

**Saudi Chemical Holding Company
and its Subsidiaries
(A Saudi Joint Stock Company)**

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

**FOR THE THREE AND NINE-MONTHS PERIODS
ENDED 30 SEPTEMBER 2025**

SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2025

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Ernst & Young Professional Services (Professional LLC)
Paid-up capital (ﷲ 5,500,000 – Five million five hundred thousand Saudi Riyal)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SAUDI CHEMICAL HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Chemical Holding Company – a Saudi Joint Stock Company (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 September 2025, and the related interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2025, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

Hesham A. Alatiqi
Certified Public Accountant
License No. 523



Riyadh: 14 Jumada al-Ula 1447H
(5 November 2025)

SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025 S'000 (Unaudited)	31 December 2024 S'000 (Audited)
	Notes		
Assets			
Non- current assets			
Property, plant and equipment	3.1	614,304	618,091
Capital work in progress	3.2	488,072	499,111
Intangible assets and goodwill	3.3	621,467	626,278
Right of use assets		49,439	44,326
Derivative financial instruments	4	-	1,940
Total non- current assets		1,773,282	1,789,746
Current assets			
Inventories		1,722,905	1,780,892
Trade receivables	5	2,640,188	2,457,544
Prepayments and other current assets		65,136	101,006
Cash and cash equivalents		160,840	129,525
Total current assets		4,589,069	4,468,967
Total assets		6,362,351	6,258,713
Liabilities and equity			
Equity			
Share capital	7	843,200	843,200
Statutory reserve		341,868	341,868
General reserve		340,000	340,000
Retained earnings		762,184	565,870
Equity attributable to equity holders of the parent		2,287,252	2,090,938
Non-controlling interests		13,555	11,577
Total Equity		2,300,807	2,102,515
Liabilities			
Non-current liabilities			
Long term Islamic loans – non-current	8.3	252,746	311,373
Saudi Industrial Development Fund's financing – non-current	8.1	214,867	257,500
Lease liabilities – non-current		31,471	31,600
Employee's defined benefit liabilities		73,302	67,323
Derivative financial instruments	4	1,414	-
Total non-current liabilities		573,800	667,796
Current liabilities			
Saudi industrial Development Fund's financing – current	8.1	65,313	43,520
Lease liabilities – current		15,425	15,323
Long-term loans – current	8.3	117,254	81,960
Short-term Islamic loans	8.2	644,685	845,325
Trade payable		2,391,454	2,214,982
Accrued expenses and other liabilities		174,051	205,302
Amounts due to a related party	6	4,785	4,904
Zakat and income tax payable	9	61,511	63,820
Dividends payable		13,266	13,266
Total current liabilities		3,487,744	3,488,402
Total liabilities		4,061,544	4,156,198
Total Equity and Liabilities		6,362,351	6,258,713

Sameh Hassan
Group CFO

Eng. Abdulsalam Al-Ghamdi
Group CEO

Fawaz Al-Fawaz
Chairman of Board of Directors

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

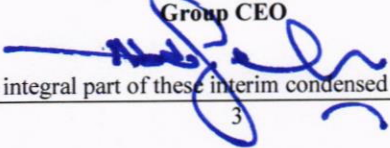
SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three and nine-months periods ended 30 September 2025

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025 S'000	2024 S'000	2025 S'000	2024 S'000
Revenues		1,788,072	1,353,614	5,197,413	4,613,602
Cost of revenues		(1,559,645)	(1,151,818)	(4,523,184)	(3,993,595)
Gross profit		228,427	201,796	674,229	620,007
Selling and distribution expenses		(52,584)	(34,736)	(150,356)	(126,881)
General and administrative expenses		(38,260)	(26,991)	(112,853)	(90,861)
Expected credit loss on trade receivables	5	(12,637)	(18,726)	(58,047)	(46,822)
Operating profit		124,946	121,343	352,973	355,443
Financial cost		(28,035)	(21,502)	(79,399)	(70,743)
Finance income		751	658	1,363	2,191
Other income (loss), net		609	(397)	2,031	614
Foreign currency exchange losses		(49)	-	(31)	(426)
Share of loss in a joint venture		-	(6,360)	-	(6,360)
Revaluation gain (loss) on derivative financial instruments	4	761	(8,218)	(1,414)	(6,057)
Profit before zakat and income tax		98,983	85,524	275,523	274,662
Zakat and income tax expenses	9	(11,607)	(11,898)	(35,070)	(35,355)
Net profit for the period		87,376	73,626	240,453	239,307
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		87,376	73,626	240,453	239,307
Net profit for the period attributable to:					
Equity holders of the parent		87,240	72,993	238,475	237,159
Non-controlling interests		136	633	1,978	2,148
		87,376	73,626	240,453	239,307
Basic and diluted earnings per share (S)	10	0.10	0.09	0.28	0.28


