Al Dawaa Medical Services Company
(A Saudi Joint Stock Company)

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

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

Al Dawaa Medical Services Company (A Saudi Joint Stock Company)

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

For the three-month and six-month periods ended 30 June 2026

Table of Contents	**Pages**

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Al Dawaa Medical Services Company (A Saudi Joint Stock Company) (the "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2026, and the related condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, and the related condensed consolidated statement of cash flows and changes in equity for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared in all material respects, in accordance with IAS 34 as endorsed in Kingdom of Saudi Arabia.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by another auditor who expressed an unmodified opinion on the consolidated financial statements on 11 May 2026, corresponding to 24 Thul-Qi'dah 1447H. Further, the condensed consolidated interim financial statements for the period ended 30 June 2025 were reviewed by another auditor who expressed an unmodified conclusion on the condensed consolidated interim financial statements on 10 August 2025, corresponding to 16 Safar 1447H.

for Ernst & Young Professional Services

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EY
سجل تجاري ٢٠٥١٠٥٨٧٩٢
CR.2051058792
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Abdullah A. Alshenaibir
Certified Public Accountant
License No. 583

Alkhobar: 10 August 2026
27 Safar 1448H

Al Dawaa Medical Services Company (A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

	Notes	***30 June 2026 (Unaudited)***	*31 December 2025 (Audited)*
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	7	**964,749,709**	1,013,182,044
Right-of-use assets	9	**1,648,933,304**	1,673,670,127
Intangible assets		**18,625,233**	18,928,261
Equity accounted investees		**12,807,383**	11,537,010
Long term deposits		**3,599,578**	3,037,682
Equity instruments designated at fair value through other comprehensive income (FVOCI)	8	**-**	52,120,000
TOTAL NON-CURRENT ASSETS		**2,648,715,207**	2,772,475,124
CURRENT ASSETS			
Inventories	10	**1,755,992,730**	1,736,089,622
Trade receivables	11	**725,711,237**	575,363,726
Prepayments and other current assets		**153,958,959**	75,947,835
Equity instruments designated at fair value through other comprehensive income (FVOCI)	8	**19,152,989**	-
Amounts due from related parties	15	**815,446**	1,819,139
Right of return assets		**6,975,905**	693,262
Cash and cash equivalents		**84,867,587**	71,232,723
TOTAL CURRENT ASSETS		**2,747,474,853**	2,461,146,307
TOTAL ASSETS		**5,396,190,060**	5,233,621,431
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**850,000,000**	850,000,000
Fair value reserve of equity instruments at FVOCI		**(3,415,820)**	(14,480,000)
Retained earnings		**501,668,574**	615,282,335
TOTAL EQUITY		**1,348,252,754**	1,450,802,335
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	9	**1,481,454,766**	1,497,319,491
Employees' benefits		**276,055,264**	256,822,845
TOTAL NON-CURRENT LIABILITIES		**1,757,510,030**	1,754,142,336
CURRENT LIABILITIES			
Refund liabilities		**90,846,887**	46,105,311
Trade and other payables		**1,225,861,539**	1,106,602,308
Amounts due to related parties	15	**29,977,940**	44,699,816
Current portion of lease liabilities	9	**209,490,005**	210,228,332
Contract liabilities		**24,388,093**	24,348,591
Short term borrowings	13	**700,000,000**	580,037,500
Provision for zakat	5	**9,862,812**	16,654,902
TOTAL CURRENT LIABILITIES		**2,290,427,276**	2,028,676,760
TOTAL LIABILITIES		**4,047,937,306**	3,782,819,096
TOTAL EQUITY AND LIABILITIES		**5,396,190,060**	5,233,621,431

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

The attached notes 1 to 21 form part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three-month and six-month periods ended 30 June 2026

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

		Three-month period ended		*Six-month period ended*	
	Notes	***30 June 2026***	*30 June 2025*	***30 June 2026***	*30 June 2025*
		(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Revenue	3	**1,635,929,291**	1,685,572,715	**3,181,304,567**	3,350,493,882
Cost of revenue	4	**(1,089,267,054)**	(1,095,078,958)	**(2,084,670,977)**	(2,155,394,816)
GROSS PROFIT		**546,662,237**	590,493,757	**1,096,633,590**	1,195,099,066
Selling and distribution expenses		**(437,715,138)**	(436,594,761)	**(893,249,316)**	(867,162,891)
General and administrative expenses		**(32,992,456)**	(36,240,554)	**(66,445,436)**	(69,553,942)
Allowance for expected credit losses	11	**(6,500,000)**	-	**(11,500,000)**	-
Other expenses		**(1,354,161)**	(1,093,436)	**(6,480,708)**	(2,965,460)
Other income		**4,280,632**	3,123,095	**9,025,161**	3,876,650
OPERATING PROFIT		**72,381,114**	119,688,101	**127,983,291**	259,293,423
Share of loss of equity accounted investees, net of tax		**(1,973,387)**	-	**(3,729,627)**	-
Finance cost		**(34,217,960)**	(30,405,064)	**(65,711,147)**	(59,990,390)
PROFIT BEFORE ZAKAT		**36,189,767**	89,283,037	**58,542,517**	199,303,033
Zakat	5	**(5,926,782)**	(2,710,000)	**(6,026,782)**	(7,560,000)
PROFIT FOR THE PERIOD		**30,262,985**	86,573,037	**52,515,735**	191,743,033
EARNINGS PER SHARE:					
Basic and diluted earnings per share attributable to the shareholders of Group	6	**0.36**	1.02	**0.62**	2.26

