

**SAUDI PHARMACEUTICAL INDUSTRIES  
AND MEDICAL APPLIANCES CORPORATION  
(SPIMACO - ADDWAEIH)  
(A Saudi Joint Stock Company)  
Condensed Consolidated Interim Financial Statements (Unaudited)  
For the three-month and six-month periods ended 30 June 2025  
together with  
Independent Auditor's Review Report**

**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**  
 (A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
 For the three-month and six-month periods ended 30 June 2025

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## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

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

To the Shareholders of Saudi Pharmaceutical Industries and Medical Appliances Corporation  
(SPIMACO - ADDWAEIH)

## Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial statements of Saudi Pharmaceutical Industries and Medical Appliances Corporation ("the Company") and its subsidiaries ("the Group") which comprises:

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



## Conclusion

## Emphasis of Matter – Comparative Information

**KPMG Professional Services Company**



ك.م.ب.إ.م. جي للإستشارات المهنية  
 ترخيص رقم ٤٦  
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 Lic No. 46  
 G.R. 1010425494  
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 KPMG Professional Services

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**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2025

(All amounts in thousands of  $\text{SAR}$ , unless otherwise stated)

	Note	30 June 2025	31 December 2024 (Audited)
<b>ASSETS</b>			
Property, plant and equipment	5	1,572,621	1,573,629
Assets under construction	5	191,851	172,318
Intangible assets	6	97,565	102,296
Right-of-use assets	7	7,776	25,708
Equity-accounted investees	8	73,684	67,734
Deferred tax assets		23,347	21,397
<b>Total non-current assets</b>		<b>1,966,844</b>	<b>1,963,082</b>
Trade receivables	9	1,240,118	1,174,997
Inventories	10	592,427	646,091
Due from related parties	19	29,902	15,330
Investments at fair value through profit or loss (FVTPL)		488	480
Prepayments and other assets		239,885	242,225
Short term investments	11	170,000	155,000
Cash and cash equivalents	12	265,725	122,143
<b>Total current assets</b>		<b>2,538,545</b>	<b>2,356,266</b>
<b>Total assets</b>		<b>4,505,389</b>	<b>4,319,348</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	1,200,000	1,200,000
Other reserve	1	360,685	-
Statutory reserve	1	-	360,685
Treasury shares	13	(19,937)	(19,937)
Foreign currency translation reserve		(24,009)	(43,348)
Share-based payments reserve		3,828	1,175
Accumulated losses		(16,822)	(120,273)
<b>Equity attributable to Owners of the Company</b>		<b>1,503,745</b>	<b>1,378,302</b>
Non-controlling interests		160,676	153,017
<b>Total equity</b>		<b>1,664,421</b>	<b>1,531,319</b>
<b>Liabilities</b>			
Loans and borrowings	14	771,808	462,463
Lease liabilities	7	5,532	8,367
Employees' end of service benefit obligations		201,260	222,300
Government grant		40,000	40,220
Contract liabilities	15	56,526	44,594
<b>Total non-current liabilities</b>		<b>1,075,126</b>	<b>777,944</b>
Loans and borrowings – current portion	14	801,642	1,038,670
Lease liabilities – current portion	7	2,064	3,043
Zakat and income tax payable	16	52,893	62,435
Trade and other payables		538,116	567,999
Dividends payable		167,890	168,108
Refund liabilities	15	203,237	169,830
<b>Total current liabilities</b>		<b>1,765,842</b>	<b>2,010,085</b>
<b>Total liabilities</b>		<b>2,840,968</b>	<b>2,788,029</b>
<b>Total equity and liabilities</b>		<b>4,505,389</b>	<b>4,319,348</b>

*Abdulaziz Aloud*

Chief Financial Officer

*Ahmed Aljedai*

Managing Director

*[Signature]*

Authorized Board Member

The accompanying notes from pages 9 to 23 form an integral part of these condensed consolidated interim financial statements

**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**

For the three-month and six-month periods ended 30 June 2025

(All amounts in thousands of ~~ﷲ~~, unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025	2024	2025	2024
			(Restated - note 23)		(Restated - note 23)
Revenue	21	400,759	373,495	885,602	849,453
Cost of revenue		(206,683)	(197,367)	(462,631)	(422,183)
<b>Gross profit</b>		<b>194,076</b>	<b>176,128</b>	<b>422,971</b>	<b>427,270</b>
Selling and marketing expenses		(66,676)	(70,031)	(142,002)	(151,509)
General and administrative expenses		(60,030)	(56,632)	(122,890)	(126,347)
Research and development expenses		(15,068)	(13,359)	(27,934)	(30,743)
Other income / (expenses), net	17	3,706	8,731	25,498	(8,814)
Impairment reversal / (loss) on financial assets		5,432	(13,620)	(9,713)	(22,626)
<b>Operating profit</b>		<b>61,440</b>	<b>31,217</b>	<b>145,930</b>	<b>87,231</b>
Finance costs		(24,674)	(21,704)	(49,242)	(38,483)
Finance income		3,007	3,443	5,721	5,244
Share of results of equity-accounted investees	8	8,298	4,372	16,150	9,524
<b>Profit before zakat and income tax</b>		<b>48,071</b>	<b>17,328</b>	<b>118,559</b>	<b>63,516</b>
Zakat and income tax	16	(12,022)	768	(7,449)	(5,933)
<b>Profit for the period</b>		<b>36,049</b>	<b>18,096</b>	<b>111,110</b>	<b>57,583</b>
<b>Profit attributable to:</b>					
Owners of the Company		32,626	17,098	103,451	52,445
Non-controlling interests		3,423	998	7,659	5,138
		<b>36,049</b>	<b>18,096</b>	<b>111,110</b>	<b>57,583</b>
<b>Earning per share</b>					
Basic and diluted ( <del>ﷲ</del> )	18	0.28	0.15	0.87	0.44

*Abdulaziz Aloud*

Chief Financial Officer

*Ahmed Aljedai*

Managing Director

*[Signature]*

Authorized Board Member

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**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
For the three-month and six-month periods ended 30 June 2025  
(All amounts in thousands of ~~٠٠٠~~, unless otherwise stated)

