

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

AND

INDEPENDENT AUDITOR'S REVIEW REPORT

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

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2025

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**Independent auditor's review report on the interim condensed consolidated financial statements
To the Shareholders of Middle East Pharmaceutical Industries Company
(A Saudi Joint Stock company)**

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of Middle East Pharmaceutical Industries 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 profit or loss and other 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 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 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.

Other Matter:

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 25 Ramadhan 1446H (corresponding to 25 March 2025). Further, the interim condensed consolidated financial statements of the Group for the three-month and nine-month periods ended 30 September 2024 were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed consolidated financial statements on 8 Jumada al-Ula 1446H (corresponding to 10 November 2024).

for Ernst & Young Professional Services



Waleed G. Tawfiq
Certified Public Accountant
License No. (437)



Riyadh: 20 Jumada al-Ula 1447H
(11 November 2025)

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**


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

(All amounts in ﷲ unless otherwise stated)

		30 September 2025	31 December 2024
	<u>Note</u>	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	125,492,721	120,764,715
Intangible assets	10	59,569,462	50,592,367
Total non-current assets		185,062,183	171,357,082
Current assets			
Trade receivables	7	230,763,566	217,484,690
Inventories	8	107,080,329	93,595,532
Prepayments and other current assets		23,282,308	21,698,020
Cash and cash equivalents	6	19,419,132	22,645,719
Total current assets		380,545,335	355,423,961
Total assets		565,607,518	526,781,043
EQUITY AND LIABILITIES			
Equity			
Share capital	17	200,000,000	200,000,000
General reserve	16	-	25,253,411
Retained earnings		185,448,505	154,707,576
Other comprehensive loss		(14,115,945)	(11,751,592)
Total equity		371,332,560	368,209,395
Liabilities			
Non-current liabilities			
Loans and borrowings	12	21,545,723	-
Employee benefits		28,994,745	24,536,489
Total non-current liabilities		50,540,468	24,536,489
Current liabilities			
Short-term loans	11	36,086,006	62,308,124
Loans and borrowings – current portion	12	4,764,702	3,168,968
Trade payables		51,564,048	27,349,169
Accruals and other current liabilities	13	44,812,579	34,116,138
Zakat payable		6,507,155	7,092,760
Total current liabilities		143,734,490	134,035,159
Total liabilities		194,274,958	158,571,648
Total equity and liabilities		565,607,518	526,781,043


Ahmed Al Tabbaa
Chairman


Mohamed Maher Alghannam
Managing Director & CEO


Moazam Ali Shah
Chief Financial Officer

The accompanying notes 1 to 28 form an integral part of these interim condensed consolidated financial statements

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

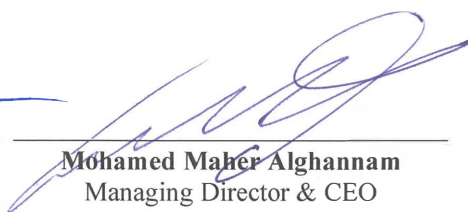
For the three-month and nine-month periods ended 30 September 2025

(All amounts in ~~SR~~ unless otherwise stated)

	<i>Note</i>	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	19	107,950,377	81,061,286	322,967,278	258,012,834
Cost of revenue	20	(45,476,520)	(35,360,026)	(126,594,060)	(103,732,144)
Gross profit		62,473,857	45,701,260	196,373,218	154,280,690
Selling and distribution expenses	21	(32,035,331)	(21,177,458)	(85,786,674)	(66,684,260)
General and administrative expenses	22	(18,727,050)	(14,271,715)	(48,031,952)	(40,520,419)
Addition of impairment loss on trade receivables		(845,963)	(3,568,864)	(845,963)	(3,537,108)
Other (expenses)/income, net		147,785	253,403	(132,584)	254,666
Operating profit		11,013,298	6,936,626	61,576,045	43,793,569
Finance costs	23	(1,194,717)	(1,444,428)	(3,767,044)	(3,876,762)
Profit before zakat		9,818,581	5,492,198	57,809,001	39,916,807
Zakat expense		(1,540,282)	(1,625,003)	(5,321,483)	(4,875,003)
Profit for the period		8,278,299	3,867,195	52,487,518	35,041,804
Other comprehensive loss					
<i>Items that will not be reclassified to profit or loss:</i>					
Equity investment at FVOCI – net change in fair value		-	201,079	-	(555,320)
Re-measurements of defined benefit liability		(119,147)	(29,478)	(2,364,353)	306,611
Other comprehensive loss for the period		(119,147)	171,601	(2,364,353)	(248,709)
Total comprehensive income for the period		8,159,152	4,038,796	50,123,165	34,793,095
Basic and diluted earnings per share	26	0.41	0.19	2.62	1.75