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2026

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

	Three-month period ended		*Six-month period ended*	
	30 June 2026 (Unaudited)	*30 June 2025 (Unaudited)*	***30 June 2026 (Unaudited)***	*30 June 2025 (Unaudited)*
PROFIT FOR THE PERIOD	**30,262,985**	86,573,037	**52,515,735**	191,743,033
Other comprehensive income				
Items that will not be reclassified to the consolidated statement of profit or loss in subsequent periods:				
Fair value changes in equity investment designated at FVOCI	**(3,215,316)**	780,001	**5,584,684**	(10,544,842)
Total other comprehensive income / (loss)	**(3,215,316)**	780,001	**5,584,684**	(10,544,842)
Total comprehensive income for the period	**27,047,669**	87,353,038	**58,100,419**	181,198,191

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

The attached notes 1 to 21 form part of these condensed consolidated interim financial statements.

Al Dawaa Medical Services Company (A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

	Share capital	*Fair value reserve of equity instruments at FVOCI*	*Retained earnings*	*Total*
Balance at 1 January 2025 (Audited and Restated)	850,000,000	(2,775,642)	482,615,829	1,329,840,187
Total comprehensive income for the period				
Profit for the period	-	-	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)	-
Transactions with shareholders in their capacity as shareholders				
Dividends (note 12)	-	-	(107,100,000)	(107,100,000)
Balance at 30 June 2025 (Unaudited)	850,000,000	(13,320,000)	567,258,378	1,403,938,378
Balance at 1 January 2026 (Audited)	**850,000,000**	**(14,480,000)**	**615,282,335**	**1,450,802,335**
Total comprehensive income for the period				
Profit for the period	-	-	**52,515,735**	**52,515,735**
Other comprehensive income for the period	-	**5,584,684**	-	**5,584,684**
Total comprehensive income for the period	-	**5,584,684**	**52,515,735**	**58,100,419**
Transfer of fair value reserve of equity instruments designated at FVOCI	-	**5,479,496**	**(5,479,496)**	-
Transactions with shareholders in their capacity as shareholders				
Dividends (note 12)	-	-	**(160,650,000)**	**(160,650,000)**
Balance at 30 June 2026 (Unaudited)	**850,000,000**	**(3,415,820)**	**501,668,574**	**1,348,252,754**

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

The attached notes 1 to 21 form part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2026

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

	Six-month period ended	
	30 June 2026 (Unaudited)	*30 June 2025 (Unaudited)*
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before zakat	**58,542,517**	199,303,033
Adjustments to reconcile profit before zakat to net cash flows:		
Depreciation for property and equipment	**92,443,441**	89,173,498
Depreciation for right-of-use assets	**116,088,334**	110,181,512
Amortisation of intangible assets	**2,470,229**	2,912,468
Allowance for expected credit losses	**11,500,000**	-
(Gain) /loss on derecognition due to termination of leases	**(274,247)**	913,622
Write off of property and equipment	**5,506,950**	1,239,479
Provision for employees’ benefits	**16,423,555**	14,269,024
Short term lease expense	**2,028,673**	401,759
Variable lease expense	**10,871,129**	5,611,669
Finance cost	**65,711,147**	59,990,390
Share in results of equity accounted investees	**3,729,627**	-
Inventory provision	**10,807,465**	4,209,393
Working capital adjustments:		
Inventories	**(30,710,573)**	(161,909,594)
Trade receivables	**(161,847,511)**	(191,725,314)
Prepayments and other current assets	**(78,573,020)**	(2,186,003)
Amounts due from related parties	**1,003,693**	(6,189)
Right of return assets	**(6,282,643)**	-
Refund liabilities	**44,741,576**	8,751,221
Trade and other payables	**62,655,661**	209,423,756
Amounts due to related parties	**(14,721,876)**	(12,431,390)
Contract liabilities	**39,502**	16,840,392
Cash generated from operating activities	**212,153,629**	354,962,726
Settlement for termination of lease contracts	**-**	(492,934)
Interest paid	**(54,916,944)**	(56,286,622)
Employees’ benefits paid	**(4,931,769)**	(1,833,763)
Short term lease payments	**(2,028,673)**	(401,759)
Variable lease payments	**(10,871,129)**	(5,611,669)
Zakat paid	**(12,818,872)**	(9,759,379)
Net cash generated from operating activities	**126,586,242**	280,576,600
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	**(49,518,056)**	(54,484,736)
Additions to intangible assets	**(2,167,201)**	(1,063,210)
Investment in equity accounted investee	**(5,000,000)**	(10,000,000)
Proceeds from disposal of equity instruments designated at FVOCI	**38,551,695**	1,865,348
Net cash used in investing activities	**(18,133,562)**	(63,682,598)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	**1,300,000,000**	1,003,000,000
Repayments of short-term borrowings	**(1,180,037,500)**	(1,018,000,000)
Repayments of long-term loans	**-**	(85,833,345)
Principal elements of lease payments	**(107,680,316)**	(109,898,356)
Dividend paid	**(107,100,000)**	(107,100,000)
Net cash used in financing activities	**(94,817,816)**	(317,831,701)
Net change in cash and cash equivalents	**13,634,864**	(100,937,699)
Cash and cash equivalents at the beginning of the period	**71,232,723**	47,526,199
Cash and cash equivalents at end of the period *	**84,867,587**	(53,411,500)

