

BASIC CHEMICAL INDUSTRIES COMPANY
(A LISTED JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (Un-audited)**
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

BASIC CHEMICAL INDUSTRIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(1/2)

TO THE SHAREHOLDERS OF BASIC CHEMICAL INDUSTRIES COMPANY
A LISTED JOINT STOCK COMPANY
DAMMAM, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying March 31, 2026, condensed consolidated interim financial statements of Basic Chemical Industries Company (the "Company"), a listed Joint Stock Company, and its subsidiaries (collectively referred to as the "Group") which comprises:

- The consolidated interim statement of financial position as at March 31, 2026;
- The consolidated interim statement of profit or loss and other comprehensive income for the three-month period then ended;
- The consolidated interim statement of changes in equity for the three-month period then ended;
- The consolidated interim statement of cash flows for the three-month period then ended; and
- The notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

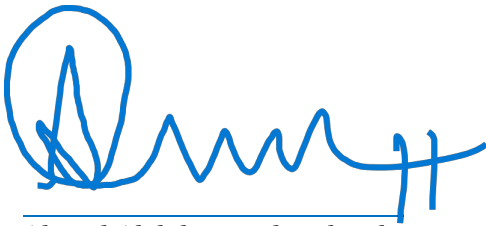
(2/2)

**TO THE SHAREHOLDERS OF BASIC CHEMICAL INDUSTRIES COMPANY
A LISTED JOINT STOCK COMPANY
DAMMAM, KINGDOM OF SAUDI ARABIA**

OTHER MATTER

The condensed consolidated interim financial statements of the Group for the three-month period ended March 31, 2025 were reviewed by another auditor whose review report dated April 29, 2025 expressed an un-modified conclusion.

For PKF Al Bassam Chartered Accountants



Ahmed Abdul Majeed Mohandis
Certified Public Accountant
License No. 477
Khobar: 20 Dhu'l-Qi'dah 1447H
Corresponding to: 7th May 2026

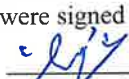



BASIC CHEMICAL INDUSTRIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2026

	Note	March 31, 2026 (Un-audited) SR	December 31, 2025 (Audited) SR
ASSETS			
Non-current assets			
Property, plant and equipment	7	776,213,280	780,504,206
Intangible assets		3,070,478	3,226,604
Right-of-use assets		14,225,555	14,476,960
Financial assets at fair value through profit or loss (FVTPL)	8	22,041,250	21,857,500
Deferred tax asset – net		1,440,793	1,750,152
Total non-current assets		816,991,356	821,815,422
Current assets			
Inventories		119,413,950	108,250,120
Trade and other receivables	9	241,988,770	228,642,320
Cash and cash equivalents		77,304,023	71,325,125
Total current assets		438,706,743	408,217,565
TOTAL ASSETS		1,255,698,099	1,230,032,987
EQUITY AND LIABILITIES			
Equity			
Share capital		275,000,000	275,000,000
Statutory reserve		74,054,021	74,054,021
Retained earnings		246,424,104	241,139,612
Equity attributable to the shareholders of the Company		595,478,125	590,193,633
Non-controlling interest		74,418,221	69,159,303
Total equity		669,896,346	659,352,936
LIABILITIES			
Non-current liabilities			
Long-term borrowings	10	274,535,587	275,946,899
Deferred grant	11	63,394,625	60,810,186
Lease liabilities		12,674,253	12,713,324
Employee benefit obligations		27,493,948	26,655,372
Decommissioning liabilities		6,880,681	6,815,127
Total non-current liabilities		384,979,094	382,940,908
Current liabilities			
Trade and other payable		123,571,022	112,235,109
Lease liabilities – current portion		228,042	1,499,750
Long-term borrowings – current portion	10	52,021,450	37,373,436
Short-term borrowings	10	6,500,000	14,500,000
Derivative financial instruments		685,186	1,107,707
Deferred grant – current portion	11	8,198,795	14,377,644
Zakat and income tax payable	12	9,618,164	6,645,497
Total current liabilities		200,822,659	187,739,143
Total liabilities		585,801,753	570,680,051
TOTAL EQUITY AND LIABILITIES		1,255,698,099	1,230,032,987

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors, on behalf of shareholders and were signed on their behalf on May 6th, 2026.


