AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
WITH
INDEPENDENT AUDITOR'S REVIEW REPORT

AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

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P.O. Box 4803
Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبر ٣٤٤١٢ - ٣١٤٦
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Al Dawaa Medical Services Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 31 March 2026 condensed consolidated interim financial statements of **Al Dawaa Medical Services Company** ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2026;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2026;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 IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 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.

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Al Dawaa Medical Services Company (A Saudi Joint Stock Company) (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2026 condensed consolidated interim financial statements of Al Dawaa Medical Services Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services Company

كي بي إم جي للاستشارات المهنية
Lic No. 46
C.R. 2051062328
K : 1
KPMG
ترخيص رقم ٤٦
س.ت : ٢٠٥١٠٦٢٣٢٨
KPMG Professional Services

Mohammed Najeeb Alkhlaiwi
License no. 481

Al Khobar, 29 Dhul Hijjah 1447H
Corresponding to: 15 June 2026G

AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property and equipment	3	**979,645,925**	1,013,182,044
Right-of-use assets	4	**1,652,634,713**	1,673,670,127
Intangible assets		**19,327,792**	18,928,261
Equity accounted investee		**14,780,770**	11,537,010
Long term deposits		**2,853,715**	3,037,682
Equity instruments designated at fair value through other comprehensive income (FVOCI)		**60,920,000**	52,120,000
Total non-current assets		**2,730,162,915**	2,772,475,124
Current assets			
Inventories	5	**2,092,374,426**	1,736,089,622
Trade receivables	6	**703,495,227**	575,363,726
Prepayments and other current assets		**129,962,322**	75,947,835
Amounts due from related parties	13(c)	**723,477**	1,819,139
Right of return assets		**3,040,299**	693,262
Cash and cash equivalents		**26,857,320**	71,232,723
Total current assets		**2,956,453,071**	2,461,146,307
Total assets		**5,686,615,986**	5,233,621,431
Equity and liabilities			
Equity			
Share capital		**850,000,000**	850,000,000
Fair value reserve of equity instruments at FVOCI		**(5,680,000)**	(14,480,000)
Retained earnings		**583,985,085**	615,282,335
Total equity		**1,428,305,085**	1,450,802,335
Liabilities			
Non-current liabilities			
Lease liabilities	4	**1,480,403,086**	1,497,319,491
Employees' benefits		**265,412,967**	256,822,845
Total non-current liabilities		**1,745,816,053**	1,754,142,336
Current liabilities			
Short term borrowings	8	**529,000,000**	580,037,500
Refund liabilities		**70,830,785**	46,105,311
Trade and other payables		**1,629,126,643**	1,106,602,308
Amounts due to related parties	13(d)	**32,922,975**	44,699,816
Current portion of lease liabilities	4	**209,385,277**	210,228,332
Contract liabilities		**24,474,266**	24,348,591
Provision for Zakat	10	**16,754,902**	16,654,902
Total current liabilities		**2,512,494,848**	2,028,676,760
Total liabilities		**4,258,310,901**	3,782,819,096
Total equity and liabilities		**5,686,615,986**	5,233,621,431

These condensed consolidated interim financial statements including accompanying notes appearing on pages 7 to 19 were authorized for issue by the Board of Directors of the Group and signed on their behalf on 18 Dhul Hijjah 1447H corresponding to 4 June 2026G:

Authorised Board of Directors Member	Chief Executive Officer	Chief Financial Officer
Ibrahim Salem Alrowais	Mohammed Saad Al-Farraj	Shareef Al-Aqabawi

AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

	Note	Three month period ended 31 March 2026 (Unaudited)	Three month period ended 31 March 2025 (Unaudited)
Revenue	9	**1,545,375,276**	1,664,921,167
Cost of revenue		**(995,403,923)**	(1,060,315,858)
Gross profit		**549,971,353**	604,605,309
Selling and distribution expenses		**(455,534,178)**	(430,568,130)
General and administrative expenses		**(33,452,980)**	(33,313,388)
Allowance for impairment on trade receivables	6	**(5,000,000)**	-
Other expense		**(5,126,547)**	(1,872,024)
Other income		**4,744,529**	753,555
Operating profit		**55,602,177**	139,605,322
Share of loss of equity accounted investees, net of tax		**(1,756,240)**	-
Finance costs		**(31,493,187)**	(29,585,326)
Profit before Zakat		**22,352,750**	110,019,996
Zakat expense	10	**(100,000)**	(4,850,000)
Profit for the period		**22,252,750**	105,169,996
Earnings per share			
Basic and diluted earnings per share attributable to the shareholders of the Group	11	**0.26**	1.24

These condensed consolidated interim financial statements including accompanying notes appearing on pages 7 to 19 were authorized for issue by the Board of Directors of the Group and signed on their behalf on 18 Dhul Hijjah 1447H corresponding to 4 June 2026G:

Authorised Board of Directors Member	Chief Executive Officer	Chief Financial Officer
Ibrahim Salem Alrowais	Mohammed Saad Al-Farraj	Shareef Al-Aqabawi

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.

AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Profit for the period	**22,252,750**	105,169,996
Other comprehensive income/ (loss)		
Items that will not be reclassified to the condensed consolidated interim statement of profit or loss in subsequent periods		
Fair value changes in equity investment at FVOCI	**8,800,000**	(11,324,843)
Total other comprehensive income/ (loss)	**8,800,000**	(11,324,843)
Total comprehensive income for the period	**31,052,750**	93,845,153

These condensed consolidated interim financial statements including accompanying notes appearing on pages 7 to 19 were authorized for issue by the Board of Directors of the Group and signed on their behalf on 18 Dhul Hijjah 1447H corresponding to 4 June 2026G:

Authorised Board of Directors Member	**Chief Executive Officer**	**Chief Financial Officer**
Ibrahim Salem Alrowais	**Mohammed Saad Al-Farraj**	**Shareef Al-Aqabawi**

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.

AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS ($) UNLESS OTHERWISE STATED)

	Share capital	**Fair value reserve of equity instruments at FVOCI**	**Retained earnings**	**Total**
Balance at 1 January 2025 (Audited and Restated)	850,000,000	(2,775,642)	482,615,829	1,329,840,187
Total comprehensive income for the period				
Profit for the period	-	-	105,169,996	105,169,996
Other comprehensive loss for the period	-	(11,324,843)	-	(11,324,843)
Total comprehensive income for the period	-	(11,324,843)	105,169,996	93,845,153
Transfer of fair value reserve of equity instruments designated at FVOCI	-	(485)	485	-
Transactions with owners in their capacity as owners				
Dividends	-	-	(53,550,000)	(53,550,000)
Balance at 31 March 2025 (Unaudited)	850,000,000	(14,100,970)	534,236,310	1,370,135,340
Balance at 1 January 2026 (Audited)	**850,000,000**	**(14,480,000)**	**615,282,335**	**1,450,802,335**
Total comprehensive income for the period				
Profit for the period	-	-	**22,252,750**	**22,252,750**
Other comprehensive income for the period	-	**8,800,000**	-	**8,800,000**
Total comprehensive income for the period	-	**8,800,000**	**22,252,750**	**31,052,750**
Transactions with owners in their capacity as owners				
Dividends (note 7)	-	-	**(53,550,000)**	**(53,550,000)**
Balance at 31 March 2026 (Unaudited)	**850,000,000**	**(5,680,000)**	**583,985,085**	**1,428,305,085**

These condensed consolidated interim financial statements including accompanying notes appearing on pages 7 to 19 were authorized for issue by the Board of Directors of the Group and signed on their behalf on 18 Dhul Hijjah 1447H corresponding to 4 June 2026G:

Authorised Board of Directors Member	Chief Executive Officer	Chief Financial Officer
Ibrahim Salem Alrowais	Mohammed Saad Al-Farraj	Shareef Al-Aqabawi

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.

AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

		Three month period ended	
	Note	**31 March 2026 (Unaudited)**	31 March 2025 (Unaudited)
Cash flows from operating activities			
Profit for the period		**22,252,750**	105,169,996
Adjustments for:			
Depreciation for property and equipment	3	**45,483,114**	44,553,497
Depreciation for right-of-use assets	4	**58,007,270**	54,333,571
Amortisation of intangible assets		**1,205,412**	1,172,455
Gain on derecognition due to termination of leases		**(3,259,057)**	(11,961)
Share of loss of equity accounted investees,net of tax		**1,756,240**	-
Short term lease expense		**2,333,919**	1,815,402
Variable lease expense		**3,171,486**	2,466,890
Write off of property and equipment		**4,715,666**	881,983
Inventory provision formed during the period	5	**7,874,912**	4,131,768
Allowance for impairment on trade receivables	6	**5,000,000**	-
Provision for employees' benefits		**8,211,778**	6,865,659
Finance cost		**31,493,187**	29,585,326
Zakat expense	10	**100,000**	4,850,000
Changes in:			
Inventories		**(364,159,716)**	(143,020,261)
Trade receivables		**(133,131,501)**	(34,189,988)
Prepayments and other current assets		**(54,014,487)**	35,393,039
Right of return		**(2,347,037)**	-
Amounts due from related parties		**1,095,662**	(8,901)
Refund liabilities		**24,725,474**	10,266,874
Trade and other payables		**522,524,335**	136,901,710
Amounts due to related parties		**(11,776,841)**	(8,304,715)
Contract liabilities		**125,675**	12,138,674
Cash generated from operating activities		**171,388,241**	264,991,018
Short term lease payments		**(2,333,919)**	(1,815,402)
Variable lease payments		**(3,171,486)**	(2,466,890)
Interest paid		**(27,622,870)**	(26,064,905)
Employees' benefits paid		**(3,491,973)**	(986,575)
Net cash generated from operating activities		**134,767,993**	233,657,246
Cash flows from investing activities			
Purchases of property and equipment	3	**(16,662,661)**	(30,401,895)
Additions to intangible assets		**(1,604,943)**	(334,461)
Investment in equity accounted investee		**(5,000,000)**	-
Long term deposits		**183,967**	-
Proceeds from disposal of equity instruments designated at FVOCI		**-**	1,865,348
Net cash used in investing activities		**(23,083,637)**	(28,871,008)
Cash flows from financing activities			
Proceeds from short-term borrowings		**525,000,000**	368,000,000
Repayments of short-term borrowings		**(576,037,500)**	(380,000,000)
Repayments of long-term loans		**-**	(42,916,667)
Principal elements of lease payments		**(51,472,259)**	(57,313,393)
Dividend paid	7	**(53,550,000)**	(53,550,000)
Net cash used in financing activities		**(156,059,759)**	(165,780,060)

AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026
(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

	Note	Three month period ended 31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Net changes in cash and cash equivalents		**(44,375,403)**	39,006,178
Cash and cash equivalents at beginning of period		**71,232,723**	47,526,199
Cash and cash equivalents at end of period		**26,857,320**	86,532,377
Significant non-cash transactions			
Additions to right-of-use assets and lease liabilities	4	**93,031,885**	83,203,238
Modification to right-of-use assets and lease liabilities	4	**140,855**	2,026,936
Fair value loss on equity instruments designated at FVOCI		**8,800,000**	(11,324,843)
Transfer of fair value reserve of equity instruments designated at FVOCI		-	485

These condensed consolidated interim financial statements including accompanying notes appearing on pages 7 to 19 were authorized for issue by the Board of Directors of the Group and signed on their behalf on 18 Dhul Hijjah 1447H corresponding to 4 June 2026G:

Authorised Board of Directors Member	**Chief Executive Officer**	**Chief Financial Officer**
Ibrahim Salem Alrowais	**Mohammed Saad Al-Farraj**	**Shareef Al-Aqabawi**

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

1. GENERAL INFORMATION

Al Dawaa Medical Services Company (herein after referred as the "Company") is a Saudi Joint Stock Company. The Company was initially registered as a Limited Liability Company in the Kingdom of Saudi Arabia ("KSA") under Commercial Registration number 2051025701 dated 23 Ramadan 1422H (corresponding to 8 December 2001G) and national unified number 7001428445 with branches in Khobar, Riyadh, Jeddah, and other cities across the Kingdom. The Company's registered office is located at P.O. box 4326, Al Khobar 31952, Kingdom of Saudi Arabia.

The Company is listed on Saudi Stock Exchange (Tadawul) since 14 March 2022 with a free float of 30% of the Company's share capital.

The Company and its subsidiaries listed below (collectively referred to as the "Group") are engaged in online wholesale of pharmaceutical products, pharmaceutical agents, wholesale of pharmaceutical goods, related pharmacy activities, pharmaceutical warehousing activities, retail of medical equipment and other equipment, online retailing, land transport of goods, providing delivery services via electronic platforms, managing and renting self-storage stores and manufacturing of single-use medical products and disposables.