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Chairman



Mohamed Maher Alghannam
Managing Director & CEO




Moazam Ali Shah
Chief Financial Officer

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

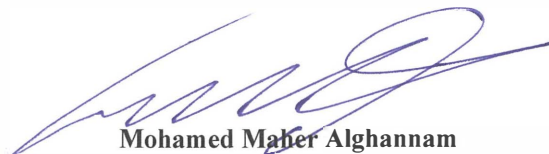
As at 30 September 2025

(All amounts in  unless otherwise stated)

	Note	Share capital	General reserve	Retained earnings	Other comprehensive loss	Total equity
Balance at 1 January 2025 (audited)		200,000,000	25,253,411	154,707,576	(11,751,592)	368,209,395
Profit for the period		-	-	52,487,518	-	52,487,518
Other comprehensive loss		-	-	-	(2,364,353)	(2,364,353)
Total comprehensive loss for the period		-	-	52,487,518	(2,364,353)	50,123,165
Transfer from general reserve to retained earnings	16	-	(25,253,411)	25,253,411	-	-
Dividends	18	-	-	(47,000,000)	-	(47,000,000)
Balance at 30 September 2025 (unaudited)		200,000,000	-	185,448,505	(14,115,945)	371,332,560
 Balance at 1 January 2024 (audited)		 200,000,000	 25,253,411	 107,813,903	 (26,667,791)	 306,399,523
Profit for the period		-	-	35,041,804	-	35,041,804
Other comprehensive loss		-	-	-	(248,709)	(248,709)
Total comprehensive income for the period		-	-	35,041,804	(248,709)	34,793,095
Transfer of realized fair value loss for FVOCI equity to retained earnings		-	-	(17,960,048)	17,960,048	-
Dividends		-	-	(15,000,000)	-	(15,000,000)
Balance at 30 September 2024 (unaudited)		200,000,000	25,253,411	109,895,659	(8,956,452)	326,192,618



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Chairman



Mohamed Maher Alghannam
Managing Director & CEO



Moazam Ali Shah
Chief Financial Officer

The accompanying notes 1 to 28 form an integral part of these interim condensed consolidated financial statements

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENT (UNAUDITED)

30 September 2025

(All amounts in SAR unless otherwise stated)

		For the nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities:			
Profit before zakat		57,809,001	39,916,808
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>			
Depreciation	9	8,925,518	6,919,295
Amortization	10	5,866,468	4,085,465
Provision for employee benefits		3,564,785	5,418,896
Finance costs	23	3,767,044	2,723,230
Provision for net realizable value loss on inventories, net of inventory destruction	8	1,920,005	7,409,518
Addition of impairment loss on trade receivables		845,963	3,537,108
Loss on disposal of intangible assets		55,435	-
Gain on disposal of property, plant and equipment		(40,870)	(142,417)
Changes in operating assets and liabilities:			
Trade payables		24,214,878	13,464,925
Prepayments and other current assets		(1,584,288)	(9,055,292)
Trade receivables		(14,124,839)	(19,552,634)
Inventories		(15,404,802)	(36,532,454)
Accruals and other current liabilities		10,675,958	3,530,072
Cash generated from operating activities		86,490,256	21,722,520
Zakat paid		(5,907,088)	(4,804,703)
Employees' benefits paid		(2,547,105)	(4,406,118)
Net cash generated from operating activities		78,036,063	12,511,699
Cash flows from investing activities:			
Acquisition of property, plant and equipment	9	(13,777,899)	(8,194,755)
Additions to intangible assets	10	(14,774,623)	(7,102,998)
Proceeds from disposal of property, plant and equipment		40,871	142,833
Net cash used in investing activities		(28,511,651)	(15,154,920)
Cash flows from financing activities:			
Proceeds from short-term loans during the period	11	35,409,845	95,497,726
Repayments of short-term loans during the period	11	(60,088,834)	(78,818,070)
Repayments of long-term loans during the period	12	(3,168,968)	(4,753,452)
Proceeds from long-term loan during the year	12	26,143,488	-
Dividends paid	18	(46,979,517)	(15,000,000)
Finance cost paid		(4,067,013)	(3,071,015)
Due from shareholders		-	7,482,902
Net cash used in financing activities		(52,750,999)	1,338,091
Net changes in cash and cash equivalents		(3,226,587)	(1,305,130)
Cash and cash equivalents at the beginning of year		22,645,719	15,107,194
Cash and cash equivalents at end of the year	6	19,419,132	13,802,064
Significant non-cash transactions:			
Equity investment at FVOCI- net change in fair value		-	555,320

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Mozam Ali Shah
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MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED)

30 September 2025

(All amounts in ~~ﷲ~~ unless otherwise stated)

1. REPORTING ENTITY

Middle East Pharmaceutical Industries Company (“the Company”) was a Limited Liability Company incorporated in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010150538 and Unified No. 7018055066 on 2 Rabi II 1419H (corresponding to 27 July 1998).