The attached notes 1 to 21 form part of these condensed consolidated interim financial statements.

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

	Six-month period ended	
	30 June 2026 (Unaudited)	*30 June 2025 (Unaudited)*
SIGNIFICANT NON-CASH TRANSACTIONS		
Additions to right-of-use assets and lease liabilities	**156,403,360**	170,274,234
Modification to right-of-use assets and lease liabilities	**1,208,603**	5,715,360
Fair value gain (loss) on equity instruments designated at FVOCI	**5,584,684**	(10,544,842)
Transfer of fair value reserve of equity instruments designated at FVOCI	**(5,479,496)**	(484)

* Cash and cash equivalents as of 30 June 2026 include bank overdraft amounting to SR Nil (30 June 2025: 78,371,978) that were repayable on demand and form an integral part of the Group's cash management and cash and cash equivalents as of 30 June 2026 amounting to 84,867,587 (30 June 2025: SR 24,960,478).

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

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

1 GENERAL INFORMATION

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

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

The Company and its subsidiaries listed below (collectively referred to as the "Group") are engaged in 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 authorized for issue by the Board of Directors of the Group and signed on their behalf on 06 August 2026, corresponding to 23 Safar 1448H.

1.1 Subsidiaries and associates

The Group has investment in the following subsidiaries:

		Equity interest %	
Name	***Country of Incorporation***	***30 June 2026***	*31 December 2025*
Premier Medical Devices Manufacturing Company	Kingdom of Saudi Arabia	**100%**	100%
Solutions Systems for Logistics Services Company	Kingdom of Saudi Arabia	**100%**	100%

During the period ended 30 June 2026, the board of directors passed a resolution dated 9 March 2026 to liquidate below subsidiaries:

		Equity interest %	
Name	***Country of Incorporation***	***30 June 2026***	*31 December 2025*
Glanzzen	United Arab Emirates	-	100%
Al-Dawaa Medical Services Company FZCO	United Arab Emirates	-	100%
Ronzac GmbH	Germany	-	100%
Hollinz	Germany	-	100%

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

1 GENERAL INFORMATION (continued)

1.1 Subsidiaries and associates (continued)

The Group has investment in the following associates:

Name	*Country of Incorporation*	***Equity interest %*** ***30 June 2026***	*31 December 2025*
Modawaa and Rieaya Medical Company Limited	Kingdom of Saudi Arabia	**49%**	49%
National Parcel Stations Network Company	Kingdom of Saudi Arabia	**33%**	33%

The details of the Group's subsidiaries as of 30 June 2026 are described below:

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) Solutions Systems for Logistics Services Company

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

The details of Group's subsidiaries liquidated during the period are described below:

c) Glanzzen

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

d) Al-Dawaa Medical Services Company FZCO

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

e) Ronzac GmbH

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

f) Hollinz

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

The details of Group's associates as of 30 June 2026 are described below:

g) National Parcel Stations Network Company

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

1 GENERAL INFORMATION (continued)

1.1 Subsidiaries and associates (continued)

h) Modawaa and Rieaya Medical Company Limited

During the year ended 31 December 2024, the Group in partnership with Mouwasat Medical Services Company established Modawaa and Rieaya Medical Company Limited ("Modawaa") as a limited liability company within Kingdom of Saudi Arabia, against which 49% of equity share (of equivalent amount) were issued. Modawaa is principally engaged in medical clinic activities. The Group has significant influence over Modawaa and classified it as investment in associate.

1.1.1 The assets, liabilities and operations of these subsidiaries liquidated during the period ended 30 June 2026 are not material to the Group's condensed consolidated interim financial statements.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

2.2 Functional and presentation currency

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

2.3 Basis of preparation

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

2.4 Use of judgements and estimates

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

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

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.5 Material accounting policies

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

2.6 New standards, amendments and interpretations adopted by the Group

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments;
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI);

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

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

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

Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in -scope contracts.
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

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

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.6 New standards, amendments and interpretations (continued)

2.6.1 Expected impact of the initial application of IFRS 18

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements and becomes effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new requirements and updates to the statement of profit or loss, with the main objective of improving comparability in the statement of profit or loss and enhancing transparency over management-defined performance measures.