The Group has investment in the following subsidiaries:

		Equity interest %	
Name	**Country of Incorporation**	**31 March 2026**	31 December 2025
Premier Medical Devices Manufacturing Company	Kingdom of Saudi Arabia	**100%**	100%
Solutions Systems for Logistics Services Company	Kingdom of Saudi Arabia	**100%**	100%

During the period ended 31 March 2026, the board of directors passed a resolution dated 9 March 2026 to liquidate below subsidiaries:

		Equity interest %	
Name	**Country of Incorporation**	**31 March 2026**	31 December 2025
Glanzzen	United Arab Emirates	**100%**	100%
Al-Dawaa Medical Services Company FZCO	United Arab Emirates	**100%**	100%
Ronzac GmbH	Germany	**100%**	100%
Hollinz	Germany	**100%**	100%

The Group has investment in following associate:

		Equity interest %	
Name	**Country of Incorporation**	**31 March 2026**	31 December 2025
Modawaa and Rieaya Medical Company Limited	Kingdom of Saudi Arabia	**49%**	49%
National Parcel Stations Network Company	Kingdom of Saudi Arabia	**33%**	33%

1.1 Subsidiaries and associates

a) Premier Medical Devices Manufacturing Company

Premier Medical Devices Manufacturing Company is engaged in manufacturing of single-use medical products, consumables, medical examination tables, surgical furniture, beds with mechanical motion additives, medical thermometers, respirators and medical anesthesia.

b) Glanzzen

Glanzzen is engaged in marketing activities and health care management consulting activities. Refer note 1.1.1 below.

1. GENERAL INFORMATION (CONTINUED)

1.1 Subsidiaries and associates (continued)

c) Al-Dawaa Medical Services Company FZCO

Al-Dawaa Medical Services Company FZCO is engaged in marketing activities. Refer note 1.1.1 below.

d) Ronzac GmbH

Ronzac GmbH is engaged in granting marketing licenses for pharmaceutical products, consumer goods and food products. Refer note 1.1.1 below.

e) Hollinz

Hollinz is engaged in granting marketing licenses for pharmaceutical products, consumer goods and food products. Refer note 1.1.1 below.

f) Solutions Systems for Logistics Services Company

During the year ended 31 December 2025, the Group's Board of Directors approved the transformation of the branch with Commercial Registration No. 1122101682 into an independent entity, named Solutions System for Logistics Services Company, fully owned by the Group. The necessary regulatory procedures for this conversion have been successfully completed. Solutions System for Logistics Services Company is engaged in providing logistics, storage, custom clearance and waste transportation services.

g) National Parcel Stations Network Company

During the year ended 31 December 2025, the Group's has acquired 33.33% of the share capital of National Parcel Stations Network Company (“NPSN”) a limited liability company within Kingdom of Saudi Arabia. The Group has significant influence over NPSN and has classified the investment as an associate, accounting for it using the equity method. The Company is engaged in providing logistics, storage, custom clearance and waste transportation services.

h) Modawaa and Rieaya Medical Company Limited

During the year ended 31 December 2024, the Group in partnership with Mouwasat Medical Services Company established Modawaa and Rieaya Medical Company Limited (“Modawaa”) as a limited liability company within Kingdom of Saudi Arabia, against which 49% of equity share (of equivalent amount) were issued. Modawaa is principally engaged in medical clinic activities and have not started its operations. The Group has significant influence over Modawaa and classified it as investment in associate.

1.1.1 The assets, liabilities and operations of these subsidiaries as of 31 March 2026 and for the period then ended are not material to the Group’s condensed consolidated interim financial statements.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Statement of compliance

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

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025 ("last annual consolidated financial statements"). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Group's consolidated financial position and performance since the last annual consolidated financial statements.

2.2 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals ("⃁") which is the Company's functional and Group's presentation currency.

2.3 Basis of preparation

These condensed consolidated interim financial statements are prepared under the historical cost convention, using the accruals basis of accounting, except for certain employees' benefits which are measured at present value of the defined benefit obligation using the projected unit credit method and equity investments at FVOCI which is measured at fair value.

2.4 Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

2.5 Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2025.

