

**ALF MEEM YAA FOR MEDICAL SUPPLIES AND
EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL
STATEMENTS AND INDEPENDENT AUDITOR'S
REVIEW REPORT**

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

Table of contents	Page
Independent Auditor's Review Report on Interim Condensed Financial Statements	1
Interim Condensed Statement of Financial Position	2
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income	3
Interim Condensed Statement of Changes in Equity	4
Interim Condensed Statement of Cash Flows	5
Notes to the Interim Condensed Financial Statements	6 - 17

INDEPENDENT AUDITOR'S REVIEW REPORT ON
THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

Introduction:

We have reviewed the accompanying interim condensed statement of financial position of Alf Meem Yaa for Medical Supplies and Equipment Company (A Saudi Joint Stock Company) ("the Company") as at 30 June 2025, and the related interim condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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 statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

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

Other Matter:

The financial statements of the Company for the year ended 31 December 2024 and for the period ended 30 June 2024, were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 March 2025 (26 Ramadhan 1446H) and 22 August 2024 (18 Safar 1446H) respectively.

for Ernst & Young Professional Services



Abdulaziz S. Alarifi
Certified Public Accountant
License No. (572)

Jeddah: 8 Rabi' al-Awwal 1447H
31 August 2025G




ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

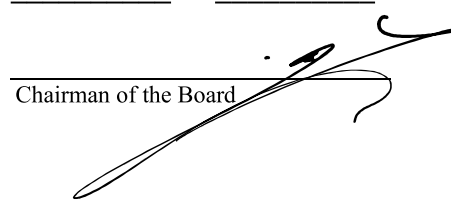
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at

	Notes	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	2,289,231	2,254,223
Right-of-use assets	5	3,681,557	1,113,758
Intangible assets		1,846,146	1,452,500
Installment sales receivables – non-current portion	7	5,002,806	2,604,696
TOTAL NON-CURRENT ASSETS		12,819,740	7,425,177
CURRENT ASSETS			
Inventories	6	76,440,207	74,031,016
Installment sales receivables – current portion	7	46,125,459	36,898,379
Trade receivables	8	97,766,323	81,893,966
Prepayments and other assets		15,816,917	4,949,213
Cash and cash equivalents	9	48,625,779	24,211,580
TOTAL CURRENT ASSETS		284,774,685	221,984,154
TOTAL ASSETS		297,594,425	229,409,331
EQUITY AND LIABILITIES			
EQUITY			
Share capital		70,000,000	70,000,000
Reserve		5,040,698	5,040,698
Retained earnings		96,954,274	83,788,650
TOTAL EQUITY		171,994,972	158,829,348
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits		12,515,766	10,765,421
Contract liabilities – non-current portion		433,000	400,485
Lease liabilities – non-current portion	10	2,474,488	541,572
TOTAL NON-CURRENT LIABILITIES		15,423,254	11,707,478
CURRENT LIABILITIES			
Trade payables		7,386,896	4,541,334
Bank borrowings	11	46,638,434	-
Contract liabilities – current portion		317,000	333,000
Accrued expenses and other liabilities		46,592,356	44,913,021
Lease liabilities – current portion	10	988,086	1,084,550
Zakat payable	12	8,253,427	8,000,600
TOTAL CURRENT LIABILITIES		110,176,199	58,872,505
TOTAL LIABILITIES		125,599,453	70,579,983
TOTAL EQUITY AND LIABILITIES		297,594,425	229,409,331


Chief Financial Officer


Executive Officer


Chairman of the Board

The accompanying notes from 1 to 22 form an integral part of these interim condensed financial statements.

