Co. (SHAKER).

Mr. Osama holds a bachelor's degree in law from Faculty of Law, English Section, Cairo University, Egypt.

Mr. Mutlaq Faisal Al-Mutairi
Sales Manager

Previous Positions & Experience:

- Possesses extensive experience of over 8 years in sales, business development, and cost management.
- Has served in several leadership positions, including:
  - Business Development Manager – CellMark Middle East.
  - Product Manager – Chemanol.
  - Head of Management Information Systems (MIS) & Cost Control – Farabi Petrochemicals Company.

- Mr. Mutlaq holds a Bachelor's degree in Management Information Systems (MIS) from Jubail University College.

24. INTERESTS OF BOARD MEMBERS AND SENIOR EXECUTIVES

The following Board members held interests in the Company's shares during FY 2025, as follows:

First: Members of the Board of Directors

Description of any interest, contractual papers and subscription rights attributable to the members of the Board of Directors in the Company's shares or debt instruments during FY 2025								
Name	Beginning of the year			End of the year			Net Change	Percentage of Change
	Number of shares	Debt Instruments	Percent. of Ownership	Number of shares	Debt Instruments	Percent. of Ownership		
Mr. Fahad Fozan Al-Shaya	-	-	-	-	-	-	-	0%
Mr. Abdullah Sulaiman Al-Sayari	-	-	-	-	-	-	-	0%
Mr. Yousif Abdullah Al-Rajhi	24,688	-	-	24,688	-	-	--	0%
Eng. Sultan Saleh Al-Khomashi	200,000	-	-	200,000	-	-	-	0%
Mr. Fahad Saud Al-Omran	-	-	-	-	-	-	-	0%
Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh	179,000	-	-	179,000	-	-	-	0%
Mr. Abdullah Mushabab Al-Qahtani	-	-	-	-	-	-	-	0%
Mr. Basem Mohammed Bahloul	-	-	-	-	-	-	-	%

Description of any interest of the spouses and minor children of the current Board of Directors' members in the Company's shares during the financial year 2025.

There are no interests held by the spouses or minor children of other Board members in the Company's shares during FY 2025.

Second: Senior Executives

- There are no interests, contractual securities, or subscription rights held by Senior Executives or their relatives in the Company's shares or debt instruments during FY 2025.
- There are no interests in contractual securities or subscription rights held by relatives of Senior Executives in the Company's shares or debt instruments for FY 2025.

25. REMUNERATION OF BOARD MEMBERS AND THE EXECUTIVE MANAGEMENT

In light of the provisions governing the remuneration of Board members, its sub-committees, and Senior Executives, there was no significant deviation during FY 2025 in any remuneration disbursed to the Board and Senior Executives from the Remuneration Policy approved by the Ordinary General Assembly on

15/06/2023. Accordingly, the remuneration of Board members, sub-committees, and Senior Executives was disbursed in accordance with the following principles and rules:

First: Board Members & Board Committees:

- Pursuant to the Remuneration Policy for Board Members, Committees, and Senior Executives approved by the Ordinary General Assembly on 15/06/2023, the Board of Directors shall—upon the recommendation of the Nomination and Remuneration Committee—determine the remuneration of Board and sub-committee members in accordance with the following principles:

  - ✓ The remuneration framework shall align with the Company's strategic objectives, serving as an incentive for Board and sub-committee members to achieve these goals and bolster the Company's capacity for business development and sustainability.
  - ✓ The remuneration should be commensurate with the nature of the Company's business, activity and size, as well as the experience required.
  - ✓ The remuneration should be a means to attract Board members with experience and qualifications to enhance the Company's ability to achieve its objectives.
  - ✓ The remuneration shall be determined based on the level of job, the tasks and responsibilities assigned to its occupant, academic qualifications, practical experience, skills, and level of performance.
  - ✓ The remuneration shall be fair and proportionate to the members' competencies, work and responsibilities carried out and borne by members of the Board of Directors or committees, in addition to the goals set by the Board of Directors to be achieved during the financial year.
  - ✓ The Company's Articles of Association specify the method of remunerating members of the Board of Directors. It may consist of a certain amount, attendance allowance for sessions, certain benefits, a certain percentage of the net profits, other allowances or granting of shares. It is permissible to combine two or more of these benefits. However, the Company's Articles of Association may specify the maximum limit for these awards.
  - ✓ The members' remuneration may be of varying amount to reflect the member's experience, competence, tasks entrusted to him, his independence, the number of sessions he attended, and any other considerations, according to the discretion of the Board of Directors and based on a recommendation of the Nomination and Remuneration Committee.
  - ✓ An annual remuneration of four hundred thousand (400,000) Riyals for the Chairman of the Board of Directors and three hundred thousand (300,000) Riyals for each member of the Board, provided that the entitlement to this award is proportional to the number of meetings the member attends during the year, and a remuneration for attending meetings in the amount of 3,000 Riyals. For members outside the Company's head office business class airline ticket or its equivalent shall be provided, in addition to booking a suitable hotel, provided that the amount does not exceed (2,000) Riyals per night.
  - ✓ A member of the Board of Directors may obtain a remuneration in exchange for his membership in the Audit Committee formed by the General Assembly, or in return for any additional executive, technical, administrative or advisory work or positions - under a professional license - assigned to him in the Company, in addition to the remuneration that he can obtain as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Company's Articles of Association.