Sameh Hassan
 Group CFO


Eng. Abdulsalam Al-Ghamdi
 Group CEO


Fawaz Al-Fawaz
 Chairman of Board of Directors

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

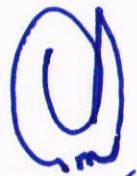
SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

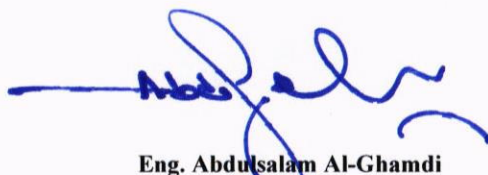
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2025

Attributable to the equity holders of the parent

	Share capital ﷲ '000	Statutory reserve ﷲ '000	General reserves ﷲ '000	Retained earnings ﷲ '000	Total ﷲ '000	Non-controlling interests ﷲ '000	Total equity ﷲ '000
At 31 December 2023 (Audited)	843,200	341,868	340,000	275,219	1,800,287	8,801	1,809,088
Net profit for the period	-	-	-	237,159	237,159	2,148	239,307
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	237,159	237,159	2,148	239,307
At 30 September 2024 (Unaudited)	843,200	341,868	340,000	512,378	2,037,446	10,949	2,048,395
At 31 December 2024 (Audited)	843,200	341,868	340,000	565,870	2,090,938	11,577	2,102,515
Net profit for the period	-	-	-	238,474	238,474	1,978	240,452
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	238,474	238,474	1,978	240,452
Dividends (note 14)	-	-	-	(42,160)	(42,160)	-	(42,160)
At 30 September 2025 (Unaudited)	843,200	341,868	340,000	762,184	2,287,252	13,555	2,300,807


Sameh Hassan
 Group CFO


Eng. Abdulsalam Al-Ghamdi
 Group CEO


Fawaz Al-Fawaz
 Chairman of Board of Directors

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the nine-month period ended 30 September 2025

		<i>For the nine-month period ended 30 September</i>	
		<u>2025</u>	<u>2024</u>
		<u>س.م'000</u>	<u>س.م'000</u>
Operating activities			
Profit before zakat and income tax		275,523	274,662
Adjustments for:			
Amortization of intangible assets	3.3	7,117	6,662
Depreciation of property, plant and equipment	3.1	37,822	32,417
Depreciation of right-of-use assets		8,144	2,323
Provision for inventories		8,849	24,695
Expected credit loss on trade receivables	5	58,047	46,822
Provision for employees' defined benefit obligation		10,617	7,018
Revaluation loss on derivative financial instruments	4	1,179	6,057
Finance costs		78,271	70,743
Share of loss in a joint venture		-	6,360
		<u>485,569</u>	<u>477,759</u>
Working capital changes:			
Inventories		49,138	(892,156)
Trade receivables		(240,691)	(786,514)
Prepayments and other current assets		35,870	13,804
Trade payables		176,472	1,114,546
Accrued expenses and other liabilities		(30,964)	20,633
Amounts due to related parties		(119)	(7,625)
		<u>475,275</u>	<u>(59,553)</u>
Cash generated from operations			
Employees defined benefit obligation paid		(4,637)	(3,588)
Zakat and income tax paid	9	(37,379)	(31,770)
Finance costs paid		(70,510)	(65,042)
		<u>362,749</u>	<u>(159,953)</u>
Net cash flows generated from (used in) operating activities			
Investing activities			
Purchase of property, plant and equipment and capital work in progress		(23,990)	(26,155)
Purchase of intangible assets	3.3	(2,306)	(884)
		<u>(26,296)</u>	<u>(27,039)</u>
Net cash flows used in investing activities			
Financing activities			
Payment of principal portion of lease liabilities		(15,505)	(3,133)
Short-term Islamic loans – net		(200,640)	265,141
Repayment of long-term loan		(23,333)	(23,333)
Repayment of financing from Saudi Industrial Development Fund (SIDF)	8.1	(23,500)	(18,500)
Dividends paid to equity holders of the parent	14	(42,160)	(42,158)
		<u>(305,138)</u>	<u>178,017</u>
Net cash flows (used in) generated from financing activities			
Net increase (decrease) in cash and cash equivalents		<u>31,315</u>	<u>(8,975)</u>
Cash and cash equivalents at the beginning of the period		129,525	134,109
		<u>160,840</u>	<u>125,134</u>
Cash and cash equivalent at the end of the period			
SIGNIFICANT NON-CASH TRANSACTIONS:			
Transfer from capital work in progress to property, plant, and equipment	3.1	23,256	249,961
Additions to right of use assets and lease liabilities		13,257	2,523