The Company applied to the Ministry of Commerce to convert the legal status of the Company from a limited liability company to a closed joint stock company, pursuant to shareholders’ decision. On 21 Sha’ban 1443H (corresponding to 24 March 2022) the Ministry of Commerce approved the conversion from a limited liability company to a Saudi closed joint stock company.

On 27 February 2024, the Company listed its shares in Saudi Stock Exchange (“Tadawul”) and changed the legal status from “Saudi Closed Joint Stock Company” to “Saudi Joint Stock Company”.

The Company’s registered office is located at the following address:

8146 King Muhammad V, Sulaimaniyah,
P.O. Box 4180
Riyadh 11491
Kingdom of Saudi Arabia

The Company has ten (10) branches incorporated in the Kingdom of Saudi Arabia and one (1) branch in United Arab Emirates (UAE). The interim condensed consolidated financial statements include the results of the eleven (11) branches listed below:

<u>Branch name</u>	<u>Commercial registration number</u>
Middle East Pharmaceutical Industries Company Branch – Riyadh	1010274622
Middle East Pharmaceutical Industries Company Branch – Riyadh	1010560224
Middle East Pharmaceutical Industries Company Branch – Riyadh	1010728546
Middle East Pharmaceutical Industries Company Branch – Riyadh	1010653238
Factory of Middle East Pharmaceutical Industries Company – Riyadh Second Industrial City	1010394325
Middle East Distribution Branch – Riyadh	1010175025
Middle East Distribution Company Branch – Jeddah	4030278683
Middle East Distribution Company Branch – Jeddah	4030161826
Middle East Distribution Company Branch – Dammam	2050061104
Middle East Pharmaceutical Industries Company Branch – Dammam	2050168074
Middle East Pharmaceutical Industries (Listed Joint Stock Company)– Dubai, UAE Branch	100636

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED) (continued)

30 September 2025

(All amounts in ﷲ unless otherwise stated)

1. REPORTING ENTITY (CONTINUED)

The Company and its subsidiaries, mentioned below, (collectively referred to as “the Group”) are engaged in manufacturing medicines, medicated and non-medicated creams and gels.

The subsidiaries included in the interim condensed consolidated financial statements as of 30 September 2025 and 30 September 2024 are the same as disclosed in the financial statements for the year ended 31 December 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” that is endorsed in KSA 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 in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2.2 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost convention and going concern assumption, except for the employees’ defined benefits obligations which is measured using the projected unit credit method and equity investments at Fair Value through Other Comprehensive Income (FVOCI), which are measured at fair value.

2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyal ﷲ (SR) which is the functional currency of the Company. All amounts rounded to the nearest Saudi Riyal.

2.4 Basis of consolidation

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to the elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

3. USE OF JUDGMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, we make estimates and judgments that affect the amounts recorded. Actual results could differ from our estimates. Our estimates and judgments are based on historical experience and other factors we consider reasonable, including expectations of future events. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The significant judgments made by the management in applying the Group’s accounting policies and the key sources of estimation were the same as those applied to the Group’s last annual consolidated financial statements for the year ended 31 December 2024.

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENT (UNAUDITED) (continued)

30 September 2025

(All amounts in ~~ﷲ~~ unless otherwise stated)

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

5. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment (Amendment to IAS 21: Lack of exchangeability) applies for the first time in 2025 but does not have an impact on the interim condensed consolidated financial statements of the Group.

The standards and amendments that are issued, but not yet effective, as of 30 September 2025 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

1 January 2026	Classification and Measurement of Financial Instrument – Amendments to IFRS 9 and IFRS 7 Contract Referencing Nature-dependent Electricity- Amendments to IFRS 9 and IFRS 7 Annual Improvements to IFRS Accounting Standards- Volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements IFRS 19 Subsidiaries without Public Accountability Disclosure
Available for optional adoption / effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The new and amended standards mentioned above are not expected to have a significant impact on the Group's interim condensed consolidated financial statements.