- The remuneration of Board sub-committees consists of the following:
  - ✓ An annual remuneration of two hundred thousand (200,000) Riyals for the Chairman of the committee and one hundred-fifty thousand (150,000) for each member of the committees, provided that the entitlement to this award is proportional to the number of meetings the member attends during the year, and a remuneration for attending meetings in the amount of three thousand (3000) Riyals. For members from outside the Company's head office, a business class airline ticket is provided, or its equivalent, in addition to booking a suitable hotel, provided that the amount does not exceed two thousand (2,000) Riyals.
  - ✓ An annual remuneration of three hundred thousand (300,000) Riyals for the Chairman of the Audit committee and two hundred thousand (200,000) for each member of the committees, provided that the entitlement to this award is proportional to the number of meetings the member attends during the year, and a remuneration for attending meetings in the amount of three thousand (3000) Riyals. For members from outside the Company's head office, a business class airline ticket is provided, or its equivalent, in addition to booking a suitable hotel, provided that the amount does not exceed two thousand (2,000) Riyals.
  - ✓ The Board of Directors may take decisions that include paying an additional work allowance to any member who is assigned additional work for the Company, provided that they are disclosed in the Company's annual report.
  - ✓ The Company shall disburse attendance fees to members of the Board and its sub-committees at the end of each quarter.
  - ✓ Remuneration for the Board and sub-committees, as well as attendance fees, may be disbursed in instalments at the end of each quarter of the Financial Year.
  - ✓ If the Audit Committee or the CMA finds that the remuneration disbursed to any member of the Board or Executive Management was based on incorrect or misleading information presented to the General Assembly or included in the Board's annual report, such member must return the funds to the Company, and the Company shall have the right to seek restitution.

Second: Senior Executives:

- Based on a recommendation of the Nominations & Remuneration Committee, the Board of Directors shall determine the remuneration of Senior Executives in accordance with the following principles:
  - ✓ The remuneration and compensation should be consistent with the Company's strategic objectives and should be an incentive factor for Senior Executives to achieve these objectives and enhance the Company's ability to develop and sustain its business.
  - ✓ The remuneration should be commensurate with the nature of the Company's business, activity, and size, as well as the experience required.
  - ✓ The remuneration should enable the Company, when necessary, to attract Senior Executives with the required credentials, skills, and capabilities to support the achievement of its objectives.
  - ✓ The remuneration should not cause any conflict of interest that would adversely affect the interest of the Company and its ability to achieve its objectives.
  - ✓ The short-term incentive plans are linked to exceptional performance and long-term incentive plans such as share/ stock option programs.

- ✓ The Nominations and Remuneration Committee shall submit a recommendation to the Board of Directors based on a proposal from the CEO to retain the employees and guarantee their continuity in the Company by giving them home ownership and shares in the Company.

The following tables detail the remuneration and compensation disbursed to Board members during FY ended 31 December 2025, pursuant to Article (93) of the Corporate Governance Regulations:

