

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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2025
WITH
INDEPENDENT AUDITOR'S REVIEW REPORT**

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2025

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KPMG Professional Services Company

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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 البرعش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبور ٣١٤٦ - ٣٤٤١٢
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

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

Introduction

We have reviewed the accompanying 30 June 2025 condensed interim consolidated financial statements of **Al Dawaa Medical Services Company** ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed interim consolidated statement of financial position as at 30 June 2025;
- the condensed interim consolidated statement of profit or loss for the three-month and six-month periods ended 30 June 2025;
- the condensed interim consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed interim consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed interim consolidated statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the condensed interim consolidated financial statements.

Management is responsible for the preparation and presentation of these condensed interim consolidated 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 interim consolidated 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 interim consolidated 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.

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (١١٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة إنجليزية محدودة بضمان. رقم السجل التجاري للمركز الرئيسي في الرياض هو ١٠١٠٤٢٥٤٩٤.



Independent auditor's report on review of condensed interim consolidated 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 30 June 2025 condensed interim consolidated 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



Mohammed Najeeb Alkhelaiwi
License no. 481

Al Khobar, 16 Safar 1447H
Corresponding to: 10 August 2025G

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

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

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Non-current assets			
Property and equipment	3	1,023,526,551	1,058,812,752
Right-of-use assets	4	1,502,337,687	1,447,646,513
Intangible assets		18,764,980	20,614,238
Equity accounted investee		10,490,000	490,000
Investment in unconsolidated subsidiaries		204,739	204,739
Equity instruments designated at fair value through other comprehensive income (FVOCI)		53,280,000	63,900,000
Total non-current assets		2,608,603,957	2,591,668,242
Current assets			
Inventories	5	1,634,170,758	1,477,112,597
Trade receivables	6	939,261,934	747,536,620
Prepayments and other current assets		171,001,337	168,815,334
Amounts due from related parties	13(c)	605,104	598,915
Right of return assets		693,262	693,262
Equity instruments designated at fair value through other comprehensive income (FVOCI)		-	1,790,191
Cash and cash equivalents		24,960,478	47,526,199
Total current assets		2,770,692,873	2,444,073,118
Total assets		5,379,296,830	5,035,741,360
Equity and liabilities			
Equity			
Share capital		850,000,000	850,000,000
Fair value reserve of equity instruments at FVOCI		(13,320,000)	(2,775,642)
Retained earnings		693,868,853	609,226,304
Total equity		1,530,548,853	1,456,450,662
Liabilities			
Non-current liabilities			
Lease liabilities	4	1,328,142,840	1,278,404,126
Employees' benefits		185,846,154	166,836,091
Total non-current liabilities		1,513,988,994	1,445,240,217
Current liabilities			
Bank overdraft		78,371,978	-
Refund liabilities		36,881,957	28,130,736
Trade and other payables		1,411,261,090	1,204,708,369
Amounts due to related parties	13(d)	32,638,734	45,070,124
Current portion of lease liabilities	4	207,142,864	201,486,560
Current portion of term loans	8.1	54,583,333	140,416,678
Contract liabilities		34,748,819	17,908,427
Short-term borrowings	8.2	465,000,000	480,000,000
Provision for Zakat	10	14,130,208	16,329,587
Total current liabilities		2,334,758,983	2,134,050,481
Total liabilities		3,848,747,977	3,579,290,698
Total equity and liabilities		5,379,296,830	5,035,741,360

Authorised Board of Directors Member
Mr. Ibrahim Salem Alrowais

Chief Executive Officer
Mr. Mohammed Saad Al-Farraj

Chief Financial Officer
Mr. 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 INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS (S) UNLESS OTHERWISE STATED)