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
		(Restated - note 23)		(Restated - note 23)
<b>Profit for the period</b>	<b>36,049</b>	18,096	<b>111,110</b>	57,583
<b><u>Other comprehensive income</u></b>				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences	10,371	(4,106)	19,339	651
<b>Other comprehensive income / (loss) for the period</b>	<b>10,371</b>	(4,106)	<b>19,339</b>	651
<b>Total comprehensive income for the period</b>	<b>46,420</b>	13,990	<b>130,449</b>	58,234
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	42,997	12,992	122,790	53,096
Non-controlling interests	3,423	998	7,659	5,138
	<b>46,420</b>	13,990	<b>130,449</b>	58,234

*Abdulaziz Aloud*

Chief Financial Officer

*Ahmed Alyedai*

Managing Director

*[Signature]*

Authorized Board Member

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## SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION (SPIMACO - ADDWAEIH)

(A Saudi Joint Stock Company)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six-month period ended 30 June 2025

(All amounts in thousands of ~~SR~~, unless otherwise stated)

	Share capital	Other reserve	Statutory reserve	Treasury Shares	Foreign currency translation reserve	Share- based payment reserve	Accumulated losses	Equity attributable to Owners of the Company	Non- controlling interests	Total equity
Balance as at 1 January 2025	1,200,000	-	360,685	(19,937)	(43,348)	1,175	(120,273)	1,378,302	153,017	1,531,319
Profit for the period	-	-	-	-	-	-	103,451	103,451	7,659	111,110
Other comprehensive income for the period	-	-	-	-	19,339	-	-	19,339	-	19,339
Total comprehensive income	-	-	-	-	19,339	-	103,451	122,790	7,659	130,449
Transfer to other reserve	-	360,685	(360,685)	-	-	-	-	-	-	-
Share-based payment expense	-	-	-	-	-	2,653	-	2,653	-	2,653
Balance as at 30 June 2025	1,200,000	360,685	-	(19,937)	(24,009)	3,828	(16,822)	1,503,745	160,676	1,664,421
Balance as at 1 January 2024 (restated)	1,200,000	-	360,685	(8,002)	(42,032)	-	(135,472)	1,375,179	140,416	1,515,595
Profit for the period (restated – note 23)	-	-	-	-	-	-	52,445	52,445	5,138	57,583
Other comprehensive income for the period	-	-	-	-	651	-	-	651	-	651
Total comprehensive income (restated – note 23)	-	-	-	-	651	-	52,445	53,096	5,138	58,234
Purchase of treasury shares	-	-	-	(11,158)	-	-	-	(11,158)	-	(11,158)
Balance as at 30 June 2024 (restated)	1,200,000	-	360,685	(19,160)	(41,381)	-	(83,027)	1,417,117	145,554	1,562,671

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Managing Director



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**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the six-month period ended 30 June 2025

(All amounts in thousands of  $\text{SAR}$ , unless otherwise stated)

	<u>30 June 2025</u>	<u>30 June 2024</u> (Restated – note 23)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	111,110	57,583
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	43,572	35,945
Depreciation of right-of-use assets	1,286	2,521
Assets under construction written off	-	1,283
Amortization of intangible assets	6,459	4,718
Share of results of equity accounted investees	(16,150)	(9,524)
Gain on disposal of property, plant and equipment	(18,505)	-
Gain on termination of right-of-use assets and lease liabilities	(114)	-
Provision for sales/services discounts and returns	33,406	142,331
Shared based payment expense	2,653	-
Provision / (reversal) for net realizable value loss relating to inventories	11,029	(3,636)
Impairment loss on financial assets	9,713	21,205
Provision for employees' end of services benefits	13,967	16,512
Amortization of government grant	(951)	(258)
Terminated employees' legal claims reversal	(61)	(2,651)
Finance costs	49,242	43,139
Finance income	(5,721)	(5,131)
Zakat and income tax	7,449	5,933
	<u>248,384</u>	<u>309,970</u>
<b>Changes in:</b>		
Inventories	42,659	70,580
Trade receivables and due from related parties	(80,123)	(427,330)
Prepayments and other assets (including advances for capital expenditures)	3,259	(11,951)
Contract liabilities	11,932	-
Trade and other payables	(29,809)	(65,043)
<b>Cash generated from / (used in) operating activities</b>	<u>196,302</u>	<u>(123,774)</u>
Finance costs paid	(36,819)	(27,106)
Finance income received	4,791	5,131
Finance cost paid relating to lease liabilities	(166)	(528)
Zakat and income tax paid	(18,965)	(19,463)
Employees' end of service benefit obligations paid	(35,007)	(46,844)
<b>Net cash generated from / (used in) operating activities</b>	<u>110,136</u>	<u>(212,584)</u>

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Managing Director

*[Signature]*

Authorized Board Member

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**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the six-month period ended 30 June 2025

(All amounts in thousands of  $\text{SAR}$ , unless otherwise stated)

	<b>30 June 2025</b>	30 June 2024 (Restated – note 23)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	<b>(21,826)</b>	(9,352)
Additions to intangible assets	<b>(1,730)</b>	(986)
Additions to short term investment	<b>(15,000)</b>	-
Disposal of short term investment	-	43,500
Proceeds from sale of property, plant and equipment	<b>26,677</b>	125
Dividends from joint venture	-	13,185
Additions to asset under construction	<b>(10,757)</b>	(48,353)
<b>Net cash used in investing activities</b>	<b>(22,636)</b>	(1,881)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from loans and borrowings	<b>611,153</b>	511,331
Repayment of loans and borrowings	<b>(551,090)</b>	(129,747)
Lease liabilities paid	<b>(2,284)</b>	(1,446)
Dividends paid	<b>(218)</b>	(783)
Purchase of treasury shares	-	(11,158)
<b>Net cash generated from financing activities</b>	<b>57,561</b>	368,197
<b>Net changes in cash and cash equivalents during the period</b>	<b>145,061</b>	153,732
Foreign currency translation adjustments	<b>(1,479)</b>	(547)
Cash and cash equivalents at the beginning of the period	<b>122,143</b>	163,090
<b>Cash and cash equivalents at the end of the period</b>	<b>265,725</b>	316,275
<b>Non-cash transactions:</b>	<b>30 June 2025</b>	30 June 2024
Transfer to property, plant and equipment from asset under construction and right-of-use assets	<b>23,081</b>	-
Transfer to intangible assets from asset under construction	-	68,181
Dividend from equity-accounted investees	<b>(10,200)</b>	-

*Abdulaziz Aloud*

Chief Financial Officer

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The accompanying notes from pages 9 to 23 form an integral part of these condensed consolidated interim financial statements.