Board Members	Fixed Remuneration							Variable Remuneration								
	Specific amount	Allowance for attending meetings of the Board	Total allowance for attending committee meetings	In-kind benefits	Remuneration of technical,	Remuneration of the Chairman, Managing	Total	Percentage of profits	Periodic Remuneration	Short-term incentive plans	Long-term incentive plans	Shares granted	Total	End of service benefits	Grand Total	Expense Allowance
FIRST: INDEPENDENT MEMBERS																
Eng. Faris Mansour Al-Rajhi*	-	6,000	6,000	-	-	-	12,000	-	-	-	-	-	-	-	12,000	-
Mr. Yousif Abdullah Al-Rajhi	-	21,000	27,000	-	-	-	48,000	-	-	-	-	-	-	-	48,000	-
Mr. Abdullah Sulaiman Al-Sayari	-	15,000	27,000	-	-	-	42,000			-					42,000	-
Mr. Fahad Saud Al-Omran	-	21,000	33,000	-	-	-	54,000	-	-	-	-	-	-	-	54,000	-
Eng. Sultan Saleh Al-Khomashi	-	21,000	27,000	-	-	-	48,000	-	-	-	-	-	-	-	48,000	-
Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh	-	21,000	6,000	-	-	-	27,000	-	-	-	-	-	-	-	27,000	-
Mr. Abdullah Mushabab Al-Qahtani	-	21,000	-	-	-	-	-	-	-	-	-	-	-	-	21,000	-
Mr. Basem Mohammed Bahloul	-	3,000	6,000	-	-	-	9,000			-	-	-	-	-	9,000	-
Mr. Hani Sulaiman Al-Saleh**	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-	6,000	-
Eng. Abdullah Abdul Aziz Al-Znaedi***	[redacted]															
SECOND: NON-EXECUTIVE MEMBERS																
Mr. Fahad Fozan Al-Shaya	-	21,000	33,000	-	-	-	54,000	-	-	-	-	-	-	-	54,000	-
Eng. Sabri Al-Ghamdi****	-	9,000	-	-	-	-	9,000	-	-	-	-	-	-	-	9,000	-
Total	-	165,000	165,000		-	-	330,000	-	-	-	-	-	-	-	330,000	-

** Submitted his resignation on April 15, 2025.
**Submitted his resignation on February 27, 2025.
***Submitted his resignation on June 11, 2025.
**** Submitted his resignation on June 11, 2025.

- **In consideration of the Company's financial circumstances, the Board of Directors has decided to defer the payment of the annual remunerations scheduled for the Board and committee members for the financial year 2025 to a later date, whereby the amounts stated in the above statement represent the attendance allowances for the meetings of the Board of Directors, General Assemblies, and Board committees, and do not include the aforementioned annual remunerations.**

Third: Remuneration of Board Sub-committee Members during FY 2025

Audit Committee				
Member's Name	**Capacity**	**Fixed Remuneration**	**Allowance for Attending Meetings**	**Total**
Mr. Yousif Abdullah Al-Rajhi	Committee Chairman	-	27,000	27,000
Mr. Saad Ibrahim Al-Mushawah	Committee Member	-	27,000	27,000
Mr. Abdullah Abdul-Rahman Al-Kharashi	Committee Member	-	12,000	12,000
Dr. Abdullah Saghir Al-Husseini	Committee Member	-	27,000	27,000
Mr. Saleh Muqbil Al-Khalaf (resigned on July 16, 2025)	Committee Member	-	12,000	12,000

Nomination and Remuneration Committee				
Member's Name	**Capacity**	**Fixed Remuneration**	**Allowance for Attending Meetings**	**Total**
Mr. Basem Mohammed Bahloul	Committee Chairman	-	6,000	6,000
Dr. Sulaiman Ali Al-Hudaif	Committee Member	-	9,000	9,000
Mr. Sulaiman Nasser Al-Hatlan	Committee Member	-	6,000	6,000
Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh	Chairman Former Committee	-	6,000	6,000
Mr. Fahad Fozan Al-Shaya	Committee Member	-	3,000	3,000

The Executive Committee				
Member's Name	**Capacity**	**Fixed Remuneration**	**Allowance for Attending Meetings**	**Total**
Mr. Fahad Fozan Al-Shaya	Committee Chairman	-	33,000	33s,000
Mr. Abdullah Sulaiman Al-Sayari	Committee Member	-	27,000	27,000
Eng. Sultan Saleh Al-Khomashi	Committee Member	-	27,000	27,000
Mr. Fahad Saud Al-Omran	Committee Member	-	33,000	33,000
Eng. Faris Mansour Al-Rajhi	Former Committee Chairman	-	6,000	6,000

Fourth: Remunerations and Compensations of Senior Executives:

(SAR in ‘000’)

Total Remuneration of the top 5 Senior Executives including the CEO & CFO	Fixed Remuneration				Variable Remuneration						End of service benefits	'Total Executives remuneration for the Board, if any	Grand total
	Salaries	Allowances	In- Kind	Total	Periodic Bonus	Profits	Short –Term Motivational Bonus	Long –Term Motivational Bonus	Shares granted	Total			
	8,148	-	-	-	-	-	-	-	-	-	239	-	-
Total	8,148	-	-	-	-	-	-	-	-	-	239	-	8,387

The Company has committed to disclosing the aggregate remuneration of Senior Executives in accordance with the regulatory requirements set out in Article (93), Paragraph (4), Item (b) of the Corporate Governance Regulations. However, the decision not to disclose such remuneration in detail is intended to protect the interests of the Company and its shareholders, maintain job stability, and safeguard the financial and contractual data of Senior Executives. This is particularly relevant as salaries and remuneration for Senior Executives are subject to various criteria, including professional experience and academic qualifications, as well as variations in salary scales between companies and sectors. Furthermore, Senior Executives are engaged under employment contracts governed by the provisions of Labor Law; their roles are executives in nature and are neither honorary nor voluntary positions.