Uthman Alhomaïdan
Board Member


Alaa Al-Shaikh
Chief Executive Officer


Rabih Nahas
Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

BASIC CHEMICAL INDUSTRIES COMPANY


(A LISTED JOINT STOCK COMPANY)

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

	For the three-month period ended 31 March	
	2026	2025
	(Un-audited) SR	(Un-audited) SR
	Note	
Sales	182,559,401	161,555,471
Cost of sales	(143,981,238)	(132,273,719)
Gross profit	38,578,163	29,281,752
Selling and marketing expenses	(4,820,109)	(4,221,376)
Distribution expenses	(4,654,839)	(3,792,878)
General and administrative expenses	(12,869,175)	(9,972,608)
Reversal of / (allowance for) expected credit losses on trade receivables	9 717,162	(434,901)
Operating profit	16,951,202	10,859,989
Gain on fair value measurements of derivative financial instruments	422,521	760,506
Other non-operating income, net	659,990	454,170
Income from financial assets at fair value through profit or loss	183,750	183,750
Finance costs, net	(4,392,027)	(4,762,502)
Profit before zakat and income tax	13,825,436	7,495,913
Zakat expense	12 (1,517,014)	(2,358,870)
Income tax expense	12 (1,765,012)	(2,275,000)
Profit for the period	10,543,410	2,862,043
Other comprehensive income for the period	-	-
Total comprehensive income for the period	10,543,410	2,862,043
Total comprehensive income for the period is attributable to:		
Shareholders of the Company	5,284,492	(2,516,103)
Non-controlling interests	5,258,918	5,378,146
	10,543,410	2,862,043
Earnings / (Loss) per share		
Basic and diluted earnings / (loss) per share	14 0.19	(0.09)

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors, on behalf of shareholders and were signed on their behalf on May 6th, 2026.


Uthman Alhomaidan
Board Member


Alaa Al-Shaikh
Chief Executive Officer

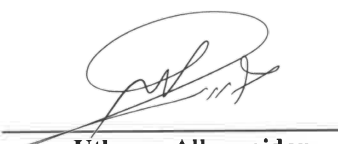

Rabih Nahas
Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

BASIC CHEMICAL INDUSTRIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

	Equity attributable to the shareholders of the Company				Non-controlling interest SR	Total equity SR
	Share capital SR	Statutory reserve SR	Retained earnings SR	Total SR		
As at January 1, 2025 (audited)	275,000,000	74,054,021	251,922,529	600,976,550	76,024,070	677,000,620
(Loss) / Profit for the period	-	-	(2,516,103)	(2,516,103)	5,378,146	2,862,043
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(2,516,103)	(2,516,103)	5,378,146	2,862,043
As at March 31, 2025 (un-audited)	275,000,000	74,054,021	249,406,426	598,460,447	81,402,216	679,862,663
As at January 1, 2026 - (audited)	275,000,000	74,054,021	241,139,612	590,193,633	69,159,303	659,352,936
Profit for the period	-	-	5,284,492	5,284,492	5,258,918	10,543,410
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	5,284,492	5,284,492	5,258,918	10,543,410
As at March 31, 2026 (un-audited)	275,000,000	74,054,021	246,424,104	595,478,125	74,418,221	669,896,346

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors, on behalf of shareholders and were signed on their behalf on May 6th, 2026.


Uthman Alhomaïdan
Board Member


Alaa Al-Shaikh
Chief Executive Officer


Rabih Nahas
Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

BASIC CHEMICAL INDUSTRIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2026

	For the three-month period ended 31 March	
	2026	2025
	(Un-audited) SR	(Un-audited) SR
Cash flow from operating activities		
Profit before zakat and income tax	13,825,436	7,495,913
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	8,484,624	8,412,289
Amortization of intangible asset	156,126	156,126
Depreciation of right of use assets	251,405	287,062
Income from financial assets at fair value through profit or loss (FVTPL)	(183,750)	(183,750)
(Reversal of provision) / provision for inventory obsolescence	(239,252)	1,391,880
(Reversal of) / allowance for expected credit losses	(717,162)	434,901
Provision for employee benefit obligations	961,859	724,760
Gain on fair value measurements of derivative financial instrument	(422,521)	(760,506)
Finance cost, net	4,392,027	4,762,502
<i>Changes in operating assets and liabilities:</i>		
Inventories	(10,924,578)	903,429
Trade and other receivables	(12,629,288)	(13,635,784)
Trade and other payables	11,335,913	(10,051,958)
Cash generated from operations	14,290,839	(63,136)
Finance cost paid	(995,001)	(3,407,957)
Zakat and income tax paid	-	(83,868)
Employees' end of service benefits paid	(123,283)	(507,486)
Net cash generated from / (used in) operating activities	13,172,555	(4,062,447)
Cash flow from investing activities		
Additions to property, plant and equipment	(4,193,698)	(2,611,580)
Income received from financial assets at FVTPL	-	367,500
Net cash used in investing activities	(4,193,698)	(2,244,080)
Cash flow from financing activities		
Payment of lease liabilities	(1,460,849)	(1,313,750)
Proceeds from long term borrowings	6,460,890	16,000,000
Movement in short term borrowings	(8,000,000)	-
Net cash (used in) / generated from financing activities	(2,999,959)	14,686,250
Net change in cash and cash equivalents	5,978,898	8,379,723
Cash and cash equivalents at the beginning of the period	71,325,125	54,382,008
Cash and cash equivalents at the end of the period	77,304,023	62,761,731