Sameh Hassan
Group CFO

Eng. Abdulsalam Al-Ghamdi
Group CEO

Fawaz Al-Fawaz
Chairman of Board of Directors

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

As at 30 September 2025

1 CORPORATE INFORMATION AND ACTIVITIES

Saudi Chemical Holding Company (the "Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration number 1010006161 and unified identification number 7006356716 dated 12 Safar 1392H (corresponding to 28 March 1972). The registered office of the Company is: P.O. Box 2665 Riyadh 11461, Kingdom of Saudi Arabia. The Company is listed in Tadawul stock exchange.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in:

- Managing the subsidiaries or participating in the management of other investees and providing the required support for these entities and real estate ownership.
- Manufacturing and selling of explosives and their derivatives for civil or military uses and providing technical support services in explosions.
- Manufacturing, wholesale and retail trading in medicines, medical materials and syrups, pharmaceutical preparations, medical and surgical tools and equipment, supplies of hospitals and medical centers and its related spare parts and food items; and
- Manufacture of ammonium nitrate.

These interim condensed consolidated financial statements include the financial statements of the Company and its following subsidiaries:

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Main Activity</i>	<i>Ownership %</i>	
			<i>30 September 2025</i>	<i>31 December 2024</i>
Saudi International Trading Company ("SITCO Pharma")	Kingdom of Saudi Arabia	Distribution of Medicines	99%	99%
Suez International Nitrate Company ("SINCO")	Arab Republic of Egypt	Production of Ammonium Nitrate	100%	100%
Chemical Company for Commercial Investment Limited ("CCCIL")	Kingdom of Saudi Arabia	Wholesale and retail trade in medicines, cosmetics, perfumes, beauty soaps, medical tools, and other supplies	100%	100%
AJA Pharmaceuticals Industries Company Limited ("AJA Pharma Company")	Kingdom of Saudi Arabia	Manufacturing pharmaceutical products, packaging and storing of medicines, and other medical products.	100%	100%
Saudi Chemical Company Limited ("SCCL")	Kingdom of Saudi Arabia	Establishment, manufacturing & Ownership of explosive Factories	100%	100%
Saha Al-Hayya Holding Company ("Sihavita")	Kingdom of Saudi Arabia	Managing, investing the funds, owning real estate, providing loans and guarantees and financing, and owning industrial rights of subsidiaries of the holding company.	100%	100%
Zand Al-Teenemiya Holding Company ("XND")	Kingdom of Saudi Arabia	Managing, investing the funds, owning real estate, providing loans and guarantees and financing, and owning industrial rights of subsidiaries of the holding company.	100%	100%

SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

As at 30 September 2025

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard, Interim Financial Reporting” (“IAS 34”) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of annual consolidated financial statements and therefore, should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

An interim period is considered an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

Basis of measurement and functional currency

These interim condensed consolidated financial statements have been prepared under the historical cost convention, unless stated otherwise in the below accounting policies. Employee defined benefit obligations are recognized at the present value of the future obligations using the projected unit credit method. Also, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting and will continue to operate on the going concern basis.

These interim condensed consolidated financial statements are presented in thousands of Saudi Riyals (“ﷲ”) unless stated otherwise. (“ﷲ”) is also the functional currency of the Group. (“ﷲ”) is the presentation currency of the Company and all its subsidiaries except for SINCO which uses United States Dollar (“USD”) as its presentation currency.