**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2025

(All amounts in thousands of ﷲ, unless otherwise stated)

**1. THE COMPANY, ITS SUBSIDIARIES AND BUSINESS DESCRIPTION**

Saudi Pharmaceutical Industries and Medical Appliances Corporation (the “Company” or the “Parent Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration number 1131006650 dated Rajab 6, 1406H (corresponding to March 16, 1986) with unified number 7000652177 and formed according to the Ministerial Resolution No. 884 dated Jumada Al-Awwal 10, 1406H (corresponding to January 21, 1986). These condensed consolidated interim financial statements (‘interim financial statements’) as at and for the three-month and six-month periods ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as ‘the Group’).

The Company’s head office is in Buraidah city, King Abdul Aziz Road, Industrial City of Al-Qassim.

The Group is primarily involved in the manufacturing of pharmaceutical products, medicines for human use and wholesale and retail of medicines and related products, development and marketing of medical and pharmaceutical products, research and development in medical science activities, operating and maintaining the healthcare facilities and any investments in related industries, inside and outside the Kingdom of Saudi Arabia.

The Company’s share capital as at 30 June 2025 amounted to ﷲ 1,200 million (31 December 2024: ﷲ 1,200 million), consisting of 120 million fully paid and issued shares (31 December 2024: 120 million) of ﷲ 10 each.

Reference to the new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as “the Law”) came into force on 26/6/1444 H (corresponding to 19 January 2023), the management has decided to amend Company’s by-laws by discontinuing the transfer of net income to statutory reserve as the Law makes the transfer as voluntary. Accordingly, the statutory reserve balance has been transferred to other reserves in the current period.

**1.1 Subsidiaries**

Name of subsidiary	Principal activities	Country of incorporation	Effective ownership	
			30 June 2025	31 December 2024
ARAC Healthcare Company	Pharmaceutical products distributor	Saudi Arabia	100%	100%
Pharmaceutical Industries Company for Distribution (a)	Pharmaceutical products distributor	Saudi Arabia	100%	100%
ARACOM Medical Company	Pharmaceutical products distributor	Saudi Arabia	100%	100%
ANORA Trading Company (b)	Pharmacy – retail	Saudi Arabia	99%	99%
Dammam Pharmaceutical Company	Pharmaceutical manufacturer	Saudi Arabia	100%	100%
Qassim Medical Service Company	Healthcare services provider	Saudi Arabia	57.27%	57.27%
SPIMACO Saudi Foundation – Algeria	Pharmaceutical products distributor	Algeria	100%	100%
SPIMACO Misr Company for Marketing (a)	Pharmaceutical products marketing	Egypt	100%	100%
SPIMACO Misr Company for Distribution (a)	Pharmaceutical products distributor	Egypt	100%	100%
SPIMACO Egypt Company	Pharmaceutical products distributor	Egypt	100%	100%
SPIMACO Misr for Pharmaceutical Industries	Pharmaceutical manufacturer	Egypt	90.59%	90.59%
SPIMACO Morocco for Pharmaceutical Industries	Pharmaceutical manufacturer	Morocco	78.68%	78.68%

a) There has been no commercial activity in these subsidiaries.

**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2025

(All amounts in thousands of ﷲ, unless otherwise stated)

**1. THE COMPANY, ITS SUBSIDIARIES AND BUSINESS DESCRIPTION (Continued)**

**1.1 Subsidiaries (Continued)**

b) ANORA Trading Company is a limited liability company, with a paid-up capital of ﷲ 0.3 million, and it is 99% owned by ARAC Healthcare Company (a wholly owned subsidiary of SPIMACO Group). On 17 November 2021, the partners of ANORA Trading Company, resolved to voluntarily liquidate the Company and appointed a legal liquidator for that purpose. The financial impact from the liquidation of ANORA Trading Company is immaterial as it has insignificant commercial activity and does not have financial commitments. The liquidation process has been completed and the final financial statements for liquidation purposes are expected to be completed and issued in the year 2025 after which, the liquidation process shall be concluded with the Ministry of Commerce (MOC) and Zakat, Tax and Customs Authority (ZATCA).

**1.2 Associates and joint venture**

Name	Principal activities	Country of incorporation	Effective shareholding	
			30 June 2025	31 December 2024
Arabian Medical Products Manufacturing Company (ENAYAH) – Joint venture	Manufacturing healthcare products	Saudi Arabia	51%	51%
CAD Middle East Pharmaceutical Company (CAD) – Associate	Active Pharmaceutical Ingredients manufacturing	Saudi Arabia	46.08%	46.08%
Tassili Arab Pharmaceutical Company (TAPHCO) – Associate	Pharmaceutical manufacturer	Algeria	22%	22%

**2. BASIS OF PREPARATION**

**a) Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS 34) 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ('SOCPA') and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2024 ("last annual financial statements").

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS), however, selected accounting policies and explanatory disclosures have been included in order to explain the significant events and transactions that are required to obtain an understanding of the changes in the Group's financial position and performance since the preparation of the last annual financial statements. These interim results may not be an indicator of the annual results of the Group.

**b) Basis of measurement**

These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting and the going concern basis, on the historical cost basis, except for employees' benefits plan which is measured at the present value of future obligations using the Projected Unit Credit method; financial instruments at fair value through profit and loss, which are measured at fair value; and investments in associates and joint ventures are measured using equity method accounting.

**SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION**  
**(SPIMACO - ADDWAEIH)**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2025

(All amounts in thousands of ﷲ, unless otherwise stated)

**2. BASIS OF PREPARATION (Continued)**

**c) Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyal (“ﷲ”) which is the Group’s functional and presentation currency. All amounts have been rounded off to the nearest thousands of Saudi Riyals unless otherwise stated.

**d) Use of judgments and estimates**

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The significant estimates made by the Group for managing the Group's accounting policies and the primary sources of estimating the unreliability remain the same as in the last annual financial statements.

**3. MATERIAL ACCOUNTING POLICIES**

The material accounting policies and calculation methods applied in preparing the condensed consolidated interim financial statements are consistent with those followed in preparing the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2024 (“last annual financial statements”), except for the application of the new standards that became effective on 1 January 2025. The Group did not early adopt any other standard, interpretation or amendment issued but not yet effective.

**4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATION**

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 consolidated interim financial statements.

**5. PROPERTY, PLANT AND EQUIPMENT AND ASSETS UNDER CONSTRUCTION**

	<b>Property, Plant and Equipment (PPE)</b>		<b>Assets under Construction (AUC)</b>	
<b>Cost:</b>	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
Opening balance	<b>2,641,154</b>	2,325,103	<b>172,318</b>	514,396
Additions	<b>21,826</b>	14,994	<b>10,757</b>	56,277
Disposals	<b>(9,293)</b>	(40,563)	-	-
Written off	-	-	-	(17,364)
Transfer in / (out)	<b>23,081</b>	315,225	<b>(7,877)</b>	(369,563)
Reclassification	-	8,169	-	(8,371)
Foreign currency translation	<b>7,858</b>	(5,500)	<b>16,653</b>	(4,365)
Reclassification from assets classified as held for sale	-	23,726	-	1,308
<b>Closing balance</b>	<b>2,684,626</b>	2,641,154	<b>191,851</b>	172,318

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**5. PROPERTY, PLANT AND EQUIPMENT AND ASSETS UNDER CONSTRUCTION (Continued)**

	<b>Property, Plant and Equipment (PPE)</b>		<b>Assets under Construction (AUC)</b>	
	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
<b>Accumulated depreciation:</b>				
Opening balance	1,067,525	1,016,100	-	-
Charge for the period / year	43,572	69,328	-	-
Disposals during the period / year	(1,121)	(23,955)	-	-
Reclassification	-	(1,464)	-	-
Foreign currency translation	2,029	(1,928)	-	-
Reclassification from assets classified as held for sale	-	9,444	-	-
<b>Closing balance</b>	<b>1,112,005</b>	<b>1,067,525</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>	<b>1,572,621</b>	<b>1,573,629</b>	<b>191,851</b>	<b>172,318</b>

**6. INTANGIBLE ASSETS**

	<b>30 June 2025</b>	<b>31 December 2024</b>
<b>Cost:</b>		
Opening balance	293,370	124,963
Additions	1,730	31,007
Written-off	-	(8)
Transfer from assets under construction (note 5)	-	54,338
Reclassification	-	202
Foreign currency translation	20	(6)
Reclassification from assets classified as held for sale	-	82,874
<b>Closing balance</b>	<b>295,120</b>	<b>293,370</b>
	<b>30 June 2025</b>	<b>31 December 2024</b>
<b>Accumulated amortization:</b>		
Opening balance	191,074	95,240
Charge for the period/year	6,459	11,498
Reclassification	-	1,465
Foreign currency translation	22	(3)
Reclassification from assets classified as held for sale	-	82,874
<b>Closing balance</b>	<b>197,555</b>	<b>191,074</b>
<b>Net book value</b>	<b>97,565</b>	<b>102,296</b>

**7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

**7.1 Right-of-use (ROU) assets**

	<b>30 June 2025</b>	<b>31 December 2024</b>
Opening balance	25,708	32,204
Additions	-	346
Adjustments	-	703
Depreciation charge for the period/year	(1,286)	(3,881)
Disposals	(1,416)	(3,252)
Transfer to property, plant and equipment	(15,204)	-
Foreign currency translation	(26)	(412)
<b>Closing balance</b>	<b>7,776</b>	<b>25,708</b>

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**7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)**

**7.2 Lease liabilities**

	<b>30 June 2025</b>	31 December 2024
Opening balance	<b>11,410</b>	18,504
Additions	-	346
Disposals	<b>(1,530)</b>	(3,621)
Adjustments	-	743
Finance cost	<b>166</b>	1,056
Effect of foreign currency translation	-	16
Payments for the period/year	<b>(2,450)</b>	(5,634)
<b>Closing balance</b>	<b>7,596</b>	11,410
<b>Current portion</b>	<b>2,064</b>	3,043
<b>Non-current portion</b>	<b>5,532</b>	8,367

**8. EQUITY-ACCOUNTED INVESTEEES**

	<b>30 June 2025</b>	31 December 2024
Opening balance	<b>67,734</b>	58,186
Share of result for the period / year	<b>16,150</b>	22,733
Dividends	<b>(10,200)</b>	(13,185)
<b>Closing balance</b>	<b>73,684</b>	67,734
	<b>30 June 2025</b>	31 December 2024
Arabian Medical Products Manufacturing Company (ENAYAH) – Joint Venture	<b>73,684</b>	67,734
Tassili Arab Pharmaceutical Company (TAPHCO) - Associate Company	-	-
CAD Middle East Pharmaceutical Company- Associate Company	-	-
	<b>73,684</b>	67,734

**9. TRADE RECEIVABLES**

	<b>30 June 2025</b>	31 December 2024
Trade receivables – third parties	<b>1,339,661</b>	1,264,546
Trade receivables – related parties (note 19)	<b>37,879</b>	37,879
	<b>1,377,540</b>	1,302,425
Less: impairment provision – third parties	<b>(103,912)</b>	(93,918)
Less: impairment provision – related parties (note 19)	<b>(33,510)</b>	(33,510)
	<b>1,240,118</b>	1,174,997