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors, on behalf of shareholders and were signed on their behalf on May 6th, 2026.

 <hr style="width: 100%; border: 0.5px solid black;"/> <p>Uthman Alhomidan Board Member</p>	 <hr style="width: 100%; border: 0.5px solid black;"/> <p>Alaa Al-Shaikh Chief Executive Officer</p>	 <hr style="width: 100%; border: 0.5px solid black;"/> <p>Rabih Nahas Chief Financial Officer</p>
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The accompanying notes form an integral part of these condensed consolidated interim financial statements.

BASIC CHEMICAL INDUSTRIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

1 GENERAL INFORMATION

Basic Chemical Industries Company (the “Company” or “BCI”) and its subsidiaries (collectively the “Group”) consist of the Company and its subsidiaries as listed below. The Group is principally engaged in the manufacturing of various chemicals as well as purchase, formulation, processing, export, import, marketing, distribution and acting as an agent for the sale of chemicals.

The Company is a joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration (“CR”) number 2050002795 issued in Dammam on 28 Dhul Al Hijjah 1392H (corresponding to 2 February 1973) and its unified number is 7000678024. The registered address of the Company is P.O. Box 1053, First Industrial Area, Dammam 31431, Kingdom of Saudi Arabia.

The accompanying condensed consolidated interim financial information includes the accounts of the Company, its branches and its various subsidiaries, operating under individual CRs.

	<u>Effective shareholding</u>	
	As at 31 March 2026 (Un-audited)	As at 31 December 2025 (Audited)
Chemical Marketing and Distribution Company Limited (“CMDC”)	100%	100%
Huntsman APC (“HAPC”)	49%	49%
Henkel Industrial Company Limited (“HIC”) (previously National Adhesives Company Limited)	47%	47%
OKAZ Chemical Materials Marketing and Distribution Company (“OKAZ”)	100%	100%

The above subsidiaries, except OKAZ, are incorporated and operating in Kingdom of Saudi Arabia and engaged in manufacturing and selling of various chemicals and plastic products. OKAZ is incorporated in United Arab Emirates and is engaged in sale of industrial chemicals and solvents.

The Group has applied significant judgment in evaluation of all the investee entities, to determine whether the Group has control over the investee as per the criteria laid out by IFRS 10 ‘Consolidated Financial Statements’. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement and rights and powers to direct the relevant activities of the investee entities to determine whether it controls the investee.

The management of the Company has concluded that the Group controls HAPC and HIC, even though it holds less than half of the voting rights of these subsidiaries. The Group controls these subsidiaries through its ability and the extent of its involvement and rights and powers to direct the relevant activities of the investee. Accordingly, the Company has the right to exercise control through its power over these subsidiaries, its exposure and right to the variable returns and its ability to affect the amount of returns generated from these subsidiaries.

During 2013, CMDC acquired 50% equity interest in Mars Chemical Marketing and Distribution Company Limited (“Mars-CMDC”), a limited liability company incorporated in Qatar under CR number 56892 issued on 12 Ramadan 1433 H (corresponding to 31 July 2012). Mars-CMDC is engaged in marketing and distribution of various chemicals, solvents, additives, catalysts, plastics, polymers and resins. During 2017, the Group recorded an impairment write-down on such investment equal to its carrying value amounting to Saudi Riyals 0.4 million. The Group has no obligation to provide any financial support to the associate beyond its investment amount. Accordingly, management has not recognized any share of loss subsequent to the year ended December 31, 2017. As at 31 March 2026, Mars-CMDC was not operational and had a dormant status.

BASIC CHEMICAL INDUSTRIES COMPANY

(A LISTED JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026****2 BASIS OF PREPARATION****2.1 Statement of compliance**

This condensed consolidated interim financial information of the Group has been prepared in compliance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025.

2.2 New Standards, Amendment to Standards and Interpretations

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Group's condensed consolidated interim financial statements.