	Note	Three month period ended		Six month period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Revenue	9	1,685,572,581	1,595,129,276	3,350,493,882	3,119,906,564
Cost of revenue		(1,095,078,824)	(1,024,833,063)	(2,155,394,816)	(1,990,862,221)
Gross profit		590,493,757	570,296,213	1,195,099,066	1,129,044,343
Selling and distribution expenses		(436,594,761)	(400,202,655)	(867,162,891)	(790,791,156)
General and administrative expenses		(36,240,554)	(33,786,375)	(69,553,942)	(69,171,501)
Other income / (expense), net		2,029,659	(2,008,911)	911,190	(4,289,965)
Operating profit		119,688,101	134,298,272	259,293,423	264,791,721
Finance costs		(30,405,064)	(30,385,317)	(59,990,390)	(62,085,541)
Profit before Zakat		89,283,037	103,912,955	199,303,033	202,706,180
Zakat expense	10	(2,710,000)	(8,034,990)	(7,560,000)	(11,499,990)
Profit for the period		86,573,037	95,877,965	191,743,033	191,206,190
Earnings per share					
Basic and diluted earnings per share attributable to the shareholders of the Group	11	1.02	1.13	2.26	2.25



Authorised Board of Directors Member
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AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2025
 (ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

	Three month period ended		Six month period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	86,573,037	95,877,965	191,743,033	191,206,190
Other comprehensive income / (loss)				
<i>Items that will not be reclassified to the consolidated statement of profit or loss in subsequent periods</i>				
Fair value changes in equity instrument at FVOCI	780,001	(17,255,000)	(10,544,842)	(20,742,566)
Total comprehensive income for the period	87,353,038	78,622,965	181,198,191	170,463,624



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AL DAWAA MEDICAL SERVICES COMPANY
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

	Share capital	Statutory reserve	Fair value reserve of equity instruments at FVOCI	Retained earnings	Total
Balance at 1 January 2024 (Audited)	850,000,000	59,459,361	24,856,826	378,688,565	1,313,004,752
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	191,206,190	191,206,190
Other comprehensive loss for the period	-	-	(20,742,566)	-	(20,742,566)
Total comprehensive income for the period	-	-	(20,742,566)	191,206,190	170,463,624
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	(15,279,260)	15,279,260	-
Transfer of statutory reserves	-	(59,459,361)	-	59,459,361	-
<i>Transactions with owners in their capacity as owners</i>					
Dividends	-	-	-	(106,250,000)	(106,250,000)
Balance at 30 June 2024 (Unaudited)	850,000,000	-	(11,165,000)	538,383,376	1,377,218,376
Balance at 1 January 2025 (Audited)	850,000,000	-	(2,775,642)	609,226,304	1,456,450,662
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	191,743,033	191,743,033
Other comprehensive loss for the period	-	-	(10,544,842)	-	(10,544,842)
Total comprehensive income for the period	-	-	(10,544,842)	191,743,033	181,198,191
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	484	(484)	-
<i>Transactions with owners in their capacity as owners</i>					
Dividends (note 7)	-	-	-	(107,100,000)	(107,100,000)
Balance at 30 June 2025 (Unaudited)	850,000,000	-	(13,320,000)	693,868,853	1,530,548,853

Authorised Board of Directors Member
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AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

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

	Note	Six month period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Cash flows from operating activities			
Profit for the period		191,743,033	191,206,190
<u>Adjustments for:</u>			
Depreciation for property and equipment	3	89,173,498	77,888,690
Depreciation for right-of-use assets	4	110,181,512	105,235,027
Amortisation of intangible assets		2,912,468	3,114,830
Loss on derecognition due to termination of leases		913,622	76,548
Short term lease expense		401,759	1,241,469
Variable lease expense		5,611,669	4,291,370
Write off of property and equipment		1,239,479	2,314,611
Provision for employees' benefits		14,269,024	12,539,104
Provision for inventories		4,209,393	4,476,067
Finance cost		59,990,390	62,085,541
Zakat expense	10	7,560,000	11,499,990
<u>Changes in:</u>			
Inventories		(161,909,594)	(198,572,239)
Trade receivables		(191,725,314)	(124,327,860)
Prepayments and other current assets		(2,186,003)	(3,392,479)
Amounts due from related parties		(6,189)	1,850,046
Refund liabilities		8,751,221	(9,794,123)
Trade and other payables		209,423,756	289,832,131
Amounts due to related parties		(12,431,390)	(3,837,589)
Contract liabilities		16,840,392	3,151,869
Cash generated from operating activities		354,962,726	430,879,193
Short term lease payments		(401,759)	(1,241,469)
Variable lease payments		(5,611,669)	(4,291,370)
Settlement for termination of lease contracts		(492,934)	(1,127,605)
Interest paid		(56,286,622)	(58,953,702)
Employees' benefits paid		(1,833,763)	(2,513,572)
Zakat paid	10	(9,759,379)	(14,037,586)
Net cash generated from operating activities		280,576,600	348,713,889
Cash flows from investing activities			
Purchase of property and equipment	3	(54,484,736)	(89,557,972)
Addition to intangible assets		(1,063,210)	(1,103,609)
Proceeds from disposal of equity instruments designated at FVOCI		1,865,348	102,649,768
Acquisition of investment in equity accounted investee		(10,000,000)	-
Net cash (used) in / generated from investing activities		(63,682,598)	11,988,187