The movement in impairment provision is as follows:

	<b>30 June 2025</b>	31 December 2024
As at 1 January	<b>93,918</b>	112,854
Charge for the period / year	<b>9,713</b>	28,664
Written off	<b>(636)</b>	(47,494)
Reclassified from assets classified as held for sale	-	15
Effect of foreign currency translation	<b>917</b>	(121)
<b>Closing balance</b>	<b>103,912</b>	93,918

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**10. INVENTORIES**

	<b>30 June 2025</b>	31 December 2024
Finished goods	<b>406,268</b>	443,006
Raw material	<b>197,977</b>	221,142
Work-in-progress	<b>20,099</b>	7,819
Stores and spares	<b>29,035</b>	28,659
Goods-in-transit	<b>8,929</b>	4,492
	<b>662,308</b>	705,118
Less: Provision for net realizable value (NRV) loss	<b>(69,881)</b>	(59,027)
	<b>592,427</b>	646,091

The movement of provision for net realizable value loss is as follows:

	<b>30 June 2025</b>	31 December 2024
Opening balance	<b>59,027</b>	64,237
Charge for the period / year	<b>11,029</b>	1,171
Written-off	<b>(151)</b>	(234)
Effect of foreign currency translation	<b>(24)</b>	(6,352)
Reclassified from assets classified as held for sale	<b>-</b>	205
	<b>69,881</b>	59,027

**11. SHORT TERM INVESTMENT**

As of 30 June 2025, short term investment amounted to **ﷲ** 170 million (31 December 2024: **ﷲ** 155 million) represents Shariah-compliant deposits placed at one of the local banks, with profit margins ranging from 5.46% to 5.90% (31 December 2024: 5.36% to 5.7%), with a maturity of more than 3 months and less than a year.

**12. CASH AND CASH EQUIVALENTS**

	<b>30 June 2025</b>	31 December 2024
Cash at bank	<b>179,099</b>	120,974
Short term deposits*	<b>86,000</b>	-
Cash on hand	<b>626</b>	1,169
	<b>265,725</b>	122,143

\*As at 30 June 2025, this represent short term deposit with a maturity of less than 3 months.

**13. TREASURY SHARES**

During 2023, the Extraordinary General Assembly in its meeting held on Rabi Al'Akhir 30, 1445H (corresponding to 15 November 2023) approved the purchase of the Company's shares, with a maximum of 815,000 shares. The Company completed the purchase of 645,000 shares amounting to **ﷲ** 19.94 million to be allocated to the Employees' Long-term Incentives Program (LTIP) and be granted to high-performing employees. The program intends to attract, motivate, and retain employees responsible for the achievement of the Group's goals and strategies. The program provides a share-based payment plan for all eligible employees participating in the program by granting them shares in the Company upon completing the duration of service. The Group accounts for the share-based payment plan program as an equity-settled share-based payment.

There is no impact of treasury shares on these condensed consolidated interim financial statements for the six-month period ended 30 June 2025.

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**14. LOANS AND BORROWINGS**

	<u>30 June 2025</u>	<u>31 December 2024</u>
<b><u>Current</u></b>		
Islamic financing	430,083	1,024,353
Government loans	14,834	14,317
Short-term loans	356,725	-
	<u>801,642</u>	<u>1,038,670</u>
<b><u>Non-Current</u></b>		
Islamic financing	723,058	446,416
Government loans	48,750	16,047
	<u>771,808</u>	<u>462,463</u>

During the period ended 30 June 2025, the Group obtained additional loans amounting to ﷲ 611.15 million (31 December 2024: ﷲ 1,290 million) and repaid loans amounting to ﷲ 551.10 million (31 December 2024: ﷲ 890 million).

**15. REFUND LIABILITIES AND CONTRACT LIABILITIES**

**15.1 Refund Liabilities**

	<u>30 June 2025</u>	<u>31 December 2024</u>
<b>Sales/services discounts provision:</b>		
Opening balance	144,558	140,138
Discounts provision against sales / services	125,894	342,813
Actual discounts adjustment during the period/year	(92,005)	(338,393)
Closing balance	178,447	144,558
<b>Sales returns:</b>		
Opening balance	25,272	22,209
Charge for the period / year	5,359	23,713
Adjusted during the period / year	(5,841)	(21,863)
Liabilities classified as held for sale	-	1,213
Closing balance	24,790	25,272
<b>Total refund liabilities – current</b>	<u>203,237</u>	<u>169,830</u>

**15.2 Contract Liabilities**

	<u>30 June 2025</u>	<u>31 December 2024</u>
Contract liabilities - non current	56,526	44,594

This relates to advances received from AstraZeneca UK Limited per the investment agreement dated June 2018, to reserve manufacturing capacity at the oncology facility in Qassim. During the period, the Group has recognized ﷲ 0.57 million (31 December 2024: Nil) as revenue.

**16. ZAKAT AND TAX PAYABLE**

**16.1 The movement in the zakat and income tax payable:**

	<u>30 June 2025</u>	<u>31 December 2024</u>
Opening balance	62,435	48,450
Charge for the period / year	9,409	33,489
Paid during the period / year	(18,965)	(19,566)
Effect of foreign currency translation	14	62
	<u>52,893</u>	<u>62,435</u>

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**16. ZAKAT AND TAX PAYABLE (Continued)**

**16.2 Status of zakat and income tax assessments**

The Company submitted the zakat returns to the Zakat, Tax and Customs Authority (ZATCA) and obtained the zakat certificate till 2024.

During 2023, ZATCA issued the final assessment for 2019 and preliminary assessment for 2020, which resulted in additional liabilities of ~~ﷲ~~ 28.7 million while settling ~~ﷲ~~ 8 million and finalizing the 2019 status. The Company has objected against the Zakat assessment of 2020 and the management undertakes to accrue the provision amounting to ~~ﷲ~~ 15.8 million and will continue the objection in front of the General Secretariat of Zakat, Tax and Customs Committees in case the preliminary assessment is not amended by ZATCA.