2.3 Standards and amendments effective in the current period

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management impact
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	The amendments have been adopted during the current period. The adoption did not have a material impact on the Group's financial statements, as the Company's financial instruments and settlement arrangements were not significantly affected.
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	The amendments have been adopted during the current period. The adoption did not have a material impact on the Group's financial statements, as the nature of the Group's operations and contractual arrangements did not result in any significant exposure to such contracts.

BASIC CHEMICAL INDUSTRIES COMPANY

(A LISTED JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026****2.4 Standards and amendments issued but not yet effective**

The following standards and amendments have been issued but are not yet effective for the reporting period ended **March 31, 2026**, and have not been early adopted by the Group:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Group's assets, liabilities, income or expenses.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Group's financial position, financial performance or cash flows.

3 MATERIAL ACCOUNTING POLICIES

Material accounting policies applied in preparation of condensed consolidated interim financial information of the Group are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025.

BASIC CHEMICAL INDUSTRIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

4 MEASUREMENT OF FAIR VALUES

As at March 31, 2026 and December 31, 2025, the fair values of the Group's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial information in conformity with IAS 34 that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA, requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no significant changes in critical accounting estimates and judgements used by management in the preparation of the condensed consolidated interim financial information from those that were applied and disclosed in the annual financial statements for the year ended December 31, 2025.

BASIC CHEMICAL INDUSTRIES COMPANY

(A LISTED JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

6 SEGMENT INFORMATION

The Group's operations are principally organized into the following business segments based on its products. The segment results, that are reported to the Chief Executive Officer who is the Chief Operating Decision Maker, include items directly attributable to a segment represented in operational results only.

- **Chemicals:** this part of the business manufactures and sells basic chemicals, industrial chemicals, toll manufacturing chemicals and water treatment, such as hydrochloric acid, ferric chloride, sulfuric acid, caustic soda, chlorine, sodium hypochlorite etc. used in multiple industries. Various chemicals products are produced using the same assets and liabilities.
- **Polymers:** this part of the business manufactures and sells rigid, and semi-rigid polyurethane systems for the manufacture of different density foams. Being the lightest insulation material with the lowest thermal conductivity and polyurethane foam.
- **Adhesives and other materials:** this part of the business manufactures and sells hot and cold melt adhesives used in multiple industries.

BASIC CHEMICAL INDUSTRIES COMPANY

(A LISTED JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026****6 SEGMENT INFORMATION (continued)**

Selected financial information as of March 31, 2026 and 2025 and for the three-month period then ended, summarized by operating segments, is as follow:

For the three-month period ended 31 March 2026	Chemicals products				Total	Polymers	Adhesives	Total
	Basic	Industrial	Water	Others				
	Chemicals	Chemicals	Treatment	SR				
	SR	SR	SR	SR	SR	SR	SR	SR
Sales	66,854,828	7,604,357	6,110,684	6,792,004	87,361,873	31,121,164	64,076,364	182,559,401
Cost of sales	(52,461,673)	(6,531,538)	(4,996,973)	(6,837,697)	(70,827,881)	(24,248,227)	(48,905,130)	(143,981,238)
Gross profit	14,393,155	1,072,819	1,113,711	(45,693)	16,533,992	6,872,937	15,171,234	38,578,163
Selling and marketing expenses	(1,732,858)	(557,969)	(59,599)	(460,772)	(2,811,198)	(319,932)	(1,688,979)	(4,820,109)
Distribution expenses	(2,595,190)	(184,170)	(21,894)	(47,825)	(2,849,079)	(627,662)	(1,178,098)	(4,654,839)
General and administrative expenses	(5,789,830)	(458,793)	(42,115)	(1,491,215)	(7,781,953)	(771,165)	(4,316,057)	(12,869,175)
Reversal of expected credit losses on trade receivables	444,221	35,497	3,258	115,377	598,353	10,960	107,849	717,162
Operating profit / (loss)	4,719,498	(92,616)	993,361	(1,930,128)	3,690,115	5,165,138	8,095,949	16,951,202
Gain on fair value measurements of derivative financial instruments					422,521	-	-	422,521
Other non-operating income, net					643,601	16,828	(439)	659,990
Income from financial assets at fair value through profit or loss					-	131,250	52,500	183,750
Finance costs, net					(4,383,997)	-	(8,030)	(4,392,027)
Profit before zakat and income tax					372,240	5,313,216	8,139,980	13,825,436
Zakat expense					(1,002,889)	(231,491)	(282,634)	(1,517,014)
Income tax expense					-	(731,830)	(1,033,182)	(1,765,012)
Profit for the period					(630,649)	4,349,895	6,824,164	10,543,410
Depreciation and amortization expense for the period					(8,492,818)	(56,803)	(342,534)	(8,892,155)
Total assets					975,539,280	105,808,554	174,350,265	1,255,698,099
Total liabilities					483,191,781	32,380,909	70,229,063	585,801,753
Additions to property, plant and equipment during the period					3,566,545	467,484	159,669	4,193,698