2.1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in preparing the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective.

Many of the amendments and interpretations are effective for the first time in 2025, but do not have any material impact on the Group's interim condensed consolidated financial statements. The nature and impact of these changes are disclosed below.

Amendments to IAS (21): Lack of exchangeability

The amendments to IAS (21) “The Effects of Changes in Foreign Exchange Rates” specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments had no impact on the Group’s interim condensed consolidated financial statements.

SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

As at 30 September 2025

2 BASIS OF PREPARATION (CONTINUED)

2.1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

New and amended standards and interpretations not yet effective

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the Group and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date, except IFRS18, for which the Company is currently evaluating the impact of adoption on the consolidated financial statements.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

<i>Standard, Amendment or Interpretation</i>	<i>Effective date</i>
- Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments	1 January 2026
- IFRS 18: Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements.	1 January 2027
- IFRS (19) - Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely.

2.2 ACCOUNTING ESTIMATES AND ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Actual results may differ from these estimates. The significant judgments reached by the management when preparing these condensed consolidated interim financial statements in applying the Group's accounting policies and the main sources of estimation uncertainty, including risk management policies are the same applied in the annual financial statements for the year ended on 31 December 2024.

3 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS AND GOODWILL

3.1 PROPERTY, PLANT AND EQUIPMENT

The following is a summary of the movement in property, plant and equipment:

	<i>30 September 2025</i>	<i>31 December 2024</i>
	<i>ﷲ '000</i>	<i>ﷲ '000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Cost		
Balance at the beginning of the period/year	1,195,469	959,244
Additions	11,773	12,347
Disposals	(1,460)	(966)
Transfers from capital work in progress	23,256	224,844
Balance at the end of the period/year	1,229,038	1,195,469
Accumulated depreciation		
Balance at the beginning of the period/year	577,378	535,725
Charge for the period/year	37,822	42,416
Disposals	(466)	(763)
Balance at the end of the period/year	614,734	577,378
Net book value	614,304	618,091

SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) (CONTINUED)

As at 30 September 2025

3 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

3.2 CAPITAL WORK IN PROGRESS

The following is a summary of the movement in Capital work in progress:

	30 September 2025 S£ '000 (Unaudited)	31 December 2024 S£ '000 (Audited)
Balance at the beginning of the period/year	499,111	735,653
Additions	12,217	12,994
Transfers to property, plant and equipment & intangible assets	(23,256)	(249,296)
Customs refund / transfer	-	(240)
Balance at the end of the period/year	<u>488,072</u>	<u>499,111</u>

Capital work-in-progress mainly represents costs incurred in establishing the Group's explosives factory in Riyadh, in addition to other projects carried out to comply with security regulations

Refer to Note 12.2 the capital commitments related to these projects.

The Group's pharmaceutical factory in Ha'il and the new explosives plant in Riyadh including the buildings, machineries, vehicles and all related assets have been pledged to the benefit of SIDF to secure the related loans (note 8.1).

3.3 INTANGIBLE ASSETS AND GOODWILL

The following is a summary of the movement in Intangible assets:

	New brand key money S£ '000	Computer software S£ '000	Goodwill S£ '000	Other intangible assets S£ '000	Total S£ '000
<i>Cost</i>					
As at 31 December 2024 (audited)	12,500	49,516	469,807	138,820	670,643
Additions	-	2,306	-	-	2,306
As at 30 September 2025 (unaudited)	<u>12,500</u>	<u>51,822</u>	<u>469,807</u>	<u>138,820</u>	<u>672,949</u>
<i>Amortization and impairment</i>					
As at 31 December 2024 (audited)	12,500	23,073	-	8,792	44,365
Amortization	-	2,952	-	4,165	7,117
As at 30 September 2025 (unaudited)	<u>12,500</u>	<u>26,025</u>	<u>-</u>	<u>12,957</u>	<u>51,482</u>
Net book value					
As at 30 September 2025 (unaudited)	<u>-</u>	<u>25,797</u>	<u>469,807</u>	<u>125,863</u>	<u>621,467</u>

SAUDI CHEMICAL HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) (CONTINUED)