The Tax and Zakat declarations for the years 2021 and 2022 are currently under review by ZATCA. While draft assessments issued by ZATCA indicate potential additional liabilities of ~~ﷲ~~ 17.6 million and ~~ﷲ~~ 0.86 million for 2021 and 2022, respectively, no final assessments have been issued as of the reporting date.

Further, the Company did not receive Zakat assessment for the years 2023 and 2024 from ZATCA.

All subsidiaries are filing zakat and/or income tax returns regularly as per their country of incorporation regulations and no disputes have been raised which requires additional provisions.

**17. OTHER INCOME / (EXPENSES), NET**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
		Restated – note 23		Restated – note 23
Gain on disposal of property, plant and equipment	427	-	18,505	-
Terminated employees' legal claims (charge) / reversal (refer to note 22)	(1,900)	3,116	61	2,651
Amortization of government grant	476	128	951	257
Foreign exchange income / (loss)	2,463	3,239	2,860	(14,282)
Others	2,240	2,248	3,121	2,560
	<u>3,706</u>	<u>8,731</u>	<u>25,498</u>	<u>(8,814)</u>

**18. EARNING PER SHARE**

	30 June 2025	30 June 2024
Profit for the period attributable to the Owners of the Company	103,451	52,445
Weighted average number of ordinary shares	119,358,283	119,724,314
Earning per share attributable to the Owners of the Company ( <del>ﷲ</del> )	<u>0.87</u>	<u>0.44</u>

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

	30 June 2025	30 June 2024
Issued ordinary shares at 1 January	120,000,000	120,000,000
Effect of treasury shares held	(641,717)	(275,686)
	<u>119,358,283</u>	<u>119,724,314</u>

There is immaterial dilutive effect on the basic earning per share of the Company.

Basic earnings per share has been calculated by dividing the profit attributable to the Shareholders of the Company over the weighted average number of ordinary shares during the period.

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**19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties represent major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners, and any other entities controlled, jointly controlled or significantly influenced by them. The Group transacts with related parties in the ordinary course of its activities, as many of the Group's transactions and arrangements are based on signed agreements between the Group and those companies. None of the balances are secured.

**19.1 Transactions**

<b>Name of related parties</b>	<b>Relationship</b>	<b>Nature of transactions</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
Arabian Medical Products Manufacturing Co. (ENAYAH)	Joint Venture	Dividends received	<b>10,200</b>	15,300
CAD Middle East Pharmaceutical Co. Arab Company for Drugs Industries and Medical Appliances (ACDIMA)	Associate	Purchase of raw material	<b>2,968</b>	13,373
Tassili Arab Pharmaceutical Co. (TAPHCO)	Shareholder	Research cost	-	608
	Associate	Sales	-	2,393

**19.2 Due from related parties**

<b>Name of related parties</b>	<b>Nature of balance</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
<b>Non-current</b>			
CAD Middle East Pharmaceutical Co.	Non-commercial	<b>42,444</b>	42,444
Tassili Arab Pharmaceutical Co. (TAPHCO)	Non-commercial	<b>32,583</b>	32,583
<b>Current</b>			
Arabian Medical Products Manufacturing Co. (ENAYAH)	Non-commercial	<b>19,087</b>	8,887
CAD Middle East Pharmaceutical Co.	Non-commercial	<b>13,886</b>	9,514
Tassili Arab Pharmaceutical Co. (TAPHCO)	Commercial	<b>37,879</b>	37,879
		<b>145,879</b>	131,307
<b>Less: impairment allowance</b>		<b>(111,608)</b>	(111,608)
		<b>34,271</b>	19,699

The movement of impairment provision during the period / year is as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
Opening balance	<b>111,608</b>	103,213
Charge for the period/year	-	8,395
<b>Closing balance</b>	<b>111,608</b>	111,608

As at 30 June 2025, ﷲ 39.83 million (31 December 2024: ﷲ 38.96 million) included in trade and other payables is balance due to TAPHCO (a related party).

The non-commercial balance outstanding is as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
Gross receivable	<b>108,000</b>	93,428
Less: impairment provision	<b>(78,098)</b>	(78,098)
	<b>29,902</b>	15,330

The commercial balance outstanding is as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
Gross receivable	<b>37,879</b>	37,879
Less: impairment provision	<b>(33,510)</b>	(33,510)
	<b>4,369</b>	4,369

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**19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

**19.3 Remuneration of key management personnel**

	<b>30 June 2025</b>	30 June 2024
Short term benefits	<b>5,999</b>	4,210
Share based payment expense	<b>2,653</b>	-
	<b>8,652</b>	4,210

**20. FINANCIAL INSTRUMENTS**

The classification methodology used in line with the annual consolidated financial statements for the year ended 31 December 2024. No transfers were recorded between Level 1, Level 2 or Level 3 for the three-month and six-month periods ended 30 June 2025.

**21. SEGMENT INFORMATION**

The Group's principal business activities involve the manufacturing of pharmaceutical products under SPIMACO and its subsidiaries' brand names. The trading and distribution segment involves sales, marketing, and distribution of pharmaceutical, veterinary, medical equipment, and cosmetics products. Healthcare services represent maintaining and operating a secondary care hospital.

The Group is organized into business units based on its products and services and has three reportable segments. Operating segments is determined based on the Group's internal reporting to the Chief Operating Decision Maker ('CODM'). The CODM has been determined to be the Chief Executive Officer as he is primarily responsible for the allocation of resources to segments and the assessment of the performance of each of the segments. The CEO uses underlying income as reviewed at monthly Executive Committee and Performance meetings as the key measure of the segments' results as it reflects the segments' performance for the period under evaluation. Revenue and segment profit is a consistent measure within the Group. The identified key segments are pharmaceutical manufacturing, trading and distribution services and healthcare services.

The Board of Directors reviews the operating results of the business separately to make decisions about resource allocation and performance assessment. Transactions between the operating segments are on terms approved by the management.