BASIC CHEMICAL INDUSTRIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

6 SEGMENT INFORMATION (continued)

For the three-month period ended 31 March 2025	Chemicals products				Total	Polymers	Adhesives	Total
	Basic	Industrial	Water	Others				
	Chemicals	Chemicals	Treatment	SR				
	SR	SR	SR	SR	SR	SR	SR	SR
Sales	49,496,934	5,308,504	6,330,765	6,538,702	67,674,905	38,443,708	55,436,858	161,555,471
Cost of sales	(45,604,231)	(4,579,480)	(5,637,144)	(5,203,667)	(61,024,522)	(29,982,590)	(41,266,607)	(132,273,719)
Gross profit	3,892,703	729,024	693,621	1,335,035	6,650,383	8,461,118	14,170,251	29,281,752
Selling and marketing expenses	(1,175,252)	(439,158)	(435,102)	(111,386)	(2,160,898)	(344,445)	(1,716,033)	(4,221,376)
Distribution expenses	(2,103,999)	(250,206)	54,784	(119,361)	(2,418,782)	(366,082)	(1,008,014)	(3,792,878)
General and administrative expenses	(4,056,040)	(524,357)	(167,513)	(674,270)	(5,422,180)	(856,644)	(3,693,784)	(9,972,608)
(Allowance for) / reversal of expected credit losses on trade receivables	(280,239)	(36,229)	(11,573)	(46,586)	(374,627)	28,760	(89,034)	(434,901)
Operating (loss) / profit	(3,722,827)	(520,926)	134,217	383,432	(3,726,104)	6,922,707	7,663,386	10,859,989
Gain on fair value measurements of derivative financial instruments					760,506	-	-	760,506
Other non-operating income, net					486,973	8,420	(41,223)	454,170
Income from financial assets at fair value through profit or loss					-	131,250	52,500	183,750
Finance costs					(4,731,064)	(21,176)	(10,262)	(4,762,502)
(Loss) / profit before zakat and income tax					(7,209,689)	7,041,201	7,664,401	7,495,913
Zakat expense					(625,000)	(750,000)	(983,870)	(2,358,870)
Income tax expense					-	(1,000,000)	(1,275,000)	(2,275,000)
(Loss) / profit for the period					(7,834,689)	5,291,201	5,405,531	2,862,043
Depreciation and amortization expense for the period					(8,386,862)	(62,851)	(405,764)	(8,855,477)
Total assets					966,195,155	94,550,329	162,978,114	1,223,723,598
Total liabilities					476,455,975	21,580,865	45,824,095	543,860,935
Additions to property, plant and equipment during the period					2,589,440	13,740	8,400	2,611,580

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7 PROPERTY, PLANT AND EQUIPMENTS AND RIGHT OF USE ASSETS

(a) Additions in property, plant and equipment

The Group acquired property, plant and equipment in three month period ended March 31, 2026 amounting to Saudi riyal 4.19 million (three months period ended March 31, 2025: Saudi riyal 2.61 million).

(b) Property, plant and equipment mortgaged as security

As at March 31, 2026, property, plant and equipment having carrying value of Saudi Riyals 716.47 million (December 31, 2025: Saudi Riyals 725.42 million) were mortgaged as security for long-term borrowings obtained from Saudi Industrial Development Fund (“SIDF”), also see Note 10.

(c) Capital work-in-progress

As at March 31, 2026, capital work-in-progress primarily includes expenditure on expansion of production facility in Jubail, Kingdom of Saudi Arabia.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In 2022, the Group has made investments in Tier 1 Sukuk (the “Sukuk”) of Saudi riyal 21 million issued by a commercial bank. These Sukuk have a denomination of Saudi riyal 1 million per Sukuk. The Sukuk are perpetual securities in respect of which there are no fixed redemption dates, the Sukuks also represent an undivided ownership interest of the Sukuk-holders in the Sukuks assets without any preference or priority among themselves, with each unit of the Sukuk constituting an unsecured, conditional and subordinated obligation of the bank. However, the Bank has the exclusive option to redeem or call all of the Sukuks on or after 23 January 2027 or any periodic distribution date thereafter, subject to the terms and conditions stipulated in the Sukuk agreement.