26. THE PROCEDURES TAKEN BY THE BOARD OF DIRECTORS TO INFORM ITS MEMBERS OF THE SHAREHOLDERS' PROPOSALS AND OBSERVATIONS REGARDING THE COMPANY AND ITS PERFORMANCE

The Company’s Articles of Association and Corporate Governance Framework guarantee all equity-related rights to shareholders. The Company receives shareholders' suggestions and observations via email, telephone, or other communication channels, with a summary of such feedback, if any, being presented to the Board of Directors. Responses are provided within the boundaries of disclosure and transparency regulations.

Furthermore, the Board of Directors—represented by its full membership and committee chairmen—is keen to engage with shareholders during General Assembly meetings. Such meetings provide a platform for shareholders to raise inquiries regarding the Company's activities and operations, which are addressed immediately by the Board during the meeting. This is in addition to inquiries received through various other means, all of which are summarized and reported to the Board, if any, as appropriate.

27. MEANS RELIED UPON BY THE BOARD OF DIRECTORS FOR EVALUATING ITS PERFORMANCE AND THE PERFORMANCE OF ITS COMMITTEES AND MEMBERS

The Nomination and Remuneration Committee Charter, approved by the General Assembly, mandates an annual performance assessment of the Board and its committees. Furthermore, the Board emphasizes the importance of continuous communication with its committees by reviewing periodic reports presented by committee chairmen. These reports facilitate the discussion of key recommendations and decisions, alongside attendance records and the extent of members' engagement in fulfilling their obligations and duties.

28. BRIEF DESCRIPTION OF THE AUTHORITIES AND DUTIES OF THE BOARD COMMITTEES

The Board of Directors has established several committees to play a pivotal role in assisting the Board in performing its statutory duties, ensuring optimal performance and leveraging the diverse expertise of its members:

First: The Executive Committee

Pursuant to the Executive Committee Charter approved by the Board of Directors, the Committee's duties and responsibilities are set out as follows:

1. Monitoring the Company's financial position and its operational and marketing policies.
2. Reviewing the Company's strategic planning procedures and operations in coordination with the CEO.
3. Reviewing the Company's legal status periodically.
4. Coordinating with the CEO to establish the Company's strategic plan and operational objectives.
5. Periodically reviewing strategic plans and operational objectives to ensure alignment with the Company's mission and goals.
6. Formulating recommendations to the Board of Directors regarding strategic decisions on investment opportunities aimed at enhancing Company performance.
7. Any other duties and tasks assigned by the Board of Directors.

The following table shows the number of Executive Committee meetings held during FY 2025.

S.N.	Date of Meeting	Faris Mansour Al-Rajhi*	Fahad Fozan Al-Shaya	Abdullah Sulaiman Al-Sayari**	Sultan Saleh Al-Khomashi	. Fahad Saud Al-Omran
1.	27/01/2025	✓	✓		✓	✓

2.	19/02/2025	✓	✓		✓	✓
3.	28/04/2025		✓	✓	x	✓
4.	05/05/2025		✓	✓	✓	✓
5.	22/05/2025		✓	✓	✓	✓
6.	07/07/2025		✓	✓	✓	✓
7.	18/08/2025		✓	✓	✓	✓
8.	10/11/2025		✓	✓	✓	✓
9.	23/12/2025		✓	✓	✓	✓

*Eng. Faris Al-Rajhi submitted his resignation from the Chairmanship of the Executive Committee on 15/04/2025.
**Mr. Abdullah Al-Sayari was appointed as a member of the Executive Committee, effective from 15/04/2025.

Second: Audit Committee

- On July 16, 2025, Mr. Saleh Muqbil Al-Khalaf resigned from his position as a member of the Audit Committee due to personal reasons.
- On July 24, 2025, the Board of Directors passed a resolution to appoint Mr. Abdullah Abdul-Rahman Al-Kharashi as a member of the Audit Committee, replacing Mr. Saleh Muqbil Al-Khalaf.
- On 16/02/2026, the Audit Committee was reconstituted as follows:
- Mr. Fahad Abdullah Al-Ageefi (Chairman)
- Mr. Yousif Abdullah Al-Rajhi (Member)
- Dr. Abdullah Saghir Al-Husseini (Member)
- Mr. Abdullah Abdulrahman Al-Kharashi (Member)
- Mr. Abdullah Mushabbab Al-Qahtani (Member)

The Audit Committee held nine (9) meetings during FY 2025, as follows:

S.N.	Date of Meeting	Yousif Al-Rajhi	Saleh Al-Khalaf	Saad Al-Mushawah	Abdullah Al-Husseini	Abdullah Al-Kharashi
1.	20/01/2025	✓	✓	✓	✓	
2.	25/03/2025	✓	✓	✓	✓	
3.	12/05/2025	✓	✓	✓	✓	
4.	13/05/2025	✓	✓	✓	✓	
5.	17/07/2025	✓		✓	✓	
6.	07/08/2025	✓		✓	✓	✓
7.	21/10/2025	✓		✓	✓	✓
8.	09/11/2025	✓		✓	✓	✓
9.	17/11/2025	✓		✓	✓	✓

In accordance with the Audit Committee Charter approved by the General Assembly, the Committee's duties and responsibilities are set out as follows:

- **Financial Reports:**
  a. Reviewing the Company's financial statements, providing opinions, and making recommendations to the Board of Directors.
  b. Examining the accounting policies adopted by the Company, providing opinions, and making recommendations to the Board of Directors.
  c. Examining any significant or unusual issues included in the financial reports.
  d. Reviewing any matters raised by the Company's Chief Financial Officer (CFO) or the external auditor.
  e. Reviewing accounting estimates regarding significant matters contained in the financial reports
- **Internal Audit:**
  a. Reviewing and evaluating the internal control, financial, and risk management systems at Chemanol.
  b. Reviewing internal audit reports and following up on the implementation of corrective actions recommended therein.
  c. Recommending to the Board of Directors the appointment of the Chief Audit Executive and proposing his remuneration.
  d. Monitoring and supervising the performance and activities of the Internal Audit Department at Chemanol, ensuring the availability of necessary resources, and verifying their effectiveness in performing assigned duties and responsibilities.
- **External Auditor:**
  a. Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remuneration, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
  b. Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.
  c. Reviewing the plan of the Company's external auditor and its activities and ensuring that it does not provide any technical or administrative works that are beyond its scope of work and provides its opinion thereon.
  d. Responding to queries of the Chemanol's External Auditor.
  e. Reviewing the External Auditor's reports and its comments on the financial statements and following up the procedures taken in connection therewith.
- **Ensuring Compliance:**

a. Reviewing the findings of the reports of supervisory authorities and ensuring that Chemanol has taken the necessary actions in connection therewith.
b. Ensuring Chemanol's compliance with the relevant laws, regulations, policies, and instructions.
c. Reviewing the contracts and proposed Related Party transactions and providing its recommendations to the Board in connection therewith.
d. Reporting to the Board any issues in connection with what it deems necessary to take action on and providing recommendations as to the steps that should be taken.

In performing its duties, the Audit Committee shall have full authority to investigate any matter within its scope of responsibilities, as well as any specific issue assigned to it by the Board of Directors. This authority includes unrestricted access to all Company records, documents, data, and information, and the right to request any clarification or statement from members of the Board, the Executive Management, or Company employees for purposes of inquiry and verification.

The Committee is further empowered to obtain independent legal, technical, or professional advice from external advisors or consulting firms as needed to support the execution of its responsibilities and to assess any deficiencies related to the Internal Audit function. Company Management is obligated to promptly notify the Chairman of the Audit Committee of any identified deficiency, fraud, or violation, in accordance with its level of severity.

To safeguard the independence and effectiveness of the Committee's oversight, both the Internal Audit Manager and the External Auditor shall have the right to communicate and engage directly with the Audit Committee without any intermediary.

29. RESULTS OF THE ANNUAL REVIEW OF THE EFFECTIVENESS OF THE INTERNAL CONTROL PROCEDURES

The Company's operations are subject to periodic review in accordance with an annual plan approved by the Audit Committee, with the results of these audits regularly reported to the Executive Management and the Board of Directors. Each year, the Committee adopts a work plan based on a risk assessment methodology, aimed at enhancing the effectiveness of control and audit procedures across the Company's various departments.

During 2025, internal audit activities covered the departments of Operations, Strategy and Business Development, Project Management, Human Resources, and Administration. These audits resulted in several observations that were reported to the Executive Management and the Board of Directors, and the necessary corrective actions were taken. The Committee has not identified any material weaknesses that would require disclosure; furthermore, the Committee confirms that the internal control system has achieved numerous improvements during the year.

Third: Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) exercises its functions in accordance with its Charter approved by the General Assembly on 16/06/2022, in compliance with Capital Market Authority (CMA) requirements and relevant regulations. The Committee's principal functions include:

1. Formulating a clear remuneration policy for members of the Board, its sub-committees, and the Executive Management. Such policy is submitted to the Board of Directors for review prior to

General Assembly approval, ensuring it incorporates performance-related standards, disclosure requirements, and implementation oversight.