6. CASH AND CASH EQUIVALENTS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cash on hand	294,800	180,100
Cash at banks – current accounts	19,124,332	22,465,619
	<u>19,419,132</u>	<u>22,645,719</u>

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENT (UNAUDITED) (continued)

30 September 2025

(All amounts in ~~SR~~ unless otherwise stated)

7. TRADE RECEIVABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	241,674,106	227,549,267
Less: Impairment loss on trade receivables	<u>(10,910,540)</u>	<u>(10,064,577)</u>
	<u>230,763,566</u>	<u>217,484,690</u>

Movement in the allowance for impairment as per expected credit loss (ECL) model in respect to trade receivables is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	10,064,577	6,527,469
Reversal	-	(31,756)
Provision for expected credit losses	845,963	3,568,864
Closing balance	<u>10,910,540</u>	<u>10,064,577</u>

Management believes that for financial assets measured at amortized cost (cash, cash equivalents and trade receivables), the fair value approximates the carrying amount due to the short-term maturity of these instruments.

8. INVENTORIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Finished products	42,171,743	39,200,968
Packaging materials	33,909,548	28,527,065
Raw materials	31,270,289	24,574,745
Consumable supplies	6,781,055	6,605,739
Spare parts inventory	2,535,972	2,513,180
Work-in-progress	438,977	281,085
	<u>117,107,584</u>	<u>101,702,782</u>
Less: Provision for Net Realizable Value (NRV)	<u>(10,027,255)</u>	<u>(8,107,250)</u>
Inventories, net	<u>107,080,329</u>	<u>93,595,532</u>

Movement in provision for NRV loss is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	8,107,250	2,835,021
Add: Provision for NRV loss during the period/year	6,343,661	14,031,175
Less: Destruction made during the period/year	<u>(4,423,656)</u>	<u>(8,758,946)</u>
	<u>1,920,005</u>	<u>5,272,229</u>
Balance as at	<u>10,027,255</u>	<u>8,107,250</u>

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED) (continued)

30 September 2025

(All amounts in ﷲ unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

30 September 2025	Land	Buildings	Machineries	Furniture and office equipment	Motor vehicles	Computers	Tools	Assets under construction	Total
Cost:									
At 1 January 2025	15,828,842	96,357,495	47,859,355	7,717,075	6,760,994	7,225,747	14,722,935	4,901,704	201,374,147
Additions	-	246,789	2,246,216	562,031	552,290	1,964,126	1,015,927	7,190,520	13,777,899
Disposals	-	-	-	-	(300,000)	-	-	-	(300,000)
Transfer to Software	-	-	-	-	-	-	-	(124,375)	(124,375)
Transfer	-	-	-	111,132	-	-	145,762	(256,894)	-
At 30 September 2025	15,828,842	96,604,284	50,105,571	8,390,238	7,013,284	9,189,873	15,884,624	11,710,955	214,727,671
Accumulated depreciation:									
At 1 January 2025	-	28,667,128	28,398,058	5,557,808	4,299,688	4,192,211	9,494,539	-	80,609,432
Charges for the period	-	3,488,379	2,260,013	534,942	676,884	1,052,560	912,740	-	8,925,518
Disposals	-	-	-	-	(300,000)	-	-	-	(300,000)
At 30 September 2025	-	32,155,507	30,658,071	6,092,750	4,676,572	5,244,771	10,407,279	-	89,234,950
Net book value:									
At 30 September 2025 (Unaudited)	15,828,842	64,448,777	19,447,500	2,297,488	2,336,712	3,945,102	5,477,345	11,710,955	125,492,721

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED) (continued)

30 September 2025

(All amounts in SAR unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land	Buildings	Machineries	Furniture and office equipment	Motor vehicles	Computers	Tools	Assets under construction	Total
31 December 2024									
<u>Cost:</u>									
At 1 January 2024	15,828,842	89,122,026	31,122,297	6,510,369	6,250,656	5,746,319	12,020,801	24,987,243	191,588,553
Additions	-	779,871	3,342,231	819,606	1,114,580	2,331,079	1,810,876	1,305,604	11,503,847
Disposals	-	-	(225)	(234,060)	(612,300)	(851,668)	(20,000)	-	(1,718,253)
Transfers	-	6,455,598	13,395,052	621,160	8,058	17	911,258	(21,391,143)	-
At 31 December 2024	<u>15,828,842</u>	<u>96,357,495</u>	<u>47,859,355</u>	<u>7,717,075</u>	<u>6,760,994</u>	<u>7,225,747</u>	<u>14,722,935</u>	<u>4,901,704</u>	<u>201,374,147</u>
<u>Accumulated depreciation:</u>									
At 1 January 2024	-	24,091,186	26,322,191	5,270,079	4,098,805	4,281,263	8,446,853	-	72,510,377
Charges for the year	-	4,575,942	2,075,867	521,789	791,533	762,424	1,067,686	-	9,795,241
Disposals	-	-	-	(234,060)	(590,650)	(851,476)	(20,000)	-	(1,696,186)
At 31 December 2024	<u>-</u>	<u>28,667,128</u>	<u>28,398,058</u>	<u>5,557,808</u>	<u>4,299,688</u>	<u>4,192,211</u>	<u>9,494,539</u>	<u>-</u>	<u>80,609,432</u>
<u>Net book value:</u>									
At 31 December 2024 (Audited)	<u>15,828,842</u>	<u>67,690,367</u>	<u>19,461,297</u>	<u>2,159,267</u>	<u>2,461,306</u>	<u>3,033,536</u>	<u>5,228,396</u>	<u>4,901,704</u>	<u>120,764,715</u>