2.6 New standards, amendments and interpretations

There are new standards and number of amendments to standards which are effective from 1 January 2026 and have been explained in Group's annual consolidated financial statements, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

3. PROPERTY AND EQUIPMENT

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Cost:		
At beginning of the period	**2,362,986,758**	2,259,246,075
Additions	**16,662,661**	30,401,895
Write-off	**(15,503,718)**	(4,552,579)
At end of the period	**2,364,145,701**	2,285,095,391
Accumulated depreciation:		
At beginning of the period	**1,349,804,714**	1,200,433,323
Charge for the period	**45,483,114**	44,553,497
Write-off	**(10,788,052)**	(3,670,596)
At end of the period	**1,384,499,776**	1,241,316,224
Net book value at the end of the period	**979,645,925**	1,043,779,167
Net book value at the beginning of the period	**1,013,182,044**	1,058,812,752

4. LEASE LIABILITIES AND RIGHT OF USE ASSETS

Set out below are the carrying amounts of the Group's right-of-use assets recognised and the movement during the period:

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
At the beginning of the period	**1,673,670,127**	1,447,646,513
Additions	**93,031,885**	83,203,238
Modification	**140,855**	2,026,936
Derecognised due to termination	**(56,200,884)**	(3,439,510)
Depreciation expense	**(58,007,270)**	(54,333,571)
At the end of the period	**1,652,634,713**	1,475,103,606

Set out below are the carrying amounts of the Group's lease liabilities and the movements during the period:

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
At beginning of the period	**1,707,547,823**	1,479,890,686
Additions	**93,031,885**	83,203,238
Modification	**140,855**	2,026,936
Derecognised due to termination	**(59,459,941)**	(3,451,471)
Finance cost	**19,855,786**	15,938,872
Payments	**(71,328,045)**	(73,252,265)
At end of the period	**1,689,788,363**	1,504,355,996
Current	**209,385,277**	199,343,520
Non-current	**1,480,403,086**	1,305,012,476

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

5. INVENTORIES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Finished goods	**2,068,848,524**	1,684,552,302
Spare parts	**3,230,147**	2,508,592
Raw materials	**788,853**	788,853
Stock in transit	**41,452,814**	70,185,787
	2,114,320,338	1,758,035,534
Less: allowance (note 5.1)	**(21,945,912)**	(21,945,912)
	2,092,374,426	1,736,089,622

5.1 Movement in allowance during the period is as follows:

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
At the beginning of the period	**21,945,912**	10,624,850
Allowance during the period	**7,874,912**	4,131,768
Written off during the period	**(7,874,912)**	(4,131,768)
At the end of the period	**21,945,912**	10,624,850

6. TRADE RECEIVABLES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables - third parties	**718,622,991**	585,656,679
- related parties (note 13 (f))	**338,930**	173,741
	718,961,921	585,830,420
Less: allowance for impairment on trade receivables (note 6.1)	**(15,466,694)**	(10,466,694)
	703,495,227	575,363,726

6.1 Movement on allowance for impairment on trade receivables during the period is as follows:

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
1 January	**10,466,694**	7,756,955
Allowance during the period	**5,000,000**	-
31 March	**15,466,694**	7,756,955

7. DIVIDENDS

On 16 Sha'ban1447H (corresponding to 4 February 2026), the Group's Board of Directors approved cash dividend amounting to SR 0.63 per share amounting to SR 53.55 million for the third quarter of 2025, which was distributed on 8 Ramadhan 1447H (corresponding to 25 February 2026).

Subsequent to 31 March 2026, on 16 Thul-Qi'dah 1447H (corresponding to 3 May 2026), the Group's Board of Directors approved cash dividend amounting to SR 0.63 per share amounting to SR 53.55 million for the fourth quarter of 2025, which was distributed on 3 Thu al-Hijjah 1447H (corresponding to 20 May 2026).

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

7. DIVIDENDS (CONTINUED)

Subsequent to 31 March 2026, on 20 Thu al-Hijjah 1447H (corresponding to 6 June 2026), the Group's Board of Directors approved cash dividend of SR 0.63 per share amounting to SR 53.55 million for the first quarter of 2026, which will be distributed on 6 Safar 1448H (corresponding to 20 July 2026).

8. SHORT TERM BORROWINGS

Short term borrowings represent Murabaha, Tayseer and Tawarooq facilities obtained from various local banks to meet the working capital requirements with a total facility limit of SR 2,629 million (2025: SR 2,684 million). The balance of short term borrowings as of 31 March 2026 amounted to SR 529 million (2025: SR 580 million). These facilities carry financial costs in excess of SIBOR and are consistent with the terms of each facility agreement that are secured by promissory notes issued by the Group and carry charges agreed with the facilities' providers. Further, these facility agreements contain financial covenants which require the Group to maintain certain level of financial ratios such as leverage ratio , liquidity ratio , trading ratio , debt service coverage ratio and current ratio. Certain facilities require covenant compliance to be measured at year end, while others require compliance throughout the term of the respective facilities. As of 31 March 2026, the Group was in compliance with the relevant loan covenants.