The key new concepts introduced by IFRS 18 include:

- A revised structure of the statement of profit or loss, requiring classification of income and expenses into 5 defined categories based on the entity's main business activities and presentation of mandatory subtotals;
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general; and
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures).

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements.

a) Structure of the Statement of Profit or Loss

The standard is expected to result in changes to the presentation of certain line items and subtotals in the statement of profit or loss namely operating, investing, financing, zakat/income tax and discontinued operations. This classification depends on the main business activities of the entity.

Based on the Group's preliminary assessment and the nature of its main business activities, performed to date, the Group expects changes to the current structure of Statement of Profit or Loss to result in:

- Bank charges previously reported within finance costs will be reclassified under operating expenses;
- Foreign exchange differences, previously included within finance costs, will be classified within the operating category arising from monetary assets and liabilities and investing category arising from cash and cash equivalents; and
- Share of results in equity- accounted investee, net of tax will be presented within the investing category of the consolidated statement of profit or loss, within the new subtotal of profit before financing and zakat.

b) Aggregation and disaggregation

The new aggregation and disaggregation requirements will lead into changes to present the most useful structured summary. The Group is assessing how items are aggregated and disaggregated in the primary financial statements and the notes on the basis of similar and dissimilar characteristics.

Certain profit or loss line items description, aggregations and subtotals may change to provide useful structured summaries and disclose additional material information in the notes. The Group is performing a detailed assessment to determine the appropriate classification of items. The Group expects significant changes in this regard especially as a result of reclassifying foreign exchange gains and losses within operating profit. The Group also expects expanded disclosure requirements relating to the aggregation and disaggregation of information.

The Group is also assessing line items currently labelled as "other" and will use more informative labels that describes the aggregated items as precisely as possible.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.6 New standards, amendments and interpretations (continued)

2.6.1 Expected impact of the initial application of IFRS 18 (continued)

c) Management Performance Measures

Management-defined Performance Measures (MPMs) is a subtotal of income and expenses that entity uses in public communication outside the financial statements that communicates management's view of an aspect of the financial performance of the entity as a whole. Where applicable, these measures may require quantitative reconciliation to IFRS-defined subtotals together with expanded explanatory disclosures.

The Group is assessing whether performance measures currently communicated to investors, analysts and other stakeholders, outside the Group's financial statements meet the definition of an MPM under IFRS 18.

Consequential amendments

The Group is also evaluating the consequential amendments arising from IFRS 18, including amendments to IAS 7 Statement of Cash Flows and IAS 34 Interim Financial Reporting.

The Group currently uses profit before zakat for the period as a starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash out flows from interest paid as financing activities rather than operating activities under IFRS 18. Cash flows from interest received and dividends paid will continue to be classified as investing and financing activities, respectively.

The Group's assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress and additional industry and regulatory guidance becomes available.

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

3 REVENUE

	Three-month period ended		***Six-month period ended***	
	30 June 2026 (Unaudited)	*30 June 2025 (Unaudited)*	***30 June 2026 (Unaudited)***	*30 June 2025 (Unaudited)*
Type of revenue				
Retail	**1,401,037,817**	1,576,971,742	**2,767,802,646**	3,133,615,209
Wholesale	**214,174,175**	92,669,073	**372,426,695**	188,125,706
Logistics services	**20,717,299**	15,931,900	**41,075,226**	28,752,967
	1,635,929,291	1,685,572,715	**3,181,304,567**	3,350,493,882
Geographic markets				
Kingdom of Saudi Arabia	**1,634,868,301**	1,685,074,177	**3,179,506,470**	3,349,501,036
Kingdom of Bahrain	**1,060,990**	455,717	**1,798,097**	950,025
Other countries	-	42,821	-	42,821
	1,635,929,291	1,685,572,715	**3,181,304,567**	3,350,493,882
Timing of revenue recognition				
- Point in time	**1,615,211,992**	1,669,640,815	**3,140,229,341**	3,321,740,915
- Over the time	**20,717,299**	15,931,900	**41,075,226**	28,752,967
	1,635,929,291	1,685,572,715	**3,181,304,567**	3,350,493,882

4 COST OF REVENUE

	Three-month period ended		**Six-month period ended**	
	30 June 2026 ***(Unaudited)***	30 June 2025 *(Unaudited)*	**30 June 2026** ***(Unaudited)***	30 June 2025 *(Unaudited)*
Cost of goods sold	**1,078,750,616**	1,086,517,120	**2,057,245,538**	2,136,002,516
Logistics services cost	**7,583,885**	8,484,213	**16,617,974**	13,674,676
Inventory provision	**2,932,553**	77,625	**10,807,465**	4,209,393
Depreciation of property and equipment	-	-	-	1,508,231
	1,089,267,054	1,095,078,958	**2,084,670,977**	2,155,394,816

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

5 ZAKAT

5.1 Charge for the period

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

5.2 Movement of provision for zakat

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
At the beginning of the period / year	**16,654,902**	16,329,587
Provided during the period / year	**6,026,782**	10,084,694
Payments made during the period / year	**(12,818,872)**	(9,759,379)
At end of the period / year	**9,862,812**	16,654,902

5.3 Status of assessments

Zakat assessments have been agreed and settled with the Zakat, Tax and Customs Authority ("ZATCA") up to 2023. The zakat declarations for the years 2024 and 2025 have been submitted and are currently under review by ZATCA.