The applicable profit rate 3.5% on the Sukuks is payable on each periodic quarterly distribution date, except upon the occurrence of a non-payment event or non-payment election by the bank, whereby the bank may at its sole discretion, subject to certain terms and conditions, elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

9 TRADE AND OTHER RECEIVABLES

	As at 31 March 2026 (Un-audited)	As at 31 December 2025 (Audited)
Trade receivables from third parties	201,047,110	190,006,938
Less: Allowance for expected credit losses (ECL)	(3,982,815)	(4,699,977)
Net trade receivables	197,064,295	185,306,961
Advances to suppliers	36,846,192	33,741,740
Prepaid expenses	6,521,396	7,248,932
Due from employees	1,144,307	1,458,568
Other	412,580	886,119
	241,988,770	228,642,320

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

9 TRADE AND OTHER RECEIVABLES (continued)

Movement in the ECL allowance for trade receivables is as follows:

	As at 31 March 2026 (Un-audited)	As at 31 December 2025 (Audited)
At beginning of the period / year	4,699,977	4,765,869
Reversal of allowance	(717,162)	(44,092)
Receivables written-off	-	(21,800)
At end of the period / year	3,982,815	4,699,977

10 BORROWINGS

10.1 Long-term Borrowings

	As at 31 March 2026 (Un-audited)	As at 1 December 2025 (Audited)
	418,090,525	409,553,436
Less: unamortized deferred grant	(71,593,420)	(75,187,830)
Less: unamortized portion of transaction cost	(19,940,068)	(21,045,271)
	326,557,037	313,320,335

Breakup of long-term borrowings is as follows:

	As at 31 March 2026 (Un-audited)	As at 1 December 2025 (Audited)
Loan from SIDF	376,000,000	376,000,000
Less: unamortized deferred grant	(71,593,420)	(75,187,830)
Less: unamortized portion of transaction cost	(19,940,068)	(21,045,271)
Less: repayment of loan	(15,000,000)	(15,000,000)
	269,466,512	264,766,899
Long term loans from commercial banks	57,090,525	48,553,436
	326,557,037	313,320,335

Movements in long-term borrowings are as follows:

	As at 31 March 2026 (Un-audited)	As at 1 December 2025 (Audited)
At beginning of the period / year	313,320,335	293,795,311
Proceeds from borrowings	6,460,890	16,000,000
Repayment of borrowings	-	(15,000,000)
Finance cost expense	7,312,313	29,701,901
Repayment of finance costs	(536,501)	(11,176,877)
At end of the period / year	326,557,037	313,320,335

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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

10.1 Long-term Borrowings (Continued)

Borrowings are presented as follows:

	As at 31 March 2026 (Un-audited)	As at 1 December 2025 (Audited)
Non-current portion	274,535,587	275,946,899
Current portion	52,021,450	37,373,436
	326,557,037	313,320,335

10.2 Loan from SIDF

The loan from SIDF is repayable in unequal semi-annual installments commencing from 2025. The loan has an up-front fee of Saudi Riyals 30.1 million which was deducted from loan proceeds. The interest free loan was discounted at the market rate and difference of the present value of loan and the proceeds received was recognized as government grant, see Note 11.

The loan agreement includes certain financial and special covenants. The Group has complied with these covenants throughout the reporting periods presented and as at reporting date the Group's management believes that they would not have difficulties complying with the covenants during the remaining term of the loan. The loan is secured against corporate guarantee by the Company covering complete amount of the loan and a mortgage over property, plant and equipment relating to Jubail project, also see Note 7.

10.3 Long term loans from commercial banks

During the three-month period ended March 31, 2026 the Group utilized a borrowing facility from commercial banks to finance the on-going capital expenditure for expansion of production facility in Jubail, Kingdom of Saudi Arabia. Such facilities are secured against promissory note covering full amount of facility and carries market-prevailing pricing arrangements renewed every three-months period till 2032. Such facilities include covenants relating to maintenance of specific thresholds of leverage ratio and debt-service coverage ratio. The Group has complied with these covenants throughout the reporting periods presented and as at reporting date the Group's management believes that they would not have difficulties complying with the covenants during the remaining term of the loan.