9. REVENUE

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Type of revenue		
Retail	**1,366,764,829**	1,556,643,467
Wholesale	**158,252,520**	95,456,633
Logistics services	**20,357,927**	12,821,067
	1,545,375,276	1,664,921,167
Primary geographic markets		
Kingdom of Saudi Arabia	**1,544,638,169**	1,664,426,859
Kingdom of Bahrain	**737,107**	494,308
	1,545,375,276	1,664,921,167
Timing of revenue recognition		
Goods transferred at a point in time	**1,523,367,436**	1,652,100,098
Goods transferred over time	**22,007,840**	12,821,069
	1,545,375,276	1,664,921,167

10. ZAKAT

10.1 Charge for the period

The Zakat charge for the Group has been computed for the Group, which files a combined Zakat return for the Company and its wholly owned subsidiaries.

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

10 ZAKAT (CONTINUED)

10.2 Movement of provision for Zakat

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
At the beginning of the period	**16,654,902**	16,329,587
Provided during the period	**100,000**	4,850,000
At the end of the period	**16,754,902**	21,179,587

10.3 Status of assessments

Zakat assessments have been agreed and settled with the Zakat, Tax and Customs Authority ("ZATCA") up to 2023.

Zakat base has been computed based on the Group's understanding of the Zakat regulations enforced in the Kingdom of Saudi Arabia. The assessments to be raised by the ZATCA could be different from the declarations filed by the Group.

11. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

The following reflects the profit and share capital data used in the basic and diluted earnings per share computations:

	Three month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Profit attributable to the shareholders of the Group	**22,252,750**	105,169,996
Weighted average number of ordinary shares for basic and diluted earnings per share	**85,000,000**	85,000,000
Basic and diluted earnings per share	**0.26**	1.24

There has been no item of dilution affecting the weighted average number of ordinary shares.

12. SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- The retail segment is engaged in selling pharmaceutical, healthcare, wellness, and personal care products directly to customers through the company’s pharmacy network and online channels.

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

12. SEGMENT INFORMATION (CONTINUED)

- The wholesales segment, which is engaged in wholesale distribution of pharmaceutical and healthcare products to hospitals, clinics, pharmacies, and other institutional customers.

- The logistics segment, which is engaged in pharmaceutical warehousing, inventory management, transportation, and supply chain services supporting both retail and distribution operations.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income and is measured consistently in the condensed consolidated interim financial statements.

For the three month period ended 31 March 2026 (Unaudited)	**Retail**	**Wholesale**	**Logistics**	**Total segments**	**Eliminations / Central allocation**	**Total**
Revenue	**1,366,764,829**	**158,252,520**	**20,357,927**	**1,545,375,276**	**-**	**1,545,375,276**
Revenues from transactions with other operating segments	**-**	**-**	**46,158,667**	**46,158,667**	**(46,158,667)**	**-**
Total revenue	**1,366,764,829**	**158,252,520**	**66,516,594**	**1,591,533,943**	**(46,158,667)**	**1,545,375,276**
Cost of sales	**(859,423,754)**	**(126,946,081)**	**(57,686,804)**	**(1,044,056,639)**	**48,652,716**	**(995,403,923)**
Gross profit	**507,341,075**	**31,306,439**	**8,829,790**	**547,477,304**	**2,494,049**	**549,971,353**
Selling and distribution expenses	**(440,430,449)**	**(13,372,447)**	**(3,964,950)**	**(457,767,846)**	**2,233,668**	**(455,534,178)**
General and administrative expenses	**(30,372,948)**	**(2,076,504)**	**(1,003,528)**	**(33,452,980)**	**-**	**(33,452,980)**
Allowance for impairment on trade receivables	**(2,539,085)**	**(2,250,460)**	**(210,455)**	**(5,000,000)**	**-**	**(5,000,000)**
Other expenses	**(4,938,321)**	**(188,226)**	**-**	**(5,126,547)**	**-**	**(5,126,547)**
Other income	**9,295,480**	**176,766**	**-**	**9,472,246**	**(4,727,717)**	**4,744,529**
Operating profit	**38,355,752**	**13,595,568**	**3,650,857**	**55,602,177**	**-**	**55,602,177**
Finance costs	**(27,447,515)**	**(3,352,135)**	**(693,537)**	**(31,493,187)**	**-**	**(31,493,187)**
Operating profit of segment after finance cost	**10,908,237**	**10,243,433**	**2,957,320**	**24,108,990**	**-**	**24,108,990**