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

6 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 2026 (Unaudited)	*30 June 2025 (Unaudited)*	***30 June 2026 (Unaudited)***	*30 June 2025 (Unaudited)*
Profit attributable to the shareholders of the Group	**30,262,985**	86,573,037	**52,515,735**	191,743,033
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
	0.36	1.02	**0.62**	2.26

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

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

7 PROPERTY AND EQUIPMENT

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost:		
At beginning of the period / year	**2,362,986,758**	2,259,246,075
Additions	**49,518,056**	147,820,261
Disposals	-	(2,737,673)
Write-off	**(18,121,606)**	(41,341,905)
At end of the period / year	**2,394,383,208**	2,362,986,758
Accumulated depreciation:		
At beginning of the period / year	**1,349,804,714**	1,200,433,323
Charge for the period / year	**92,443,441**	185,597,989
Disposals	-	(2,737,673)
Write-off	**(12,614,656)**	(33,488,925)
At end of the period / year	**1,429,633,499**	1,349,804,714
Net book value at end of the period / year	**964,749,709**	1,013,182,044
Net book value at beginning of the period / year	**1,013,182,044**	1,058,812,752

8 EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

8.1 Equity instruments designated at FVOCI include investments in equity shares of listed Company. During the period, the plan to sell the entire portfolio of equity instruments designated at FVOCI was approved by the Board of directors. Accordingly, the disposal of these shares is expected to be completed within one year. Consequently, the fair value of these investments amounting to SR 19.2 million has been reclassified to current assets on the condensed consolidated interim financial position. Further, the Group sold 1.322 million (2025: 0.056 million) of its shares during the period. The fair value on the date of disposal was SR 38.6 million (2025: SR 1.9 million) and the accumulated loss recognized in OCI of SR 5.5 million (2025: SR 484) was transferred to retained earnings.

The movement of investments in equity instruments designated at FVOCI was as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At beginning of the period / year	**52,120,000**	65,690,191
Investments sold during the period / year	**(38,551,695)**	(1,865,348)
Change in fair value	**5,584,684**	(11,704,843)
At end of the period / year	**19,152,989**	52,120,000

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

9 LEASES

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

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
At beginning of the period / year	**1,673,670,127**	1,447,646,513
Additions	**156,403,360**	502,513,088
Modifications	**1,208,603**	4,482,249
Derecognised due to termination	**(66,260,452)**	(55,423,179)
Depreciation expense	**(116,088,334)**	(225,548,544)
At end of the period / year	**1,648,933,304**	1,673,670,127

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

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
At beginning of the period / year	**1,707,547,823**	1,479,890,686
Additions	**156,403,360**	502,513,087
Modifications	**1,208,603**	7,811,239
Derecognised due to termination	**(66,534,699)**	(64,088,153)
Finance cost	**39,878,172**	69,775,362
Payments	**(147,558,488)**	(288,354,398)
At end of the period / year	**1,690,944,771**	1,707,547,823
Current	**209,490,005**	210,228,332
Non-current	**1,481,454,766**	1,497,319,491

10 INVENTORIES

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
Finished goods	**1,754,638,517**	1,684,552,302
Spare parts	**3,120,279**	2,508,592
Raw materials	**766,826**	788,853
Stock in transit	**22,315,197**	70,185,787
	1,780,840,819	1,758,035,534
Less: allowance (note 10.1)	**(24,848,089)**	(21,945,912)
At end of the period / year	**1,755,992,730**	1,736,089,622

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

10 INVENTORIES (continued)

10.1 Movement in allowance during the period / year is as follows:

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
At the beginning of the period / year	**21,945,912**	10,624,850
Allowance during the period / year	**10,807,465**	38,615,020
Written off during the period / year	**(7,905,288)**	(27,293,958)
At end of the period / year	**24,848,089**	21,945,912

11 TRADE RECEIVABLES

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
Trade receivables		
- Third parties	**747,644,867**	585,656,679
- Related parties	**33,064**	173,741
	747,677,931	585,830,420
Less: allowance for impairment on trade receivables	**(21,966,694)**	(10,466,694)
At end of the period / year	**725,711,237**	575,363,726

11.1 Movement in allowance during the period / year is as follows:

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
At the beginning of the period / year	**10,466,694**	7,756,955
Allowance during the period / year	**11,500,000**	2,709,739
At end of the period / year	**21,966,694**	10,466,694

12 DIVIDENDS

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

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

12 DIVIDENDS (continued)

During the period, on 20 Thu al-Hijjah 1447H (corresponding to 6 June 2026), the Group's Board of Directors approved cash dividend of SR 0.63 per share amounting to SR 53.55 million for the first quarter of 2026, which will be distributed on 6 Safar 1448H (corresponding to 20 July 2026). The dividend of SR 53.55 million is included within trade and other payables.