9.1 Depreciation has been allocated as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of revenue (Note 20)	1,857,510	1,810,690	5,412,224	4,128,056
Selling and distribution expenses (Note 21)	388,203	362,782	1,106,479	1,002,282
General and administrative expenses (Note 22)	876,121	628,915	2,406,815	1,788,957
	<u>3,121,834</u>	<u>2,802,387</u>	<u>8,925,518</u>	<u>6,919,295</u>

9.2 Assets under construction include expansion of existing factory and machinery under commissioning process to increase the production capacity expected to be completed by 31 December 2025.

9.3 The Group's land title deeds number 910121016951, 310112020258 and 3819430000100 are currently mortgaged to Saudi Industrial Development Fund (SIDF) as loan security (Note 12).

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10. INTANGIBLE ASSETS

	Software and licenses	Registered developed products	Formulation in progress	Total
Cost:				
1 January 2025	9,576,514	33,469,504	32,326,485	75,372,503
Additions	302,611	-	14,472,012	14,774,623
Transfer from property, plant and equipment	124,375	-	-	124,375
Write-offs/disposals	-	-	(55,435)	(55,435)
Transfers	-	9,863,452	(9,863,452)	-
At 30 September 2025	10,003,500	43,332,956	36,879,610	90,216,066
Accumulated amortization:				
1 January 2025	5,739,401	19,040,735	-	24,780,136
Charges for the period	711,345	5,155,123	-	5,866,468
At 30 September 2025	6,450,746	24,195,858	-	30,646,604
Net book value:				
At 30 September 2025 (Unaudited)	3,552,754	19,137,098	36,879,610	59,569,462
Cost:				
1 January 2024	9,576,514	26,961,401	29,051,796	65,589,711
Additions	-	-	9,782,792	9,782,792
Transfers	-	6,508,103	(6,508,103)	-
At 31 December 2024	9,576,514	33,469,504	32,326,485	75,372,503
Accumulated amortization:				
1 January 2024	4,781,206	13,957,524	-	18,738,730
Charges for the year	958,195	5,083,211	-	6,041,406
At 31 December 2024	5,739,401	19,040,735	-	24,780,136
Net book value:				
At 31 December 2024 (Audited)	3,837,113	14,428,769	32,326,485	50,592,367

10.1 Amortization has been allocated as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of revenue (Note 20)	1,837,191	1,164,237	5,155,123	3,358,709
Selling and distribution expenses (Note 21)	713	711	2,116	2,118
General and administrative expenses (Note 22)	254,427	237,798	709,229	724,638
	2,092,331	1,402,746	5,866,468	4,085,465

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11. SHORT-TERM LOANS

The Group obtained Murabaha financing from various commercial banks at agreed commercial rates. The outstanding loan balance at the end of the period is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Islamic banking facilities (Murabaha)		
Opening balance	60,088,833	50,272,646
Proceeds from loans	35,409,845	87,194,077
Repayments	<u>(60,088,834)</u>	<u>(77,377,890)</u>
	35,409,844	60,088,833
Finance cost relating to Murabaha	<u>676,162</u>	<u>2,219,291</u>
	<u>36,086,006</u>	<u>62,308,124</u>

Financial charges rates on loans range between 1.25% to 2.50%+SAIBOR.

12. LOANS AND BORROWINGS

The Group obtained long-term financing from Saudi Industrial Development Fund (SIDF) and a commercial bank at agreed commercial rates.

On April 2025, the long-term loan taken from a commercial bank has been fully settled. That loan charged a commission at agreed commercial rates, which is SAIBOR plus 1.75% p.a. payable in thirteen equal quarterly instalments beginning September 2022.