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

12. SEGMENT INFORMATION (CONTINUED)

For the three month period ended 31 March 2026 (Unaudited) (Continued)	Retail	Wholesale	Logistics	Total segments	Eliminations / Central allocation	Total
Unallocated expenses:						
Share of loss of equity accounted investees, net of tax	-	-	-	-	(1,756,240)	(1,756,240)
Zakat expense	-	-	-	-	(100,000)	(100,000)
Profit for the period	**10,908,237**	**10,243,433**	**2,957,320**	**24,108,990**	**(1,856,240)**	**22,252,750**
Assets and liabilities as of 31 March 2026 (Unaudited)						
Total assets	**5,478,706,464**	**169,445,778**	**73,536,634**	**5,721,688,876**	**(35,072,890)**	**5,686,615,986**
Total liabilities	**4,124,533,183**	**130,186,049**	**38,664,559**	**4,293,383,791**	**(35,072,890)**	**4,258,310,901**

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

12 SEGMENT INFORMATION (CONTINUED)

For the three month period ended 31 March 2025 (Unaudited)	**Retail**	**Wholesale**	**Logistics**	**Eliminations /Central allocation**	**Total**
Revenue	1,556,643,467	95,456,633	12,821,067	-	1,664,921,167
Total revenue	1,556,643,467	95,456,633	12,821,067	-	1,664,921,167
Cost of sales	(982,293,470)	(71,323,694)	(6,698,694)	-	(1,060,315,858)
Gross profit	574,349,997	24,132,939	6,122,373	-	604,605,309
Selling and distribution expenses	(417,919,785)	(12,648,345)	-	-	(430,568,130)
General and administrative expenses	(31,321,317)	(1,145,447)	(846,624)	-	(33,313,388)
Other expenses	(1,815,863)	(56,161)	-	-	(1,872,024)
Other income	730,948	22,607	-	-	753,555
Operating profit	124,023,980	10,305,593	5,275,749	-	139,605,322
Finance costs	(26,080,355)	(3,481,917)	(23,054)	-	(29,585,326)
Operating profit of segment after finance cost	97,943,625	6,823,676	5,252,695	-	110,019,996
Unallocated expenses:					
Zakat expense	-	-	-	(4,850,000)	(4,850,000)
Profit for the period	97,943,625	6,823,676	5,252,695	(4,850,000)	105,169,996
Assets and liabilities as of 31 December 2025 (Audited)					
Total assets	5,044,354,116	155,413,604	33,853,711	-	5,233,621,431
Total liabilities	3,627,547,997	112,152,176	43,118,923	-	3,782,819,096

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

12 SEGMENT INFORMATION (CONTINUED)

The revenue for the three month periods ended 31 March 2026 and 2025, categorized by the geographical segments is as follows:

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Primary geographic markets		
Kingdom of Saudi Arabia	**1,544,638,169**	1,664,426,859
Kingdom of Bahrain	**737,107**	494,308
	1,545,375,276	1,664,921,167

The Group's non-current operating assets are mainly located in the Kingdom of Saudi Arabia ("KSA"). The non-current operating assets in the Kingdom of Bahrain are not significant and, accordingly, separate geographical information has not been presented.

13 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of the shareholders with significant influence, directors, associated companies (representing entities controlled or under the significant influence of the Group's shareholders) and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest. The Group in the normal course of business carries out transactions with various related parties.

The pricing policies and terms of payment of transactions with the related parties are approved by the Group's Board of Directors. The outstanding balances at the period ended 31 March 2026 and the year ended 31 December 2025 are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided to amounts due to related parties.