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025


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


	Note	Six month period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Cash flows from financing activities			
Proceeds from short-term borrowings		1,003,000,000	415,500,000
Repayments of short-term borrowings		(1,018,000,000)	(520,000,000)
Repayments of long-term loans		(85,833,345)	(75,833,323)
Principal elements of lease payments		(109,898,356)	(95,182,067)
Dividend paid	7	(107,100,000)	(106,250,000)
Net cash used in financing activities		(317,831,701)	(381,765,390)
Net decrease in cash and cash equivalents		(100,937,699)	(21,063,314)
Cash and cash equivalents at beginning of period		47,526,199	54,323,191
Cash and cash equivalents at end of period*		(53,411,500)	33,259,877

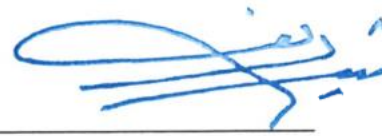
*Cash and cash equivalents include bank overdraft amounting to ﷲ 78,371,978 (31 December 2024: ﷲ nil) that are repayable on demand and form an integral part of the Group's cash management and cash at bank amounting to ﷲ 24,960,478 (31 December 2024: ﷲ 47,526,199).

Significant non-cash transactions

Additions to right-of-use assets and lease liabilities	4	170,274,134	138,718,923
Modification of right-of-use assets and lease liabilities	4	5,715,360	-
Derecognised of right-of-use assets due to lease termination	4	(11,116,908)	(17,939,629)
Derecognised of lease liabilities due to lease termination	4	(10,696,220)	(18,990,686)
Fair value loss on equity instruments designated at FVOCI		(10,544,842)	(20,742,566)
Transfer of fair value reserve of equity instruments designated at FVOCI		484	15,279,260
Transfer from inventories to property and equipment	3	642,040	8,585,528
Remeasurements of right-of-use assets and lease liabilities	4	-	2,120,195
Investment in equity accounted investee		-	490,000
Transfer of statutory reserve to retained earnings		-	59,459,361


Authorised Board of Directors Member
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**AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) 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 numbered 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.

These condensed consolidated interim financial statements were approved and signed for issuance by the Board of Directors on 15 Safar 1447H corresponding to 9 August 2025G.

The Company has investment in the following subsidiaries:

Name	Country of Incorporation	Equity interest %	
		30 June 2025	31 December 2024
Premier Medical Devices Manufacturing Company	Kingdom of Saudi Arabia	100%	100%
Glanzen	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%
Solutions Systems for Logistics Services Company	Kingdom of Saudi Arabia	100%	-

The Company has investment in following associates:

Name	Country of Incorporation	Equity interest %	
		30 June 2025	31 December 2024
Modawaa and Riaya Medical Company Limited	Kingdom of Saudi Arabia	49%	49%
National Parcel Stations Network Company	Kingdom of Saudi Arabia	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) Glanzen

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

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

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS (ﷻ) UNLESS OTHERWISE STATED)**

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 period ended 30 June 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) Modawaa and Rieaya Medical Company Limited

During the prior 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) will be issued upon completion of legal formalities. Modawaa will be principally engaged in medical clinics activities. The Group has significant influence over Modawaa, classified it as investment in associate and accounted the investment under equity method. Since the investee company had not commenced operations as of 30 June 2025, no share of results has been recognized by the Company for the period then ended.

h) National Parcel Stations Network Company

During the period ended 30 June 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 share of loss from the associate for the period ended 30 June 2025 is not material to the Group's consolidated financial statements. The Company is engaged in providing logistics, storage, custom clearance and waste transportation services.