As at 30 September 2025

**3 PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE
ASSETS AND GOODWILL (CONTINUED)**

3.3 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

	<i>New brand key money ﷲ '000</i>	<i>Computer software ﷲ '000</i>	<i>Goodwill ﷲ '000</i>	<i>Other intangible assets ﷲ '000</i>	<i>Total ﷲ '000</i>
<i>Cost</i>					
As at 31 December 2023 (audited)	12,500	23,630	469,807	138,820	644,757
Additions	-	1,434	-	-	1,434
Transfer	-	24,452	-	-	24,452
As at 31 December 2024 (audited)	12,500	49,516	469,807	138,820	670,643
<i>Amortization and impairment</i>					
As at 31 December 2023 (audited)	11,000	20,752	-	3,239	34,991
Amortization	1,500	2,321	-	5,553	9,374
As at 31 December 2024 (audited)	12,500	23,073	-	8,792	44,365
<i>Net book value</i>					
As at 31 December 2024 (audited)	-	26,443	469,807	130,028	626,278

4 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments designated at fair value through profit or loss represent a portfolio of profit rate swaps having maturity dates range from 2025 to 2028 with three-month variable interest rate and prevailing interest rates between the Saudi banks ("SAIBOR"). These derivatives do not meet the criteria for hedge accounting. The nominal value of the contracts as at 30 September 2025 was SR 700 million (31 December 2024: SR 700 million) and the fair value of derivatives represents a net liability of SR 1,414 million (31 December 2024: asset of SR 1,940 million). The change in the fair value of derivatives represents a loss of SR 1,414 million for the nine-month period ended 30 September 2025 (30 September 2024: loss of SR 6.06 million).

5 TRADE RECEIVABLES

	<i>30 September 2025 ﷲ '000 (Unaudited)</i>	<i>31 December 2024 ﷲ '000 (Audited)</i>
Trade receivables	2,966,560	2,725,869
Allowance for expected credit loss	(326,372)	(268,325)
Total	2,640,188	2,457,544

Trade receivables from Saudi government institutions represent 66% of the total trade receivables as of 30 September 2025 (31 December 2024: 64% of the total trade receivable). These institutions have a strong credit rating in the Saudi market.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

As at 30 September 2025

6 TRANSACTIONS WITH RELATED PARTIES

Related parties represent shareholders, directors, key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. As at period and year end, all transactions between subsidiaries were eliminated.

6.1 COMPENSATION AND BENEFITS OF KEY EXECUTIVES

The following represent the compensation of the executives:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025 S'000 (unaudited)	2024 S'000 (unaudited)	2025 S'000 (unaudited)	2024 S'000 (unaudited)
Expenses and remuneration of the Board of Directors	1,350	1,350	4,050	4,050
Short-term benefits and remuneration	3,098	3,157	15,929	16,765
Post-employment benefits	198	128	546	455

6.2 BALANCES OF RELATED PARTIES

The following table shows the total amount of transactions made with related parties during the three and nine -month periods ended on 30 September 2025 and 30 September 2024, in addition to the balances with related parties as at 30 September 2025 and 31 December 2024:

			For the three-month period ended 30 September		For the nine-month period ended 30 September		Balance as at	
			2025 S'000 (unaudited)	2024 S'000 (unaudited)	2025 S'000 (unaudited)	2024 S'000 (unaudited)	30 September 2025 S'000 (unaudited)	31 December 2024 S'000 (audited)
Name of related party	Relationship	The nature of the transaction						
Amounts due to a related party								
Care Supply Chain for Logistics Services *	Joint venture	Affiliate services	-	-	119	-	4,785	4,904

* Care Supply Chain for Logistic Services Company Ltd. (the "Joint Venture" and "CSC") is a joint venture in which the Group owns a common control and partners' resolutions are adopted unanimously as per the Joint Venture's Articles of Association, with an ownership interest of 50%. The Joint Venture has been incorporated as per Saudi Regulations and registered in Riyadh under commercial registration number 1010846387 on 17 Jumada Al-Ula 1444H (11 December 2022) with a share capital at an amount of SR 500 divided into 500 shares with SR 1000 each. The objective of the Joint Venture is to provide transportation services, loading, unloading, warehousing and distribution. The Group's share in the joint venture is accounted for under equity method.