On 4 Sha'ban 1446H (corresponding to 3 February 2025), the Group's Board of Directors approved cash dividend amounting to SR 0.63 per share amounting to SR 53.55 million for the third quarter of the year ended 31 December 2024, which was distributed on 26 Shaban 1446H (corresponding to 25 February 2025).

On 20 Thul-Qi'dah 1446H (corresponding to 18 May 2025), the Group's Board of Directors approved cash dividend amounting to SR 0.63 per share amounting to SR 53.55 million for the fourth quarter of 2024, which was distributed on 7 Thul-Hijjah 1446H (corresponding to 3 June 2025).

13 SHORT TERM BORROWINGS

Short term borrowings represent Murabaha, Tayseer and Tawarooq facilities obtained from various local banks to meet the working capital requirements with a total facility limit of SR 2,629 million (31 December 2025: SR 2,684 million). The balance of short term borrowings as of 30 June 2026 amounted to SR 700 million (31 December 2025: SR 580 million). These facilities carry financial costs in excess of SIBOR and are consistent with the terms of each facility agreement that are secured by promissory notes issued by the Group and carry charges agreed with the facilities' providers. Further, these facility agreements contain financial covenants which require the Group to maintain certain level of financial ratios such as leverage ratio , liquidity ratio , trading ratio , debt service coverage ratio and current ratio. As of 30 June 2026, the Group was in compliance with the loan covenants.

14 SEGMENT INFORMATION

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

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

- The retail segment is engaged in selling pharmaceutical, healthcare, wellness, and personal care products directly to customers through the company's pharmacy network and online channels.
- The wholesale segment, which is engaged in wholesale distribution of pharmaceutical and healthcare products to hospitals, clinics, pharmacies, and other institutional customers.
- The logistics segment, which is engaged in pharmaceutical warehousing, inventory management, transportation, and supply chain services supporting both retail and distribution operations.
- The segment information for subsidiaries including Premier Medical Devices Manufacturing Company and Solutions Systems for Logistics Services Company has been presented within Logistics and Wholesale as described in note 1.

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

14 SEGMENT INFORMATION (continued)

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

For the six-month period ended 30 June 2026 (Unaudited)	*Retail*	*Wholesale*	*Logistics*	*Total segments*	*Eliminations / Central allocation*	*Total*
Revenue	**2,767,802,646**	**372,426,695**	**41,075,226**	**3,181,304,567**	**-**	**3,181,304,567**
Revenues from transactions with other operating segments	**-**	**3,596,364**	**91,569,102**	**95,165,466**	**(95,165,466)**	**-**
Total revenue	**2,767,802,646**	**376,023,059**	**132,644,328**	**3,276,470,033**	**(95,165,466)**	**3,181,304,567**
Cost of revenue	**(1,769,245,189)**	**(302,404,177)**	**(115,158,199)**	**(2,186,807,565)**	**102,136,588**	**(2,084,670,977)**
Gross profit	**998,557,457**	**73,618,882**	**17,486,129**	**1,089,662,468**	**6,971,122**	**1,096,633,590**
Selling and distribution expenses	**(857,455,199)**	**(31,727,626)**	**(7,929,899)**	**(897,112,724)**	**3,863,408**	**(893,249,316)**
General and administrative expenses	**(56,774,484)**	**(7,619,897)**	**(116,000)**	**(64,510,381)**	**(1,935,055)**	**(66,445,436)**
Allowance for impairment on trade receivables	**(5,839,897)**	**(5,176,056)**	**(484,047)**	**(11,500,000)**	**-**	**(11,500,000)**
Other expenses	**(3,035,424)**	**(3,445,284)**	**-**	**(6,480,708)**	**-**	**(6,480,708)**
Other income	**17,603,827**	**876,766**	**-**	**18,480,593**	**(9,455,432)**	**9,025,161**
Operating profit	**93,056,280**	**26,526,785**	**8,956,183**	**128,539,248**	**(555,957)**	**127,983,291**
Finance costs	**(52,026,919)**	**(12,851,430)**	**(1,388,755)**	**(66,267,104)**	**555,957**	**(65,711,147)**
Profit segment	**41,029,361**	**13,675,355**	**7,567,428**	**62,272,144**	**-**	**62,272,144**
Unallocated expenses:						
Share of loss of equity accounted investees, net of tax	**-**	**-**	**-**	**-**	**-**	**(3,729,627)**
Zakat expense	**-**	**-**	**-**	**-**	**-**	**(6,026,782)**
Profit for the period	**41,029,361**	**13,675,355**	**7,567,428**	**62,272,144**	**-**	**52,515,735**
Assets and liabilities as of 30 June 2026 (Unaudited):						
Total assets	**5,185,916,548**	**160,389,172**	**76,513,281**	**5,422,819,001**	**(26,628,941)**	**5,396,190,060**
Total liabilities	**3,892,935,435**	**147,029,006**	**34,601,806**	**4,074,566,247**	**(26,628,941)**	**4,047,937,306**