On July 2025, the Group obtained a new long-term loan facility from a commercial bank amounting SR 3,823,511. The loan is repayable in quarterly instalments and carries an effective interest rate of SIBOR + 1.5% payable in twenty equal instalments beginning 22 October 2025.

On January 2, 2024, the Management Credit Committee of SIDF approved a post financing facility amounting to SR 30,000,000 in relation to the company's Manufacturing Plants No. 2 & 3, and its Central Warehouse. To compensate the Fund for the expenses associated with evaluating and presenting the company's loan application, SR 2,100,000 will be deducted on a pro-rata basis from the full loan amount plus follow-up charges as billed by SIDF. The semi-annual follow-up fees shall not exceed the amount of SR 300,000 semi-annually, and in all cases the total of these costs will not exceed the amount of SR 3,840,000 throughout the course of this agreement. On April 28, 2025, SR 15,000,000 from the facility amount was received. On August 18, 2025, additional SR 9,000,000 was received. As of the end of the period, out of the SR 30,000,000 approved loans, the company has received SR 24,000,000, equivalent to 80% of the approved loan. From this amount, SR 1,680,000 was deducted as deferred financial charges (upfront fees). This loan carries an effective interest rate of 3.13%-5.49%.

The Group's outstanding loan balance at the end of the period is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	3,168,968	9,506,904
Proceeds from loans	26,143,488	-
Repayment of commercial bank loan	<u>(3,168,968)</u>	<u>(6,337,936)</u>
	26,143,488	3,168,968
Amortized deferred financial charges	<u>166,937</u>	<u>-</u>
	<u>26,310,425</u>	<u>3,168,968</u>

Based on the loan repayment schedules, the outstanding balances as at year end are as follows:

Current portion	4,764,702	3,168,968
Non-current portion	<u>21,545,723</u>	<u>-</u>
	<u>26,310,425</u>	<u>3,168,968</u>

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13. ACCRUALS AND OTHER CURRENT LIABILITIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Salaries and related benefits	18,716,124	18,779,004
Provision for sales return	11,155,593	8,172,473
Marketing and advertising	8,271,545	2,274,845
Board and committee members remuneration	2,025,000	2,170,000
Professional fees	1,317,278	648,660
Contract liabilities	1,295,935	1,093,589
Due to employees	234,561	351,433
Others	1,796,543	626,134
	44,812,579	34,116,138

14. ZAKAT PAYABLE

Zakat returns have been submitted to the Zakat, Tax and Customs Authority ("ZATCA") for the years up to 31 December 2024, and the liability has been settled. ZATCA has issued the final assessment up to the year ended 31 December 2023, and the Company has paid all the amounts based on the final assessment.

15. RELATED PARTIES TRANSACTIONS

Related parties include subsidiary companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Transactions with related parties carried out during the period/year, in the normal course of business, are approved by the Board. The transactions and balances with related parties are as follows:

15.1 Due from related parties

Related party	Relationship	Nature of transactions	Amount of transaction		Balance	
			30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Shareholders	Shareholders	Payments of IPO costs on behalf of the shareholders	-	2,670,812	-	-

15.2 Compensation and benefits to key managements personnel:

	For the three-month period ended		For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Short-term employee benefits	3,490,060	2,734,208	11,068,199	10,255,647
Employees defined benefits obligations	145,104	123,468	1,044,940	660,012
Board members remuneration	337,500	312,500	1,062,500	877,500
Total compensation and benefits to key managements personnel	3,972,664	3,170,176	13,175,639	11,793,159

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16. GENERAL RESERVE

On 17 April 2025 (corresponding to Shawwal 19, 1446H), the Company's Board of Directors proposed to the General Assembly the approval of transferring the "General Reserve" totaling SR 25,253,411, as reflected in the financial statements for the year ended 31 December 2024 to the "Retained Earnings." This transfer was subsequently approved by the General Assembly on 29th May 2025.

17. SHARE CAPITAL

	<u>No. of shares</u>	<u>Par value</u>	<u>Total value</u>
30 September 2025	20,000,000	10	200,000,000
31 December 2024	20,000,000	10	200,000,000

On 27 February 2024, the Company offered six million (6,000,000) ordinary shares, representing 30% of the Company's capital, through a public offering in Saudi Stock Exchange ("Tadawul").

18. DIVIDENDS

On 10 April 2025 (corresponding to 12 Shawwal 1446H), the Company's Board of Directors approved to distribute final cash dividend for the second half of 2024 to the Company's shareholders amounting to SR 25 million (SR 1.25 per share for a total number of 20,000,000 shares) to eligible shareholders as at 01 May 2025, which was paid on 15 May 2025. On 13 August 2025, the Company's Board of Directors approved to distribute interim cash dividend for the first half of 2025 to the Company's shareholders amounting to SR 22 million (SR 1.10 per share for a total number of 20,000,000 shares) to eligible shareholders as at 01 September 2025. As of 30 September 2025 SR **46,979,517** was paid.