2. Suggesting amendments to clear policies and standards for membership of the Board.
3. Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with the approved policies and standards.
4. Preparing a description of the capabilities and qualifications required for Board membership and Executive Management Positions.
5. Determining the amount of time that the members shall allocate to the activities of the Board.
6. Annually reviewing the skills and expertise required for Board membership and Executive Management Positions.
7. Reviewing the structure of the Board of Directors and Executive Management and providing recommendations regarding changes that may be made to such structure.
8. Annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of directors of another Company.
9. Providing job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executives.
10. Setting procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant.
11. Determining the weaknesses, strengths, and opportunities for development in the Board and its committees and thereby recommending remedy solutions that serve the Company's interests by proposing training courses or any other means to ensure developing the skills of the Board and committee members.
12. Periodically reviewing the remuneration policy and assessing its effectiveness in achieving the desired objectives.
13. Explaining the relationship between remuneration granted and applicable remuneration policy, highlighting any significant deviation from such policy.

The following table outlines the attendance record for each member of the Committee during 2025:

S.N.	Date of Meeting	Sulaiman Ali Al-Hudaif	Sulaiman Nasser Al-Hatlan	Basem Mohammed Bahloul	Abdul-Aziz Abdul-Rahman Al-Shamekh	Fahad Fozan Al-Shaya
1.	1127/02/20242025	✓	✓	✓	✓	✓
2.	1101/06/20242025	✓	✓	✓	✓	
3.	08/09/202418/08/2025	✓	✓	✓		

- *On 15/04/2025, Mr. Bassem Mohammed Bahloul was appointed as a member of the Nomination and Remuneration Committee, replacing Mr. Fahad Fozan Al-Shaya, following the latter's appointment as Chairman of the Board of Directors.
- On 02/10/2025, Mr. Bassem Mohammed Bahloul was appointed as Chairman of the Nomination and Remuneration Committee.

30. WAIVING OF REMUNERATION

No Board member or Senior Executive has waived any remuneration for FY ended 31 December 2025.

31. WAIVING OF DIVIDENDS

The Company did not distribute any dividends to shareholders during FY ended 31 December 2025.

32. CONTRACTS IN WHICH DIRECTORS AND SENIOR EXECUTIVES HAVE AN INTEREST

During FY 2025, several contracts were concluded with Tawuniya Insurance Co., where Mr. Sultan Al-Khamshi (Chemanol Board Member) serves as the -CEO of the General Insurance Sector. It should be noted that these contracts were concluded in accordance with the Company’s established procurement policies and without any preferential terms, as detailed in the statement below:

Contract Subject	Contract Value (SAR)
Life Insurance Policy for Company employees.	474,210
Medical Insurance for Company employees.	18,351,422
Trade Insurance.	637,529

33. BOARD OF DIRECTORS DECLARATIONS

The Board of Directors of Methanol Chemicals Company (Chemanol) acknowledges the following:

1. The accounting records have been properly prepared.
2. The internal control system is established on sound bases and has been effectively implemented.
3. No shares or debt instruments have been issued to any subsidiary.
4. During FY 2025, no member of the Board of Directors has engaged in any business that competes with the Company's business or any of its activities.

34. GENERAL ASSEMBLIES

The following table details the dates of the General Assembly meetings held for the Company's shareholders during FY ended 31 December 31, 2025, along with the names of the Board of Directors members who attended these meetings:

The Assembly	Ordinary General Assembly	Extraordinary General Assembly
Board Member/ Date of GA	30/06/2025	19/10/2025
Mr. Fahad Fozan Al-Shaya	✓	✓
Mr. Abdullah Sulaiman Al-Sayari	✓	✓
Dr. Abdul-Aziz Abdul-Rahman Al-Shamekh	✓	✓
Eng. Sultan Saleh Al-Khomashi	✓	✓
Mr. Fahad Saud Al-Omran	✓	✓
Mr. Yousif Abdullah Abdul Aziz Al-Rajhi	✓	✓
Mr. Abdullah Mushabab Al-Qahtani	✓	✓
Mr. Basem Mohammed Bahloul		✓

35. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Company Management is committed to achieving the principle of fairness in providing the appropriate information at the right time to investors in order to help them take the best decisions based on correct and adequate information, to ensure that such information is not leaked to some investors rather than others and also to ensure that all the beneficiaries have equal access. The Company is strictly and keenly committed to implementing the policies and procedures for disclosing material developments, financial statements, and performance reports in accordance with the legal requirements, the applicable regulations and instructions of the competent authorities.