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

14 SEGMENT INFORMATION (continued)

For the six month period ended 30 June 2025 (Unaudited)	***Retail***	***Wholesale***	***Logistics***	***Total segments***	***Eliminations / Central allocation***	***Total***
Revenue	3,133,615,209	188,125,706	28,752,967	3,350,493,882	-	3,350,493,882
Revenues from transactions with other operating segments	-	5,893,417	41,509,224	47,402,641	(47,402,641)	-
Total revenue	3,133,615,209	194,019,123	70,262,191	3,397,896,523	(47,402,641)	3,350,493,882
Cost of revenue	(1,985,624,657)	(160,480,669)	(52,279,107)	(2,198,384,433)	42,989,617	(2,155,394,816)
Gross profit	1,147,990,552	33,538,454	17,983,084	1,199,512,090	(4,413,024)	1,195,099,066
Selling and distribution expenses	(850,156,527)	(21,419,388)	-	(871,575,915)	4,413,024	(867,162,891)
General and administrative expenses	(63,640,004)	(5,002,732)	(911,206)	(69,553,942)	-	(69,553,942)
Allowance for impairment on trade receivables	-	-	-	-	-	-
Other expenses	(2,881,826)	(89,129)	5,495	(2,965,460)	-	(2,965,460)
Other income	3,760,350	116,300	-	3,876,650	-	3,876,650
Operating profit	235,072,545	7,143,505	17,077,373	259,293,423	-	259,293,423
Finance costs	(56,172,180)	(3,477,924)	(340,286)	(59,990,390)	-	(59,990,390)
Profit segment	178,900,365	3,665,581	16,737,087	199,303,033	-	199,303,033
Unallocated expenses:						
Share of loss of equity accounted investees, net of tax	-	-	-	-	-	-
Zakat expense	-	-	-	-	-	(7,560,000)
Profit for the period	178,900,365	3,665,581	16,737,087	199,303,033	-	191,743,033
Assets and liabilities as of 31 December 2025 (Audited):						
Total assets	5,044,354,120	155,413,604	33,853,707	5,233,621,431	-	5,233,621,431
Total liabilities	3,627,548,007	112,152,176	43,118,913	3,782,819,096	-	3,782,819,096

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

14 SEGMENT INFORMATION (continued)

The revenue for the six month period ended 30 June 2026 and 2025, categorized by the geographical segments is as follows:

	Three-month period ended 30 June		***Six-month period ended 30 June***	
	30 June 2026 (Unaudited)	*30 June 2025 (Unaudited)*	***30 June 2026 (Unaudited)***	*30 June 2025 (Unaudited)*
Primary geographic markets				
Kingdom of Saudi Arabia	**1,634,868,301**	1,685,074,177	**3,179,506,470**	3,349,501,036
Kingdom of Bahrain	**1,060,990**	455,717	**1,798,097**	950,025
Other countries	**-**	42,821	**-**	42,821
	1,635,929,291	1,685,572,715	**3,181,304,567**	3,350,493,882

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

15 RELATED PARTY TRANSACTIONS AND BALANCES

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

The pricing policies and terms of payment of transactions with the related parties are approved by the Group's Board of Directors. The outstanding balances at the period ended 30 June 2026 and the year ended 31 December 2025 are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided to amounts due to related parties.

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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***	
		2026 (Unaudited)	*2025 (Unaudited)*	***2026 (Unaudited)***	*2025 (Unaudited)*
Meshraf General Contracting Company (controlled by key management personnel)	Construction cost of pharmacies	**12,001,152**	10,702,017	**20,226,441**	29,402,072
Classic Travel & Tours Agency (under common ownership of the Group's shareholder)	Tickets and other travel expenses	**10,381,318**	8,095,996	**17,863,395**	16,568,384
Digital Business System Company (controlled by key management personnel)	IT services provided to the Group	**7,902,569**	7,396,689	**13,695,850**	12,795,326
Walaa Cooperative Insurance Company (other related party)*	Insurance services provided to the Group	**-**	479,722	**-**	4,166,056
966 Motors Establishment (controlled by key management personnel)	Maintenance services	**1,240,136**	2,253,947	**2,341,062**	3,066,086
Eastern Province Cement Company (other related party)*	Offices rental for the Group	**84,384**	108,833	**3,367,013**	387,096
Zahwa Trading Services Company (controlled by key management personnel)	Purchases of inventories	**2,733,176**	1,871,814	**6,471,742**	4,257,482
	Rebates	**392,016**	-	**1,198,286**	-
	Logistics services	**26,251**	40,190	**190,994**	82,738