1.1.1 The Group has accounted for the investment in these subsidiaries at cost and classified as investment in unconsolidated subsidiaries as these subsidiaries have not yet commenced operations. The assets, liabilities and operations of these subsidiaries as of 30 June 2025 and for the year then ended are not material to the Group's consolidated financial statements.

**AL DAWAA MEDICAL SERVICES COMPANY
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS (ﷻ) UNLESS OTHERWISE STATED)**

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim consolidated 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 interim consolidated 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 2024 (“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 interim consolidated financial statements are presented in Saudi Riyals (“ﷻ”) which is the Company’s functional and Group’s presentation currency.

2.3 Basis of preparation

These condensed interim consolidated 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 interim consolidated 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 judgments 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 financial statements.

2.5 Material accounting policies

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2024.

2.6 New standards, amendments and interpretations

There are new standards and number of amendments to standards which are effective from 1 January 2025 and have been explained in Group’s annual consolidated financial statements, but they do not have a material effect on the Group’s condensed interim consolidated financial statements.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS (ﷲ) UNLESS OTHERWISE STATED)

3. PROPERTY AND EQUIPMENT

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
<i>Cost:</i>		
At beginning of the period	2,259,246,075	2,042,086,307
Additions	54,484,736	89,557,972
Transfer from inventories	642,040	8,585,528
Write-off	(5,404,906)	(8,026,382)
At end of the period	2,308,967,945	2,132,203,425
<i>Accumulated depreciation:</i>		
At beginning of the period	1,200,433,323	1,047,225,170
Charge for the period	89,173,498	77,888,690
Write-off	(4,165,427)	(5,711,771)
At end of the period	1,285,441,394	1,119,402,089
Net book value at end of the period	1,023,526,551	1,012,801,336
Net book value at the beginning of the period	1,058,812,752	994,861,137

4. LEASES

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

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
At the beginning of the period	1,447,646,513	1,475,826,600
Additions	170,274,234	138,718,923
Remeasurements	-	2,120,195
Modifications	5,715,360	-
Derecognised due to termination	(11,116,908)	(17,939,629)
Depreciation expense	(110,181,512)	(105,235,027)
At the end of the period	1,502,337,687	1,493,491,062

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

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
At beginning of the period	1,479,890,686	1,492,165,558
Additions	170,274,234	138,718,923
Modifications	5,715,360	-
Remeasurements	-	2,120,195
Derecognised due to termination	(10,696,220)	(18,990,686)
Finance cost	32,712,990	30,729,432
Payments	(142,611,346)	(125,911,499)
At end of the period	1,535,285,704	1,518,831,923
Current	207,142,864	195,733,915
Non-current	1,328,142,840	1,323,098,008

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5. INVENTORIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Finished goods	1,642,925,596	1,486,350,376
Spare parts	1,438,797	950,557
Raw materials	431,215	436,514
	1,644,795,608	1,487,737,447
Less: allowance (note 5.1)	(10,624,850)	(10,624,850)
	1,634,170,758	1,477,112,597

5.1 Movement in allowance during the period is as follows:

	Six month period ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
At the beginning of the period	10,624,850	10,624,850
Formed during the period	4,209,393	4,476,067
Written off during the period	(4,209,393)	(4,476,067)
At the end of the period	10,624,850	10,624,850

6. TRADE RECEIVABLES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	947,018,889	755,293,575
Less: allowance for impairment on trade receivables (note 6.1)	(7,756,955)	(7,756,955)
	939,261,934	747,536,620

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

	Six month period ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
At the beginning and end of the period	7,756,955	7,756,955

7. DIVIDENDS

On 4 Shaban 1446H (corresponding to 3 February 2025), the Group's Board of Directors approved cash dividend amounting to ﷲ 0.63 per share amounting to ﷲ 53.55 million for the third quarter of 2024, which was distributed on 26 Shaban 1446H (corresponding to 25 February 2025). On 20 Dhul Qadah 1446H (corresponding to 18 May 2025), the Group's Board of Directors approved cash dividend amounting to ﷲ 0.63 per share amounting to ﷲ 53.55 million for the fourth quarter of 2024, which was distributed on 7 Dhul Hijjah 1446H (corresponding to 3 June 2025).