The following table represents the segregation of revenue by type:

Type of revenue	For the three-months period ended 30 June		For the six-months period ended 30 June	
	2025	2024	2025	2024
Revenue from sale of products	<b>350,205</b>	331,456	<b>785,850</b>	762,674
Revenue from services	<b>50,554</b>	42,039	<b>99,752</b>	86,779
	<b>400,759</b>	373,495	<b>885,602</b>	849,453

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**21. SEGMENT INFORMATION (Continued)**

The following table shows the disaggregation of revenues by the primary geographical markets and based on the Group's three strategic divisions, which are its reportable segments.

**For the six-month period ended 30 June 2025**

<b>Primary geographical markets</b>	<b>Pharmaceutical Manufacturing</b>	<b>Trading &amp; Distribution Services</b>	<b>Healthcare Services</b>	<b>Total</b>
Kingdom of Saudi Arabia	691,857	51,005	89,356	832,218
Middle East	29,039	-	-	29,039
Egypt	8,092	(6)	-	8,086
Morocco	14,749	-	-	14,749
Algeria	-	1,510	-	1,510
	<b>743,737</b>	<b>52,509</b>	<b>89,356</b>	<b>885,602</b>
<b>Timing of revenue recognition</b>				
At a point in time	743,737	52,509	11,084	807,330
Over time	-	-	78,272	78,272
	<b>743,737</b>	<b>52,509</b>	<b>89,356</b>	<b>885,602</b>

**For the six-month period ended 30 June 2024**

<b>Primary geographical Markets</b>	<b>Pharmaceutical Manufacturing</b>	<b>Trading &amp; Distribution Services</b>	<b>Healthcare Services</b>	<b>Total</b>
Kingdom of Saudi Arabia	605,153	72,783	83,926	761,862
Middle East	70,531	-	-	70,531
Egypt	672	2,372	-	3,044
Morocco	11,070	-	-	11,070
Algeria	-	2,946	-	2,946
	<b>687,426</b>	<b>78,101</b>	<b>83,926</b>	<b>849,453</b>
<b>Timing of revenue recognition</b>				
At a point in time	687,426	78,101	14,388	779,915
Over time	-	-	69,538	69,538
	<b>687,426</b>	<b>78,101</b>	<b>83,926</b>	<b>849,453</b>

Selected financial information categorized by these business segments as follows:

	<b>Pharmaceutical Manufacturing</b>	<b>Trading &amp; Distribution Services</b>	<b>Healthcare Services</b>	<b>Total</b>
<b>30 June 2025</b>				
Revenues	743,737	52,509	89,356	885,602
Depreciation and amortization	(45,591)	(1,441)	(4,285)	(51,317)
Finance (cost) / income	(41,208)	(7,352)	5,039	(43,521)
Impairment loss on financial assets	(4,184)	(5,453)	(76)	(9,713)
Zakat / income tax expense	(3,347)	(1,519)	(2,583)	(7,449)
Share of results of equity- accounted investees	16,150	-	-	16,150
Profit/(loss) for the period	121,598	(28,420)	17,932	111,110
Profit/(loss) attributable to Owners of the Company	121,575	(28,420)	10,296	103,451
Total Assets	3,637,128	476,308	391,953	4,505,389
Total Liabilities	2,306,334	455,642	78,992	2,840,968

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**21. SEGMENT INFORMATION (Continued)**

30 June 2024 (Restated-note 23)	Pharmaceutical Manufacturing	Trading & Distribution Services	Healthcare Services	Total
Revenue	687,426	78,101	83,926	849,453
Depreciation and amortization	(36,529)	(2,273)	(4,382)	(43,184)
Finance cost / income	(32,619)	(4,069)	3,449	(33,239)
Zakat / income tax expense	(2,872)	(6)	(3,055)	(5,933)
Share of results of equity accounted investees	9,524	-	-	9,524
Profit / (loss) for the period	93,889	(49,315)	13,009	57,583
Profit / (loss) attributable to Owners of the Company	94,535	(49,315)	7,225	52,445
Total Assets	3,571,460	417,153	361,238	4,349,851
Total Liabilities	2,372,375	343,705	71,100	2,787,180

**22. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

**Contingent liabilities**

As at 30 June 2025, the Group has letters of guarantee amounting to ~~ﷲ~~ 57.4 million (31 December 2024: ~~ﷲ~~ 71.92 million).

In addition, the Group has contingent liability against letter of credit amounting to ~~ﷲ~~ 2.4 million issued in the normal course of business (31 December 2024: ~~ﷲ~~ 4.46 million).

**Legal contingencies**

Terminated Employees' Legal Cases

There have been labour law claims filed by terminated employees against the Company. The Group is working with external legal counsels to assess the validity and potential liabilities associated with these claims. Due to the inherent uncertainty of litigation, the financial impact on the Group cannot be reliably estimated at this stage. It is important to note that the ultimate resolution of these legal cases, including potential settlements, judgments, or dismissals, may have a material impact on the Group's financial position, results of operations, and cash flows in future reporting periods. The Group will provide updates as significant developments occur or when more information becomes available. While the Group is still vigorously defending these claims amounting to ~~ﷲ~~ 8.8 million, it has reversed a related provision of ~~ﷲ~~ 0.06 million as of 30 June 2025 (30 June 2024: ~~ﷲ~~ 2.6 million).

Other Legal Contingencies

During normal business operations, some cases arise against the Group and are currently being defended, but the ultimate outcome of these cases cannot be determined with certainty. Management believes that the results of these cases will not have a material impact on the Group's consolidated financial statements for the period ended 30 June 2025.

**Capital commitments**

As at 30 June 2025, the Group has capital commitments for purchase of property, plant and equipment and intangible assets amounting to ~~ﷲ~~ 74 million (31 December 2024: ~~ﷲ~~ 65.7 million).

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(All amounts in thousands of ~~ﷲ~~, unless otherwise stated)

**23. PRIOR PERIODS' ADJUSTMENTS AND RECLASSIFICATIONS**

During the prior year ended 31 December 2024, the Group discovered certain adjustments and reclassifications that have been corrected by restating each of the affected financial statement line items for prior periods in the consolidated financial statements for the year ended 31 December 2024.