36. SHAREHOLDERS RECORDS REGISTER

The following table details the dates and purposes of the Shareholder Register requests made during FY 2025:

Date of Request	Reason for the Request
6/04/2025	Other
03/06/2025	Other
25/08/2025	Other
31/12/2025	Corporate Actions

37. COMPANY ANNOUNCEMENTS ON THE SAUDI STOCK EXCHANGE (TADAWUL) WEBSITE

During FY ended December 31, 2025, the Company announced several events and resolutions on Tadawul website through 30 announcements addressed to the Company shareholders.

S.N.	Date of Announcement	Title of Announcement
1.	January 1st	Methanol Chemicals Company (Chemanol) announces that it has received a notification regarding an adjustment in the prices of Methane Gas used as feedstock for its products.
2.	March 2nd h	Methanol Chemicals Co. (Chemanol) Announces Resignation and Appointment of a Board Member.
3.	March 30th	Methanol Chemicals Co. announces its Annual Financial results for the period ending on 31/12/2024
4.	April 3rd	Methanol Chemicals Company (Chemanol) announces the Board of Directors' recommendation regarding transferring the company's statutory reserve to retained earnings.
5.	April 9th	Methanol Chemicals Company (Chemanol) announces its Intention to investigate the Acquisition of ADDAR Chemicals Company (ACC) and Global Company for Chemical Industries (GCI).
6.	April 13th	Methanol Chemicals Company (Chemanol) announces a Change in the Position of Vice Chairman of the Board of Directors.
7.	April 16th	Methanol Chemicals Company (Chemanol) announces the Resignation and Appointment of a Board Member.
8.	April 16th	Methanol Chemicals Company (Chemanol) announces a Change in the Positions of Chairman & Vice Chairman of the Board of Directors.
9.	May 15th	Methanol Chemicals Co. announces its Interim Financial results for the Period Ending on 31/03/2025 (Three Months).
10.	June 18th	Methanol Chemicals Company (Chemanol) announces the Termination of its CEO's Contract and assigns the Vice President of Manufacturing to Temporarily Assume the Duties of the CEO
11.	May 18th	Corrective Announcement from Methanol Chemicals Company (Chemanol) Regarding its earlier announcement of the Termination of its CEO's Contract and Assigning the Vice President of Manufacturing to Temporarily Assume the Duties of the CEO.
12.	June 2nd	Methanol Chemicals Company (Chemanol) announces Receipt of Letters from a number of Shareholders owning 10% of the Company's Capital to hold a General Assembly Meeting to dismiss Two Board Members.
13.	June 4th	Methanol Chemicals Co.'s Board invites its shareholders to attend the Ordinary General Assembly Meeting the (First Meeting).
14.	June 12th	Methanol Chemicals Company (Chemanol) announces the resignation of two members of the Board of Directors.
15.	July 1st	Methanol Chemicals Co. (Chemanol) Announces the Results of the Ordinary General Assembly Meeting (First Meeting).
16.	July 15th	Methanol Chemicals Company (Chemanol) Announces the Conclusion of the Acting CEO's Assignment and the Appointment of a New CEO.
17.	July 16th	Methanol Chemicals Co. Announces Resignation Audit Committee Member.

18.	July 24th	Methanol Chemicals Co. Announces Appointment Audit Committee Member.
19.	August 10th	Methanol Chemicals Company (Chemanol) announces the Filing of a Lawsuit against the Company.
20.	August 11th	Methanol Chemicals Co. announces its Interim Financial results for the Period Ending on 30/06/2025 (Six Months).
21.	September 25th	Methanol Chemicals Company (Chemanol) announces the recommendation of its Board of Directors to the company's General Assembly to vote on filing a liability lawsuit against two former board members.
22.	September 28th	Methanol Chemicals Co.'s Board invites its shareholders to attend the Ordinary General Assembly Meeting the (First Meeting).
23.	October 5th	Methanol Chemicals Company (Chemanol) announces the Appointment of a Board Member.
24.	October 9th	Methanol Chemicals Co. (Chemanol) Announces Board's Recommendation to Decrease the Company's Capital.
25.	October 20th	Methanol Chemicals Co. Announces the Results of the Ordinary General Assembly Meeting (First Meeting).
26.	November 11th	Methanol Chemicals Co. announces its Interim Financial results for the Period Ending on 2025-09-30 (Nine Months).
27.	December 7th	Methanol Chemicals Company's (Chemanol) announcement regarding a lawsuit filed against the Company in connection with the acquisition transaction of Addar Chemicals Company (ACC).
28.	December 7th	Methanol Chemicals Company's (Chemanol) announcement regarding a lawsuit filed against the Company in connection with the acquisition transaction of Addar Chemicals Company (ACC).
29.	December 22nd	Methanol Chemicals Company (Chemanol) announces the Latest Developments Regarding its Board of Directors' Recommendation to increase The Company's Capital by offering Rights Issue.
30.	December 25th	Methanol Chemicals Company (Chemanol) Announcement on the Latest Material Developments Related to the Board of Directors' Recommendation to Reduce the Company's Capital.