	<u>For the three-month period ended</u>		<u>For the nine-month period ended</u>	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Shareholders' dividends	22,000,000	-	47,000,000	15,000,000
Weighted average number of shares outstanding during the period	20,000,000	20,000,000	20,000,000	20,000,000
Dividend per share	1.10	-	2.35	0.75

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19. REVENUE

The breakdown of revenue by **customer type** is as follows:

	For the three-month period ended		For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
<i>Revenue from:</i>				
Private customers	67,440,352	41,765,004	211,949,809	168,317,015
Public customers	26,717,969	26,883,399	76,218,112	57,065,703
Export customers	13,792,056	12,412,883	34,799,357	32,630,116
	107,950,377	81,061,286	322,967,278	258,012,834

Revenue is recognised at a point in time at which the performance obligation is satisfied.

The table below represents the segregation of revenue by **geographical market**.

	For the three-month period ended		For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
<i>Revenue from:</i>				
Kingdom of Saudi Arabia	94,158,321	68,648,403	288,167,921	225,382,718
Kuwait	4,437,752	5,190,807	8,462,701	8,768,638
UAE	2,964,286	2,021,476	7,182,322	14,163,844
Iraq	956,277	1,203,999	4,690,936	1,203,999
Libya	1,868,815	1,078,786	4,215,713	2,598,221
Oman	318,908	258,220	2,147,313	516,874
Bahrain	533,340	836,327	1,594,576	1,265,902
Other export market	2,712,678	1,823,268	6,505,796	4,112,638
	107,950,377	81,061,286	322,967,278	258,012,834

20. COST OF REVENUE

	For the three-month period ended		For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Beginning inventory finished goods	40,585,416	30,106,925	39,200,968	36,249,876
Add: Direct purchases	3,937,875	3,518,461	6,000,481	4,469,655
Add: Cost of goods manufactured:				
Packing materials cost	14,336,146	12,472,498	38,587,090	31,943,189
Raw materials cost	13,261,621	14,014,360	38,159,290	31,669,401
Less: Ending inventory finished goods	(42,171,743)	(41,407,178)	(42,171,743)	(41,407,178)
Cost of inventory consumed during the period	29,949,315	18,705,066	79,776,086	62,924,943
Indirect labor	6,467,716	4,755,391	17,855,277	13,511,226
Direct labor	2,992,970	3,314,729	8,694,753	8,198,599
Depreciation (Note 9.1)	1,857,510	1,810,690	5,412,224	4,128,056
Amortization (Note 10.1)	1,837,191	1,164,237	5,155,123	3,358,709
Other Overheads	2,371,818	5,609,913	9,700,597	11,610,611
	45,476,520	35,360,026	126,594,060	103,732,144

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21. SELLING AND DISTRIBUTION EXPENSES

	For the three-month period ended		For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Salaries and other related benefits	11,503,506	7,885,864	35,018,151	28,456,343
Marketing and advertising expenses	11,452,635	6,121,278	22,863,383	15,193,125
Housing and accommodation expenses	2,740,713	2,218,288	7,919,881	6,292,958
Freight	1,416,547	1,682,563	4,951,770	4,212,669
Travelling expenses	862,218	383,081	2,739,620	1,852,291
Employees' transportation allowance	848,159	943,788	2,726,830	2,705,908
Employees' medical insurance	601,426	485,490	1,744,839	1,426,771
Employees' GOSI expenses	552,942	437,341	1,593,869	1,262,017
Depreciation (Note 10.1)	388,203	362,782	1,106,479	1,002,282
Employees' visa and iqama expenses	99,410	258,845	619,384	682,359
Legal and government fees	201,421	140,905	607,459	1,130,162
Amortization (Note 11.1)	713	711	2,116	2,118
Others	1,367,438	256,522	3,892,893	2,465,257
	32,035,331	21,177,458	85,786,674	66,684,260

22. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended		For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Salaries and other related benefits	7,982,957	5,117,841	17,801,492	15,684,647
Professional fees	1,918,896	802,395	4,759,183	3,473,336
Housing and accommodation expenses	1,316,242	1,114,515	3,718,573	3,368,126
Communication expenses	1,318,703	1,726,973	3,682,496	3,433,050
Depreciation (Note 10.1)	876,121	628,915	2,406,815	1,788,957
Board and committee members remuneration	668,000	842,500	2,355,000	1,842,500
Office expenses	740,648	457,536	1,745,322	1,136,064
Legal and government fees	219,736	657,967	1,410,381	1,270,759
Travelling expenses	270,637	176,161	1,121,072	572,886
Employees' medical insurance	331,727	273,072	1,087,525	901,680
Employees' transportation allowance	379,914	332,909	1,075,345	974,943
Employee GOSI expenses	319,437	287,381	902,160	851,474
Repairs and maintenance	333,768	89,188	798,407	698,398
Amortization (Note 11.1)	254,427	237,798	709,229	724,638
Fees on letter of guarantee / credit	224,897	569,697	599,908	954,092
Others	1,570,940	956,867	3,859,044	2,844,869
	18,727,050	14,271,715	48,031,952	40,520,419

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23. FINANCE COSTS

	For the three-month period ended		For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Finance cost related to borrowings	844,491	901,814	2,690,821	2,723,230
Net interest cost: Employees' defined benefits obligations	350,226	542,614	1,076,223	1,153,532
	1,194,717	1,444,428	3,767,044	3,876,762

24. CONTINGENCIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Letters of credits	18,124,896	11,682,662
Letters of guarantees	10,723,561	12,876,128
	28,848,457	24,558,790

25. SEGMENT

A. Information about reportable segments

The Board of Directors (BOD), which has been identified as the Chief Operating Decision Maker (CODM), monitors the gross profit of its reportable segments separately to make decisions about resource allocation and performance assessment.

The Group has three (3) operating segments: Private, Public and Export. The Group's CODM evaluates the segments' revenue and gross profit on a regular basis in deciding how to allocate resources among the segments and in assessing segment performance. The CODM evaluates the performance of the Group's segments based on revenue and gross profit. The Group uses revenue and gross profit as its principal measure of segment performance as it enhances the Group's ability to compare past financial performance with current performance and analyze underlying business performance and trends.

Performance is measured by the CODM based on revenue and gross profit as reported in the management accounts. Management believes that this measure is the most relevant in evaluating the Group. As such, expenses, assets and liabilities related to segments are neither included in the internal management reports nor provided regularly to the management.

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25. SEGMENT (CONTINUED)

B. Information about reportable segments

The following table presents information for the Group's operating segments for the period ended 30 September 2025 and 30 September 2024, respectively.

30 September 2025
(Unaudited)

	Private customers	Public customers	Export customers	Total
Revenue	211,949,809	76,218,112	34,799,357	322,967,278
Cost of revenue	(63,142,070)	(45,957,552)	(17,494,438)	(126,594,060)
Gross profit	148,807,739	30,260,560	17,304,919	196,373,218
Unallocated expenses				
Selling and distribution expenses				(85,786,674)
General and administrative expenses				(48,031,952)
Impairment loss on trade receivable				(845,963)
Other expenses				(132,584)
Finance costs				(3,767,044)
Profit before zakat				57,809,001
Zakat expense				(5,321,483)
Profit for the period				52,487,518

30 September 2024
(Unaudited)

	Private customers	Public customers	Export customers	Total
Revenue	168,317,015	57,065,703	32,630,116	258,012,834
Cost of revenue	(50,812,926)	(36,423,155)	(16,496,063)	(103,732,144)
Gross profit	117,504,089	20,642,548	16,134,053	154,280,690
Unallocated expenses				
Selling and distribution expenses				(66,684,260)
General and administrative expenses				(40,520,419)
Impairment loss on trade receivable				(3,537,108)
Other income				254,667
Finance costs				(3,876,762)
Profit before zakat				39,916,808
Zakat expense				(4,875,003)
Profit for the period				35,041,805

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26. EARNINGS PER SHARE (EPS)

Basic and diluted earnings per share are based on the net profit for the periods ended 30 September 2025 and 30 September 2024 divided by weighted average number of shares.

	For the three-month period ended		For the nine-month period ended	
	30 September <u>2025</u> (Unaudited)	30 September <u>2024</u> (Unaudited)	30 September <u>2025</u> (Unaudited)	30 September <u>2024</u> (Unaudited)
Profit for the period	8,278,299	3,867,194	52,487,518	35,041,805
Weighted average number of shares outstanding during the period	20,000,000	20,000,000	20,000,000	20,000,000
Basic and diluted earnings per share	<u>0.41</u>	<u>0.19</u>	<u>2.62</u>	<u>1.75</u>

27. EVENTS AFTER THE REPORTING DATE

There have been no significant subsequent events since the reporting date that would have a material impact on these interim-condensed consolidated financial statements.

28. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors for issuance on 13 Jumada al-Ula 1447H corresponding to 4 November 2025.