7 SHARE CAPITAL

As at 30 September 2025, the share capital of the Company consists of S'843,200,000 shares with nominal value of S'1 per share aggregating to S'843,200,000 (31 December 2024: 843,200,000 shares with nominal value of S'1 per share aggregating to S'843,200,000).

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8 LOANS AND BORROWINGS

8.1 SAUDI INDUSTRIAL DEVELOPMENT FUND'S FINANCING

The long-term loans were obtained by two subsidiaries of the Group from Saudi Industrial Development Fund ("SIDF") to meet the Group's capital expenditure. The first loan was obtained by AJA Pharmaceuticals Industries Limited ("AJA Pharma") during 2016 and amounted to **ﷲ** 157.5 million, of which the full amount of the facility has been utilized as at 30 September 2025 (31 December 2024: **ﷲ** 157.5 million). The second loan was obtained by Saudi Chemical Company Limited ("SCCL") during 2020 and amounted to **ﷲ** 229 million, of which the full amount of the facility has been utilized as at 30 September 2025 (31 December 2024: **ﷲ** 229 million).

The loan to AJA Pharma is repayable in sixteen semi-annual instalments starting from 15 Shawwal 1444 H (corresponding to 5 May 2024), while the loan to SCCL is repayable in fourteen semi-annual instalments starting from 15 Rabi Al-Thani 1444 H (corresponding to 9 November 2022).

The loans from SIDF carried fixed commission charges of **ﷲ** 26.4 million, which have been paid upfront by the Group at the beginning of the loan term. The commission charges are being amortized over the terms of the loans. As at 30 September 2025, the unamortized balance amounted to **ﷲ** 7.4 million (31 December 2024: **ﷲ** 9.7 million).

The amortization of such qualified charges along with other finance costs of the loan are capitalized as part of the carrying value of the property, plant and equipment (during the construction period).

The agreements are secured promissory notes, and pledge of the subsidiaries' property, plant and equipment. The subsidiaries are required to comply with certain covenants under the loan facilities obtained.

The following represents a summary of information about the Saudi Industrial Development Fund's:

	30 September 2025 ﷲ '000 (Unaudited)	31 December 2024 ﷲ '000 (Audited)
Loans from Saudi Industrial Development Fund	289,000	312,500
Less: Unamortized processing fees	(7,422)	(9,685)
Present value adjustment	(1,398)	(1,795)
	280,180	301,020
Current	65,313	43,520
Non-current	214,867	257,500
	280,180	301,020

Movement in unamortized transaction costs are as follows:

	30 September 2025 ﷲ '000 (Unaudited)	31 December 2024 ﷲ '000 (Audited)
Balance at the beginning of the period/year	9,685	13,008
Amortized during the period/year	(2,263)	(3,323)
Balance at the end of the period/year	7,422	9,685

8.2 SHORT-TERM ISLAMIC LOANS

The Group is using Islamic financing to finance its business operations. These facilities bear finance cost at SAIBOR plus a profit margin rates. The facilities are secured by promissory notes. The facilities agreement includes covenants requiring the maintenance of certain levels of financial ratios.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

As at 30 September 2025

8 LOANS AND BORROWINGS (CONTINUED)

8.3 LONG TERM ISLAMIC LOANS

In June 2022, the Group acquired a long-term Islamic loan from a local bank in the amount of **ﷲ** 300 million to finance the construction of the subsidiary's factory. The loan is subject to SAIBOR plus a profit margin. The loan is repayable in 6 years in quarterly installments after a grace period two years. During the year ended 31 December 2024, the Group rescheduled the repayment terms with the bank with the first repayment commencing from October 2025.

Also, during June 2022, the Group acquired a long-term Islamic loan from a local bank in the amount of **ﷲ** 140 million to finance its acquisition of a pharmaceutical product's rights. The loan is subject to SAIBOR plus a profit margin. The loan is repayable in equal 6 semi-annual installments with the last installment payable in December 2026 after a grace period of two year. The loan agreement includes covenants requiring the maintenance of certain levels of financial ratios.