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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***	
		2026	*2025*	***2026***	*2025*
		(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Kanaf Charitable Association (controlled by key management personnel)	Donation from pharmacies customers	**6,130**	6,969	**13,358**	15,486
Mawarid Trading Limited (controlled by key management personnel)	Purchases of inventories	**25,478**	-	**120,063**	-
National Parcel Stations Network Company (associate)	Rental income	**302,332**	-	**605,682**	-
	Investment	**-**	10,000,000	**-**	10,000,000

b) Key management personnel compensation:

	Three-month period ended 30 June		***Six-month period ended 30 June***	
	2026	*2025*	***2026***	*2025*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Short-term employee benefits	**4,528,300**	9,679,300	**11,169,100**	17,381,300
Remuneration and other benefits of the board of directors	**1,727,700**	1,163,700	**2,675,700**	2,138,700
Post-employment benefits	**252,706**	283,415	**502,635**	532,826
	6,508,706	11,126,415	**14,347,435**	20,052,826

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

c) Due from related parties:

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
Mawarid Trading Limited	**467,764**	600,121
National Parcel Stations Network Company	**347,682**	1,219,018
	815,446	1,819,139

d) Due to related parties:

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
Digital Business System Company	**23,803,066**	26,976,664
Accrued directors' remuneration	**2,120,000**	3,720,000
Classic Travel & Tours Agency	**2,079,755**	2,512,558
Meshraf General Contracting Company	**1,910,994**	4,555,558
Eastern Province Cement Company*	**50,352**	4,028,763
Kanaf Charitable Association	**13,773**	13,748
Walaa Cooperative Insurance Company*	**-**	2,892,525
	29,977,940	44,699,816

e) Amounts due to related parties under trade payables:

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
Zahwa Trading Services Company	**4,154,910**	2,863,082

f) Amounts due from related parties under trade receivables:

	30 June 2026 (Unaudited)	*31 December 2025 (Audited)*
Zahwa Trading Services Company	**33,064**	173,741

*The above tables include certain balances amounting SR 0.1 million (31 December 2025: SR 6.92 million) for due to related parties pertaining to entities having common directorships or common key management personnel in accordance with local laws and regulations.

(All amounts in Saudi Riyal (⃁) unless otherwise stated)

16 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

There is no change in the financial risk management objectives and policies adopted by the entity in comparison with the Group's annual consolidated financial statements for the year ended 31 December 2025.

17 FAIR VALUE MEASUREMENT

As of 30 June 2026 and 31 December 2025, all of the Group's financial instruments have been carried at amortized cost and the Group does not hold any financial instruments measured at fair value except investment designated at FVOCI which has been classified in level 1 of fair value hierarchy. The carrying value of the other financial assets and liabilities in the consolidated statement of financial position approximates to their fair values.

The Group's investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") are measured using quoted market prices in active markets and are therefore classified as Level 1 within the fair value hierarchy. The fair value of these investments is disclosed in Note 8. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the period.

18 COMMITMENTS AND CONTINGENCIES

(a) As of 30 June 2026, the capital expenditure contracted by the Group but not incurred till 30 June 2026 was approximately SR 2.4 million (31 December 2025: SR 0.166 million).

(b) The Group's bankers have given letter of guarantees and letter of credits, on behalf of the Group, amounting to SR 19.7 million and SR 114.4 million (31 December 2025: SR 16.6 million and SR 226.6 million), respectively.

(c) As of 30 June 2026, the Group had outstanding commitments in respect of purchase orders placed with suppliers for goods which had not been received as at that date, amounting to SR 151.5 million (31 December 2025: SR 323.9 million).

19 CORRESPONDING FIGURES

Certain corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation, the effect of which is not material. The following table summarises the impact on the Group's condensed consolidated interim financial statements for the period ended 30 June 2025:

Consolidated statement of profit or loss for the period ended 30 June 2025

	As previously stated	*Effect due to reclassification*	*As reclassified*
Other expenses, net	**911,190**	**(911,190)**	**-**
Other expenses	**-**	**(2,965,460)**	**(2,965,460)**
Other income	**-**	**3,876,650**	**3,876,650**

20 GEOPOLITICAL DEVELOPMENTS AND OPERATING ENVIRONMENT

During the period ended 30 June 2026, geopolitical tensions in certain parts of the Middle East increased. Management has assessed the implications of these developments on the Group's operations, financial position and performance based on information currently available. The Group continues to operate normally, and no material disruption to its operations was experienced during the period.

Given the evolving nature of these developments, it is not practicable at this stage to reliably estimate their potential future financial impact, if any, on the Group. Management continues to monitor the situation closely and will take appropriate measures as required.

Management has also considered the impact of these developments on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

21 SUBSEQUENT EVENTS

Except as disclosed elsewhere in these condensed consolidated interim financial statements, no significant subsequent event occurred since 30 June 2026 and the date of authorization of these condensed consolidated interim financial statements by the Board of Directors that requires either an adjustment or disclosure in these condensed consolidated interim financial statements.