10.4 Short term borrowings

During the three months period ended March 31, 2026 the Group utilized short-term borrowing facility from a commercial bank to support its working capital. This facility is secured against promissory note and carries covenants relating to maintenance of specific thresholds of leverage ratio and debt-service coverage ratio. Total approved facility limit was Saudi Riyals 50 million as of March 31, 2026 (December 31, 2025: Saudi Riyals 50 million), out of which Saudi Riyals 6.5 million was utilized during the period ended March 31, 2026. (December 31, 2025: Saudi Riyals 14.5 million).

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026****11 DEFERRED GRANT**

The Group obtained an interest-free loan from the Saudi Industrial Development Fund (SIDF), which was carried at amortized cost. The difference in interest rates below the prevailing market interest rate is recorded as a deferred government grant which is recognized in profit or loss using the effective interest rate method.

	As at 31 March 2026 (Un-audited)	As at 31 December 2025 (Audited)
At beginning of the period/year	75,187,830	89,177,856
Amortization of deferred grant	(3,594,410)	(13,990,026)
At end of the period/year	71,593,420	75,187,830

Deferred grant is presented as follows:

	As at 31 March 2026 (Un-audited)	As at 31 December 2025 (Audited)
Non-current portion	63,394,625	60,810,186
Current portion	8,198,795	14,377,644
	71,593,420	75,187,830

12 ZAKAT AND INCOME TAX MATTERS

12.1 The Group is subject to zakat and income tax in accordance with the regulations of the Zakat, Tax and Customs Authority (“ZATCA”). Zakat is calculated based on combined zakat declaration for the Company and its wholly owned subsidiaries of 100% and separate zakat and tax declarations for partially owned subsidiaries.

12.2 Provision for zakat and income taxes

	Zakat	Income tax	Total
As at 1 January 2026 (Audited)	6,481,814	163,683	6,645,497
Charge for current period	1,517,014	1,455,653	2,972,667
As at 31 March 2026 (Un-audited)	7,998,828	1,619,336	9,618,164
As at 1 January 2025 (Audited)	6,989,726	155,668	7,145,394
Provisions for current period	2,275,002	2,275,000	4,550,002
Adjustments for prior period	83,868	-	83,868
Provisions for current year	2,358,870	2,275,000	4,633,870
Payments	(83,868)	-	(83,868)
As at 31 March 2025 (Un-audited)	9,264,728	2,430,668	11,695,396

12.3 Tax expense charged for the period

	As at 31 March 2026 (Un-audited)	As at 31 March 2025 (Un-audited)
Current tax expense	1,455,653	2,275,000
Deferred tax expense	309,359	-
	1,765,012	1,619,336

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

12 ZAKAT AND INCOME TAX MATTERS (continued)

12.4 Status of final assessments

(a) Basic Chemicals Industries (BCI)

For the year 2025 the Company filed consolidated zakat returns with the wholly-owned subsidiaries.

ZATCA has finalized the zakat assessments for BCI for the years through 2010 which have been agreed by BCI.

For the years 2011 through 2015, the ZATCA had issued assessments for BCI for an additional zakat liability of Saudi Riyals 12.9 million. BCI has filed an appeal with the ZATCA requesting them to issue revised assessments based on their contentions in such appeals and correction of material errors. During 2019, ZATCA issued revised additional assessments for the years 2011 and 2015, partially accepting BCI's contentions and accordingly, reduced the additional zakat liability from Saudi Riyals 12.9 million to Saudi Riyals 3.2 million. Upon the request of BCI, the case was transferred to General Secretariat of Tax Committees ("GSTC") in respect of the matters not accepted by the ZATCA. The Company's appeal was partially accepted by the Committee and the Company was required to pay an additional amount of Saudi riyal 142,372. The Company recorded the expense and paid the zakat liability in July 2025.

For the years 2016 through 2020, the ZATCA issued assessments for BCI with an additional zakat liability that has been accepted and settled by BCI. During the year 2025, the BCI has recorded expense and paid Saudi Riyals 2.076 million against assessment for the years 2016 and 2017.

For the years 2021 and 2022, the ZATCA had issued assessments for additional zakat liability of Saudi Riyals 0.62 million and Saudi Riyals 0.99 million, respectively. During the year 2025, the Company has recorded the provision of these amounts and has filed objection against these amounts. The matter is currently under review at the appellate forum and the Company aims to follow this matter up till the final appellate tribunal.

For the year 2023 ZATCA reviewed the Company's Zakat Return and issued an additional assessment of SAR 11,660 which was duly expensed out and settled by the Company in 2025.

During the period, the ZATCA issued assessments for BCI VAT with additional VAT liability of SAR 84,545 for the year 2024, that has been accepted by BCI. Settlement formalities are currently underway.