9 ZAKAT AND INCOME TAX

Movement in Zakat and income Tax provision during the period/year

	30 September 2025 ﷲ '000 (Unaudited)	31 December 2024 ﷲ '000 (Audited)
As at the beginning period/year	63,820	52,785
Charged during the period/year	35,070	41,408
Paid during the period/year	(37,379)	(30,373)
As at the end of the period/year	61,511	63,820

Zakat and income tax provisions of **ﷲ** 35.1 million were recognized by the Group during the nine-month period ended 30 September 2025 (30 September 2024: **ﷲ** 35.4 million).

The Company, SITCO Pharma, CCCIL, AJA Pharma and SCCL have filed their zakat declarations and obtained zakat certificates for the years up to 2019.

The Group obtained the approval from Zakat, Tax and Customs Authority ("ZATCA") to submit consolidated zakat returns for the Company and the following subsidiaries: SCCL, AJA Pharma, and CCCIL starting from the year 2020. In addition, SITCO Pharma submits a separate zakat return. The group has submitted its consolidated zakat returns for the years 2020 to 2024. No assessment has been raised by ZATCA for the years from 2018 to 2024 yet.

During the period ended 30 September 2025, Sihavita and XND holding also filed their zakat return for their first period ended 31 December 2024.

SITCO Pharma has filed its zakat declarations for the years up to 2024. During the year ended 31 December 2019, SITCO obtained the final zakat assessments for years up to 2017 from ZATCA. No differences were produced from the final zakat assessment. No assessment has been raised by ZATCA for the years from 2018 to 2024 yet.

INCOME TAX

The income tax expense payable by a foreign subsidiary, in accordance with the prevailing tax regulations in its country, for the period ended 30 September 2025 amounted to **ﷲ** 1.4 million (30 September 2024: **ﷲ** 1.7 million).

10 BASIC AND DILUTED EARNING PER SHARE

Earnings per share is computed using net profit for the period attributable to Shareholders of the Company based on the weighted average number of shares outstanding for the periods ending on 30 September 2025 and 2024 by 843,200,000 shares.

The diluted earnings per share are the same as the basic earnings per share as the Group does not have any dilutive instruments in issue.

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As at 30 September 2025

11 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

11.1 Fair value Hierarchy

Assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All the financial assets and liabilities of the Company are carried at amortized cost except for derivative financial instruments which are classified as fair value through profit or loss.

11.2 Carrying amount vs Fair value

	Fair value measurement hierarchy	30 September 2025 (Unaudited)		31 December 2024 (Audited)	
		Carrying value	Fair value	Carrying value	Fair value
Derivative financial instruments	Level 2	(1,414)	(1,414)	1,940	1,940

The derivative financial instrument is carried at fair value using valuation techniques, which employ the use of market observable inputs.

The Group considers that the carrying amount of trade receivables, amount due from a related party, other assets, cash and cash equivalents, Saudi Industrial Development Fund's financing, long-term Islamic loans, lease liabilities, short-term Islamic loans, trade payables, dividends payable, accrued expenses and other liabilities are a reasonable approximation of their fair value.

12 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

12.1 CONTINGENT LIABILITIES

A) As at 30 September 2025, the Group had outstanding letters of guarantee amounting to **ﷲ** 330.4 million (31 December 2024: **ﷲ** 322.2 million), issued in the normal course of business of the Group. Moreover, as at 30 September 2025, the Group had outstanding letters of credit amounting to **ﷲ** 218.7 million (31 December 2024: **ﷲ** 51.3 million).

B) The Group has contingent liabilities from time to time relating to certain disputed matters, including claims from and against contractors, litigation and arbitration proceedings involving a variety of cases. These contingent liabilities arose in the normal course of business. The management believes and with the consulting of its legal consultant that no additional significant obligations are expected to be incurred from these potential claims.

12.2 COMMERCIAL AND CAPITAL COMMITMENTS

Capital commitments outstanding as at 30 September 2025, in respect of capital work in progress projects of **ﷲ** 33.3 million (31 December 2024: **ﷲ** 15.1 million).

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13 SEGMENTAL INFORMATION

For management purposes, the Group consists of business units according to the products and services it provides. The Group's operations are principally in the explosives, medicines and medical supplies and production of ammonium nitrate. Except for the information related to the production of ammonium nitrate segment that is located in the Arab Republic of Egypt, all other information is related to the business segments in the Kingdom of Saudi Arabia. All inter-company transactions within the appropriately reported segments have been eliminated.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated on the basis of the statement of comprehensive income and is measured on a consistent basis based on profit or loss in the consolidated financial statements.