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8. LOANS AND BORROWINGS

8.1 Term loans

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	54,583,333	140,416,678
Term loan	54,583,333	140,416,678

8.1.1 Term loans represents Murabaha and Tawaruq loans which were obtained from various local commercial banks and carry financial costs at normal commercial rates. The facilities are secured by promissory notes. These facilities carry borrowing cost at average rate of SIBOR plus 0.75%-1.10% (2024: 0.75% - 1.10%). These loans are repayable in semi-annual and quarterly installments over the period of two years. These facility agreements contain financial covenants which require the Group to maintain certain level of financial ratios. There have been no breaches of financial covenants of these facility agreements for the period ended 30 June 2025.

8.2 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 ﷲ 2,325 million (31 December 2024: ﷲ 2,325 million). The net utilized balance as of 30 June 2025 amounted to ﷲ 465 million (31 December 2024: ﷲ 480 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. As of 30 June 2025, the Group was in compliance with the loan covenants.

9. REVENUE

	Three month period ended		Six month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Type of revenue				
Retail	1,576,971,608	1,506,993,095	3,133,615,209	2,957,334,053
Wholesale and others	108,600,973	88,136,181	216,878,673	162,572,511
	1,685,572,581	1,595,129,276	3,350,493,882	3,119,906,564
Geographic markets				
Kingdom of Saudi Arabia	1,685,116,864	1,595,129,276	3,349,501,036	3,118,661,602
Kingdom of Bahrain	455,717	-	950,025	-
Other countries	-	-	42,821	1,244,962
	1,685,572,581	1,595,129,276	3,350,493,882	3,119,906,564
Timing of revenue recognition				
Revenue recognised at a point in time	1,669,640,682	1,585,238,468	3,321,740,914	3,099,121,891
Revenue recognised over time	15,931,899	9,890,808	28,752,968	20,784,673
	1,685,572,581	1,595,129,276	3,350,493,882	3,119,906,564

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10. ZAKAT

10.1 Charge for the period

The charge for the interim period is calculated based on estimated Zakat charge for the whole year for the Group, which files a combined Zakat return for the Company and its wholly owned subsidiaries.

	Six month period ended	
	30 June	30 June
	2025	2024
	(Unaudited)	(Unaudited)
At the beginning of the period	16,329,587	23,340,828
Provided during the period	7,560,000	11,499,990
Payments made during the period	(9,759,379)	(14,037,586)
At the end of the period	14,130,208	20,803,232

10.2 Status of assessments

Zakat assessments have been agreed and settled with the Zakat, Tax and Customs Authority ("ZATCA") up to 2023. The Group Zakat return for the year 2024 has been filed with ZATCA and assessment has not been raised by the ZATCA till the reporting date.

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		Six month period ended	
	30 June		30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to the shareholders of the Group	86,573,037	95,877,965	191,743,033	191,206,190
Weighted average number of ordinary shares for basic and diluted earnings per share	85,000,000	85,000,000	85,000,000	85,000,000
Basic and diluted earnings per share	1.02	1.13	2.26	2.25

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

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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.

The Group operates in the Kingdom of Saudi Arabia (KSA) and Kingdom of Bahrain. Its operations in the Kingdom of Bahrain are considered relatively insignificant, and accordingly the Group does not present business sector information at the geographical level as at present more than 90% of the Group's operations are conducted within KSA. Management is of the view that all activities of the Group comprise of a single operating segment for the purpose of decision making with respect to performance appraisal and resources allocation and as required under accounting framework as per established thresholds. Accordingly, segmental analysis by geographical and operating segment has not been presented.

The management has concluded that except for the retail trading, all other lines of businesses are less than 10% of combined revenue, profit or loss and assets of the Group. The Group has considered the overriding core principles of IFRS 8 'Operating segments' as well as its internal reporting framework, management and operating structure. The management's conclusion is that the Group has one operating segment, that of retailing.

13. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of the shareholders, 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 30 June 2025 and the year ended 31 December 2024 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 30 June		Six month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Meshraf General Contracting Company (controlled by key management personnel)	Construction cost of pharmacies	10,702,017	15,680,848	29,402,072	34,199,604
Classic Travel & Tours Agency (under common ownership of the Group's shareholder)	Tickets and other travel expenses	8,095,996	6,963,901	16,568,384	15,761,119
Digital Business System Company (under common ownership of the Group's shareholder)	IT services provided to the Group	7,396,689	7,273,765	12,795,326	12,211,305
Walaa Cooperative Insurance Company (other related party)*	Insurance services provided to the Group	479,722	661,063	4,166,056	4,589,199
966 Motors Establishment (controlled by key management personnel)	Maintenance services	2,253,947	1,169,294	3,066,086	2,442,187

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13. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

Related parties	Nature of transactions	Three month period ended 30 June		Six month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Eastern Province Cement Company (other related party)*	Offices rental for the Group	108,833	106,056	387,096	2,987,055
Zahwa Trading Services Company (controlled by key management personnel)	Purchases of inventories	1,871,814	3,645,639	4,257,482	6,345,266
	Logistics services	40,190	-	82,738	-
Modawaa and Ricaya Medical Company Limited (associate)	Investment	-	490,000	-	490,000
National Parcel Stations Network Company (associate)	Investment	10,000,000	-	10,000,000	-
Kanaf Charitable Association (controlled by key management personnel)	Donation from pharmacies customers	6,969	9,388	15,486	18,352

(b) Key management personnel compensation:

	Three month period ended 30 June		Six month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Short-term employee benefits	9,679,300	15,431,833	17,381,300	23,210,833
End of services benefits	283,415	1,690,174	532,826	2,001,949
	9,962,715	17,122,007	17,914,126	25,212,782

(c) Due from related parties:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Mawarid Trading Limited	400,410	400,410
Zahwa Trading Services Company	204,694	198,505
	605,104	598,915

(d) Due to related parties:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Digital Business System Company	23,014,173	25,349,300
Meshraf General Contracting Company	1,020,865	6,835,012
Walaa Cooperative Insurance Company*	885,974	2,812,333
Zahwa Trading Services Company	2,868,213	2,673,514
Classic Travel and Tours Agency	2,152,612	1,574,540
966 Motors Establishment	829,999	2,096,587
Kanaf Charitable Association	6,898	8,838
Accrued directors' remuneration	1,860,000	3,720,000
	32,638,734	45,070,124

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13. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) Due to related parties (continued):

*The above tables include certain balances amounting ﷲ 0.88 million (31 December 2024: ﷲ 2.81 million) for due to related parties pertaining to entities having common directorships or common key management personnel in accordance with local laws and regulations.

14. FAIR VALUE MEASUREMENT

As of 30 June 2025 and 31 December 2024, 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 condensed interim consolidated statement of financial position approximates to their fair values.

15. COMMITMENTS

As of 30 June 2025, the capital expenditure contracted by the Group but not incurred till 30 June 2025 was approximately ﷲ 1.5 million (31 December 2024: ﷲ 4.2 million).

The Group's bankers have given letter of guarantees and letter of credits, on behalf of the Group, amounting to ﷲ 11.1 million and ﷲ 204.1 million (31 December 2024: ﷲ 13.3 million and ﷲ 179.3 million), respectively.

16. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified, wherever considered necessary for better presentation. The following table summarise the impacts on the Group's condensed consolidated statement of profit or loss.

	As previously stated	Effects due to reclassification	As restated
Condensed interim consolidated statement of profit or loss for the six-month period 30 June 2024			
Revenue	3,102,692,222	17,214,342	3,119,906,564
Cost of sales	(1,962,298,899)	(28,563,322)	(1,990,862,221)
Selling and distribution expenses	(802,140,136)	11,348,980	(790,791,156)
Condensed interim consolidated statement of profit or loss for the three-month period 30 June 2024			
Revenue	1,586,272,315	8,856,961	1,595,129,276
Cost of sales	(1,010,301,611)	(14,531,452)	(1,024,833,063)
Selling and distribution expenses	(405,877,146)	5,674,491	(400,202,655)

17. SUBSEQUENT EVENTS

Except as disclosed elsewhere on these condensed interim consolidated financial statements, no significant subsequent event occurred since 30 June 2025 and the date of authorization of these condensed interim consolidated financial statements by the Board of Directors that require either an adjustment or disclosure in these condensed interim consolidated financial statements.