(b) Henkel Industrial Company Limited (HIC) (previously National Adhesives Company Limited)

For the year 2025, HIC has filed its zakat and tax return. For years 2019 through 2024, no zakat and tax assessments have been received.

For the years 2015 through 2018, the ZATCA issued assessments with an additional zakat liability of Saudi Riyals 11.1 million. HIAC filed appeals with the ZATCA and Tax Appellate Committees wherein the Appellate Committee decided certain matters in the favour of the Company. ZATCA issued a demand of Saudi riyal 83,871 for the year 2015 to 2018 after the Appellate Committee's ruling which was paid by the Company.

(c) Chemical Marketing and Distribution Company Limited (CMDC)

For the years 2016 through 2017, the ZATCA issued assessments with an additional zakat liability of Saudi Riyals 2.1 million. CMDC has filed an appeal with the ZATCA requesting them to issue revised assessment based on their contentions in such appeals and correction of material errors. This appeal was decided against CMDC and CMDC paid Saudi Riyal 2.1 million during the year 2025.

For the year 2018, the ZATCA issued assessments for CMDC with an additional zakat liability that has been accepted and settled by CMDC.

For the years 2019 and 2020, no assessments have been received.

(d) Huntsman APC (HAPC)

For the year 2025, HAPC has filed its zakat and tax return. For years 2021 through 2024, no zakat and tax assessments have been received.

For the years 2015 through 2020, the ZATCA issued assessments with additional zakat and tax liabilities that has been accepted and settled by HAPC.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026****13 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties comprise the significant shareholders, directors and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest (“other related parties”).

13.1 Related parties’ transactions

The prices and terms of the transactions were approved by the Board of Directors of the Company. Significant transactions during the period with related parties are as follows:

Nature of relationship	Nature of transaction	For the three-month period ended March 31	
		2026 (Un-audited)	2025 (Un-audited)
Non-controlling interests	Purchases	14,086,713	14,353,404
Non-controlling interests	Royalty charged by a shareholder	2,426,167	2,006,558

13.2 Key management personnel compensation

	For the three-month period ended March 31	
	2026 (Un-audited)	2025 (Un-audited)
Salaries and other short-term employee benefits	1,741,980	1,471,770
Employee benefit obligations	72,395	61,168
	1,814,375	1,532,938

Board of directors’ fee for the three-month periods ended March 31, 2026 was Saudi Riyals 0.675 million (2025: Saudi Riyals 0.525 million).

13.3 Due to related parties

	As at 31 March 2026 (Un-audited)	As at 31 December 2025 (Audited)
	<u>Non-controlling interests</u>	
Huntsman Holland B.V.	3,981,640	1,859,794
Henkel Adhesives Holding Company	1,245,769	1,402,068
	5,227,409	3,261,862

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026****14 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the number of ordinary shares in issue during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	For the three-month period ended March 31	
	2026	2025
	(Un-audited)	(Un-audited)
Profit / (Loss) attributable to the shareholders of the Company	5,284,492	(2,516,103)
Ordinary shares for basic and diluted earnings per share	27,500,000	27,500,000
Basic and diluted earnings per share	0.19	(0.09)

15 CONTINGENCIES AND COMMITMENTS

The Group was contingently liable at March 31, 2026 for bank guarantees issued in the normal course of business amounting to Saudi Riyals 12.08 million (December 31, 2025: Saudi Riyals 8.41 million). Also see Note 12 for income tax and zakat contingencies.

The Group has planned for expansion of its manufacturing facility in Jubail, Kingdom of Saudi Arabia for which, a capital expenditure of Saudi Riyals 89 million is estimated. During the year ended December 31, 2025, the Group has contracted for capital expenditure amounting to Saudi Riyals 57.36 million, out of which an advance of Saudi Riyals 24.62 million was given to a supplier till March 31, 2026.

16 SUBSEQUENT EVENTS

There were no significant events, adjusting or non-adjusting, since March 31, 2026 that would have a material impact on the financial position or financial performance of the Group as reflected in these condensed consolidated interim financial statements.

17 RECLASSIFICATION

The following comparative figures have been reclassified in the consolidated interim statement of profit or loss for the three month period ended March 31, 2025, for reclassifications identified in the prior period and to conform the presentation in current period:

Description	From	To	For the three month period March 31, 2025 SR
Reclassification of transportation cost	Distribution expenses	Cost of sales - transportation	7,740,920

18 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the Board of Directors of the Group on May 6th,2026 (Corresponding to 19 Dhu‘l-Qi‘dah 1447H).