	<i>Explosives</i>	<i>Medicine and medical supplies</i>	<i>Production of ammonium nitrate</i>	<i>Head office</i>	<i>Eliminations / Adjustments</i>	<i>Total</i>
	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>
As at 30 September 2025 (Unaudited)						
Segment assets	1,022,011	4,930,370	87,058	2,899,214	(2,576,302)	6,362,351
Segment liabilities	671,506	3,505,223	54,818	611,959	(781,962)	4,061,544

As at 31 December 2024 (Audited)

Segment assets	1,026,277	4,824,453	168,140	2,563,636	(2,323,793)	6,258,713
Segment liabilities	690,376	3,629,067	137,172	472,696	(773,113)	4,156,198

	<i>Explosives</i>	<i>Medicine and medical supplies</i>	<i>Production of ammonium nitrate</i>	<i>Head office</i>	<i>Eliminations / Adjustments</i>	<i>Total</i>
	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>
For the three-month period ended 30 September 2025 (Unaudited)						
Revenues	108,455	1,671,588	8,029	-	-	1,788,072
Intersegment revenue	-	49,190	11,376	-	(60,566)	-
Net revenues	108,455	1,720,778	19,405	-	(60,566)	1,788,072
Segment comprehensive income (loss)	12,035	78,605	(484)	86,692	(89,472)	87,376

	<i>Explosives</i>	<i>Medicine and medical supplies</i>	<i>Production of ammonium nitrate</i>	<i>Head office</i>	<i>Eliminations / Adjustments</i>	<i>Total</i>
	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>
For the three-month period ended 30 September 2024 (Unaudited)						
Revenues	79,777	1,273,837	-	-	-	1,353,614
Intersegment revenue	-	42,884	19,381	-	(62,265)	-
Net revenues	79,777	1,316,721	19,381	-	(62,265)	1,353,614
Segment comprehensive (loss) income	4,684	69,880	799	72,994	(74,731)	73,626

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13 SEGMENTAL INFORMATION (CONTINUED)

	<i>Explosives</i>	<i>Medicine and medical supplies</i>	<i>Production of ammonium nitrate</i>	<i>Head office</i>	<i>Elimination/ Adjustments</i>	<i>Total</i>
	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000
<i>For the nine-month period ended 30 September 2025 (Unaudited)</i>						
Revenues	284,774	4,880,188	32,451	-	-	5,197,413
Intersegment revenue	-	123,957	37,116	-	(161,073)	-
Net revenues	284,774	5,004,145	69,567	-	(161,073)	5,197,413
Segment comprehensive income	14,604	229,577	1,271	241,224	(246,223)	240,453

	<i>Explosives</i>	<i>Medicine and medical supplies</i>	<i>Production of ammonium nitrate</i>	<i>Head office</i>	<i>Eliminations/ Adjustments</i>	<i>Total</i>
	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000	ﷲ '000
<i>For the nine-month period ended 30 September 2024 (Unaudited)</i>						
Revenues	298,472	4,315,130	-	-	-	4,613,602
Intersegment revenue	-	104,043	56,741	-	(160,784)	-
Net revenues	298,472	4,419,173	56,741	-	(160,784)	4,613,602
Segment comprehensive income	23,684	222,304	2,406	237,160	(246,247)	239,307

14 DIVIDENDS

The Board of Directors, in its meeting held on 22 Shawwal 1446H (corresponding to 20 April 2025) recommended the distribution of cash dividend of SR 0.05 per share amounting 42.16 million for financial year 2024 which was approved by the shareholders in Company's Ordinary General Assembly meeting held on 11 Thul-Qi'dah 1446H (corresponding to 22 May 2025). The dividend was paid during the period ended 30 September 2025.

15 SUBSEQUENT EVENTS

The management believes there are no material events occurred subsequent to the reporting date, which could materially affect the interim condensed consolidated financial statements, and the related disclosures for the three and nine-month periods ended 30 September 2025.

16 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved by the Board of Directors of the Company on 14 Jumada al-Ula 1447H (corresponding to 5 November 2025).