The nature of such adjustments and its corresponding impact on the comparative period presented in the condensed consolidated interim statement of profit or loss for the three-month and six month periods ended 30 June 2025 is detailed below:

- A. The trade receivables included commercial receivables from a related party of the Group, Tassili Arab Pharmaceutical Company (TAPHCO). The management identified that the Expected Credit Loss (ECL) recognised on these receivables was understated and not performed in accordance with the requirements of IFRS 9 - Financial Instruments. This has resulted in charge of impairment loss on financial assets by ~~ﷲ~~ 2.7 million during the six-month period ended 30 June 2024.
- B. The Group identified that certain assets included under "assets under construction" were available for use in 2023 and prior year(s), however, the management did not account for these assets as per IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets", and did not recognize the depreciation / amortization expenses. The management has calculated the depreciation and amortization on respective assets as per the requirements of applicable accounting standards. This has resulted in restatement of the depreciation and amortization expense of ~~ﷲ~~ 2.3 million during the six-month period ended 30 June 2024.
- C. The Group identified that the oncology/high-potent facility's construction was completed in 2022, meeting the condition to cease borrowing cost capitalization. However, borrowing costs continued to be capitalized beyond this point, which is not in line with the requirement of IAS 23 "Borrowing Costs". This resulted in adjustments to finance costs of ~~ﷲ~~ 10.86 million for the six-month period ended 30 June 2024.
- D. Qassim Medical Services Company ("a subsidiary") had performed the reassessment of the useful life of its hospital building in 2021 wherein the useful life of the building was reassessed from 20 years to 40 years. The Group had received government grant related to this building. During the year ended December 31, 2024, the Group identified that when the reassessment of the useful life of the hospital building was performed, the balance related to government grant was not adjusted. As per the requirement of IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", the amortization period for government grant should have changed from 20 years to 40 years. This has resulted in the adjustments to other income by ~~ﷲ~~ 0.52 million for the six-month period ended 30 June 2024.
- E. The management identified that the Group had entered into a forward agreement in December 2023 to acquire the 15% shares of Dammam Pharmaceuticals (subsidiary) from subsidiary's non-controlling shareholder, Cooper Pharma. The group did not account for this agreement as per the requirement of IFRS 10 "Consolidated Financial Statements". The correction of this error has resulted in adjustment in the loss attributable to non-controlling interest by ~~ﷲ~~ 0.02 million and in the operating and financing cashflows by ~~ﷲ~~ 27 million for the six-months period ended 30 June 2024.

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**23. PRIOR PERIODS' ADJUSTMENTS AND RECLASSIFICATIONS (Continued)**

**a) Group reconciliation of Condensed Consolidated Statement of Cash flows for the six-month period ended 30 June 2025 (Unaudited):**

The following tables summarize the impacts on the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024:

	30 June 2024 - as previously reported	Restatements/ Reclassifications	30 June 2024 (restated)
Cash used in operating activities	(185,194)	(27,390)	(212,584)
Cash used in investing activities	(1,881)	-	(1,881)
Cash generated from financing activities	340,807	27,390	368,197

**b) Group reconciliation of Condensed Consolidated Statement of Profit or Loss for the six-month period ended 30 June 2025 (Unaudited):**

The following tables summarize the impacts on the condensed consolidated statement of profit or loss for the six-month period ended 30 June 2024:

	Note	30 June 2024 - as previously reported	Restatements	Reclassi- fications	30 June 2024 (restated)
<b>Continuing Operations</b>					
Revenue		848,781	-	672	849,453
Cost of revenue	B	(419,162)	(1,701)	(1,320)	(422,183)
<b>Gross profit</b>		429,619	(1,701)	(648)	427,270
Selling and marketing expenses		(150,719)	-	(790)	(151,509)
General and administrative expenses	B	(121,174)	(409)	(4,764)	(126,347)
Research and development expenses	B	(30,551)	(192)	-	(30,743)
Other income / (expenses), net	D	(13,631)	(518)	5,335	(8,814)
Impairment loss on financial asset	A	(19,964)	(2,662)	-	(22,626)
<b>Operating profit</b>		93,580	(5,482)	(867)	87,231
Finance costs	C	(32,280)	(10,859)	4,656	(38,483)
Finance income		5,120	-	124	5,244
Share of results of equity-accounted investees		9,524	-	-	9,524
Profit from revaluation of investment at FVTPL		11	-	(11)	-
<b>Profit before zakat and income tax</b>		75,955	(16,341)	3,902	63,516
Zakat and income tax		(5,933)	-	-	(5,933)
<b>Profit for the period from continuing operations</b>		70,022	(16,341)	3,902	57,583
<b>Discontinued Operations</b>					
Loss from discontinued operations, net of Zakat		3,902	-	(3,902)	-
<b>Profit for the period</b>		73,924	(16,341)	-	57,583
<b>Profit attributable to:</b>					
Owners of the Company	A-E	68,728	(16,119)	(164)	52,445
Non-controlling interests	D, E	5,196	(222)	164	5,138
		73,924	(16,341)	-	57,583

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**23. PRIOR PERIODS' ADJUSTMENTS AND RECLASSIFICATIONS (Continued)**

Basic and diluted earnings per share for the prior period have also been restated. The amount of the correction for basis and diluted earning per share was a decrease of ﷲ 0.13 per share for the three months and six months period ended 30 June 2024.

**24. SUBSEQUENT EVENTS**

There are no subsequent events that require disclosure or amendment to the accompanying condensed consolidated interim financial statements.

**25. COMPARATIVE FIGURES**

Certain minor comparative figures adjustments have been made to conform with the current period's presentation of these condensed consolidated interim financial statements.

**26. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The condensed consolidated interim financial statements have been approved and authorized for issue on 6 Safar 1447H (corresponding to 31 July 2025) by the Audit Committee under authorization from the Board of Directors.