(a) Following are the major transactions entered into by the Group with its related parties:

Related parties	Nature of transactions	Three month period ended 31 March 2026 (Unaudited)	2025 (Unaudited)
Meshraf General Contracting Company (controlled by key management personnel)	Construction cost of pharmacies	**8,225,289**	18,700,055
Classic Travel & Tours Agency (under common ownership of the Group's shareholder)	Tickets and other travel expenses	**7,482,077**	8,472,388
Digital Business System Company (controlled by key management personnel)	IT services provided to the Group	**5,793,281**	5,398,637
Walaa Cooperative Insurance Company (other related party)*	Insurance services provided to the Group	**-**	3,686,334
966 Motors Establishment (controlled by key management personnel)	Maintenance services	**1,100,926**	812,139
Eastern Province Cement Company (other related party)*	Offices rental for the Group	**3,282,629**	278,263
Zahwa Trading Services Company (controlled by key management personnel)	Purchases of inventories	**3,738,566**	2,385,668
	Rebates	**806,270**	-
	Logistics services	**164,743**	42,548
Kanaf Charitable Association (controlled by key management personnel)	Donation from pharmacies customers	**7,228**	8,517
Mawarid Trading Limited (controlled by key management personnel)	Purchases of inventories	**94,585**	-
National Parcel Stations Network Company (controlled by key management personnel)	Rental income	**303,350**	-

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

13. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Key management personnel compensation:

	Three month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Short-term employee benefits	**6,640,800**	7,702,000
Remuneration and other benefits of the board of directors	**948,000**	975,000
Post-employment benefits	**249,929**	249,411
	7,838,729	8,926,411

(c) Due from related parties:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Mawarid Trading Limited	**491,349**	600,121
National Parcel Stations Network Company	**232,128**	1,219,018
	723,477	1,819,139

(d) Due to related parties:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Digital Business System Company	**23,026,836**	26,976,664
Meshraf General Contracting Company	**2,952,809**	4,555,558
Walaa Cooperative Insurance Company*	**-**	2,892,525
Classic Travel & Tours Agency	**2,223,411**	2,512,558
Accrued directors' remuneration	**930,000**	3,720,000
Kanaf Charitable Association	**14,895**	13,748
Eastern Province Cement Company*	**3,775,024**	4,028,763
	32,922,975	44,699,816

(e) Amounts due to related parties under trade payables:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Zahwa Trading Services Company	**3,828,688**	2,863,082

(f) Amounts due from related parties under trade receivables:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Zahwa Trading Services Company	**338,930**	173,741

*The above tables include certain balances amounting ⃁ 3.78 million (31 December 2025: ⃁ 6.92 million) for due to related parties pertaining to entities having common directorships or common key management personnel in accordance with local laws and regulations.

(ALL AMOUNTS IN SAUDI RIYALS (⃁) UNLESS OTHERWISE STATED)

14. FAIR VALUE MEASUREMENT

As of 31 March 2026 and 31 December 2025, all of the Group's financial instruments have been carried at amortized cost and the Group does not hold any financial instruments measured at fair value except investment designated at FVOCI which has been classified in level 1 of fair value hierarchy. The carrying value of the other financial assets and liabilities in the consolidated statement of financial position approximates to their fair values.

15. COMMITMENTS AND CONTINGENCIES

(a) As of 31 March 2026, the capital expenditure contracted by the Group but not incurred till 31 March 2026 was approximately SR 2 million (31 December 2025: SR 0.166 million)..

(b) The Group's bankers have given letter of guarantees and letter of credits, on behalf of the Group, amounting to SR 21.7 million and SR 303.7 million (31 December 2025: SR 16.6 million and SR 226.6 million), respectively.

(c) As of 31 March 2026, the Group had outstanding commitments in respect of purchase orders placed with suppliers for goods which had not been received as at that date, amounting to SR 354 million (31 December 2025: SR 323.9 million).

16. CORRESPONDING FIGURES

Certain corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation, the effect of which is not material. The following table summarises the impact on the Group's condensed consolidated interim financial statements for the period ended 31 March 2025:

	As previously stated	Effect due to reclassification	As reclassified
Consolidated statement of profit or loss for the period ended 31 March 2025			
Revenue	1,650,691,573	14,229,594	1,664,921,167
Cost of revenue	(1,046,086,264)	(14,229,594)	(1,060,315,858)
Other expenses, net	(1,118,469)	1,118,469	-
Other expenses	-	(1,872,024)	(1,872,024)
Other income	-	753,555	753,555

Equity as at 31 March 2025 was restated due to the effect of restatements made to year end 31 December 2024.

17. SUBSEQUENT EVENTS

Except as disclosed elsewhere in these condensed consolidated interim financial statements, no significant subsequent event occurred since 31 March 2026 and the date of authorization of these condensed consolidated interim financial statements by the Board of Directors that requires either an adjustment or disclosure in these condensed consolidated interim financial statements.