38. PAID AND OUTSTANDING STATUTORY PAYMENTS

The following table details the statutory payments paid and outstanding during FY 2025 (All figures in SAR '000):

Particulars	Amount Paid	Payable until the end of the year	A Brief Description	Reason
Zakat	7,740	-	Company Zakat	Mandatory
Tax	--	--	Company Tax	Mandatory
General Organization for Social Insurance (GOSI)	14,205	1,086	GOSI Subscription Payments	Mandatory
Visa and Passport Cost	786	-	Payments against employees' visas and passports	Mandatory

39. INVESTMENTS OR RESERVES CREATED FOR THE BENEFIT OF EMPLOYEES

The following table shows the provision of Company employees as of December 31, 2025 (All figures in SAR '000).

Item	2025	2024
Provision for End of Service Benefits	75,505	72,267

40. SANCTIONS AND PENALTIES IMPOSED ON THE COMPANY

The Company was not subject to any penalty, sanction, precautionary measure, or cautionary restriction imposed by the CMA or any other supervisory, regulatory, or judicial authority during FY ended 31 December 2025.

41. DESCRIPTION OF ANY TRANSACTION BETWEEN THE COMPANY AND A RELATED PARTY

There are no transactions concluded between the Company and any related party during FY ended December 31, 2025.

42. SOCIAL RESPONSIBILITY

Building on our longstanding efforts and in commitment to our social responsibilities toward the country and society, the Company carried out a diverse range of social initiatives in 2025. These included cash and in-kind contributions to various sectors of society, such as charitable organizations, health and environmental sectors, education, culture, and sports.

The following is an overview of our key initiatives during the year:.

Name of Initiative	Initiative Description
Drug Awareness Initiative	An awareness lecture was organized in collaboration with the General Directorate of Narcotics Control, targeting Company employees to raise awareness about the dangers of drugs and prevention methods, while fostering a safe working environment.
Volunteering Initiative- in association with Tarmeem Charity Association.	Company employees participated in painting a house for one of the Tarmeem Charity Association's beneficiaries as part of Social Responsibility Day, reinforcing the values of giving and volunteer work.
Blood Donation Campaign	Chemanol organized a blood donation campaign at the Company's headquarters, in partnership with the insurance provider and the Saudi German Hospital. This humanitarian initiative aimed to promote a culture of giving and social responsibility among employees.
Sponsorship and Development of **Sakha App** (Jubail Charitable Society) for Five Years.	The Company sponsored the development and creation of the Jubail Charitable Society's application (Sakha) for a five-year period, as a technical initiative aimed at supporting the sustainability of charitable work.
World Diabetes Day Event	In collaboration with Marsh and Tawuniya, an awareness event was organized on the occasion of World Diabetes Day at Fanateer Mall in Jubail Industrial City.

شركة كيميائيات الميثانول (كيمانول)

Methanol Chemicals Company

شركة مساهمة سعودية مدرجة في السوق المالية السعودية — رمز التداول: 2001

السجل التجاري: 2055001870

الجبيل الصناعية، المملكة العربية السعودية

شركة كيمائيات الميثانول (كيمانول)

Methanol Chemicals Company

شركة مساهمة سعودية مدرجة في السوق المالية السعودية — رمز التداول: 2001

السجل التجاري: 2055001870

الجبيل الصناعية، المملكة العربية السعودية

OPERATIONAL AND FINANCIAL SUMMARY

Fiscal Year 2025

SALES REVENUE (SECTION 8)

SAR 621.93 Million

Compared to SAR 668.81 Million in 2024 – a decrease of 11.85%

GROUP NET LOSSES (SECTION 13)

SAR 479.7 Million

Parent Company: SAR 162.2 Million (34%) and Subsidiaries: SAR 317.5 Million (66%)

TOTAL PRODUCTION (SECTION 8)

626,557 Metric Tons

An 11.4% decrease from 2024

EXPORTS (SECTION 1)

67% of Total Sales

12 products exported to more than 75 countries

PRODUCTION CAPACITY (SECTION 1)

Approximately 1 Million Metric Tons

An integrated industrial complex in Jubail Industrial City

SAUDIZATION / LOCALIZATION (SECTION 7)

71%

Achieved a 100% rating on the Ministry of Human Resources' Self-Assessment Platform

CAPITAL (SECTION 1)

SAR 674.5 Million

67,450,863 shares with a nominal value of SAR 10 per share

NUMBER OF CUSTOMERS

1,000 Customers

20% of customers are within the Kingdom