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

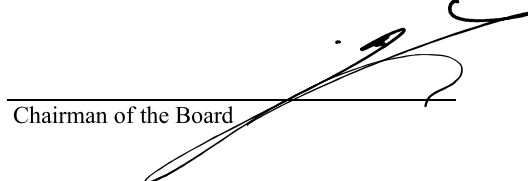
**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

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

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2025	2024	2025	2024
		SR	SR	SR	SR
Revenue	13	68,139,806	54,300,957	161,476,365	133,457,345
Cost of revenue	14	(38,720,357)	(31,321,547)	(91,223,395)	(75,273,368)
GROSS PROFIT		29,419,449	22,979,410	70,252,970	58,183,977
Selling and distribution expenses	15	(9,273,185)	(10,826,936)	(21,346,026)	(23,999,146)
General and administrative expenses	16	(6,839,920)	(3,902,707)	(14,055,346)	(8,317,613)
Reversal of losses on financial assets - trade receivables (Impairment) / reversal of losses on financial assets – instalment sale receivables		927,555 (4,404,313)	4,154,147 1,552,564	392,993 (4,861,825)	1,560,976 (11,973)
Other income		16,434	455,869	1,186,844	973,038
OPERATING PROFIT		9,846,020	14,412,347	31,569,610	28,389,259
Finance cost		(1,277,291)	(57,536)	(2,378,337)	(95,615)
Finance income		762,686	393,012	1,018,027	482,815
PROFIT BEFORE ZAKAT		9,331,415	14,747,823	30,209,300	28,776,459
Zakat expense	12.2	(1,023,331)	(1,205,144)	(2,304,060)	(2,183,536)
PROFIT FOR THE PERIOD		8,308,084	13,542,679	27,905,240	26,592,923
OTHER COMPREHENSIVE INCOME					
<i>Items not to be reclassified to statement of profit or loss in subsequent periods:</i>					
Actuarial loss on re-measurement of employee benefits		(739,616)	-	(739,616)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		7,568,468	13,542,679	27,165,624	26,592,923
EARNINGS PER SHARE:					
Earnings per share attributable to shareholders of the Company (SR)					
- Basic and diluted	17	1.19	1.93	3.99	3.80


Chief Financial Officer


Chief Executive Officer


Chairman of the Board

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ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY (A SAUDI JOINT STOCK COMPANY)

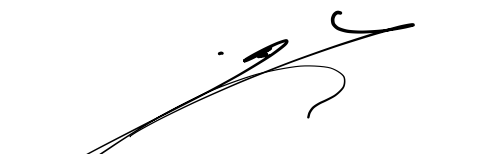
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2025

	<i>Share capital SR</i>	<i>Statutory reserve SR</i>	<i>Retained earnings SR</i>	<i>Total SR</i>
At 1 January 2024 (audited)	70,000,000	5,040,698	52,128,718	127,169,416
Profit for the period	-	-	26,592,923	26,592,923
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	26,592,923	26,592,923
Dividends paid	-	-	(14,000,000)	(14,000,000)
At 30 June 2024 (unaudited)	<u>70,000,000</u>	<u>5,040,698</u>	<u>64,721,641</u>	<u>139,762,339</u>
At 1 January 2025 (audited)	70,000,000	5,040,698	83,788,650	158,829,348
Profit for the period	-	-	27,905,240	27,905,240
Other comprehensive loss for the period	-	-	(739,616)	(739,616)
Total comprehensive income for the period	-	-	27,165,624	27,165,624
Dividends paid	-	-	(14,000,000)	(14,000,000)
At 30 June 2025 (unaudited)	<u>70,000,000</u>	<u>5,040,698</u>	<u>96,954,274</u>	<u>171,994,972</u>


Chief Financial Officer


Chief Executive Officer


Chairman of the Board

The accompanying notes from 1 to 22 form an integral part of these interim condensed financial statements.

**ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)**

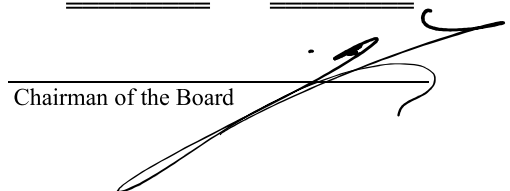
INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2025

	Notes	2025 (Unaudited) SR	2024 (Unaudited) SR
OPERATING ACTIVITIES			
Profit before zakat		30,209,300	28,776,459
<i>Adjustments to reconcile profit before zakat to net cash flows:</i>			
Depreciation of property and equipment	4	387,124	346,687
Depreciation of right of use assets	5	470,985	600,159
Amortisation of intangible asset		216,655	-
Reversal of losses on financial assets - trade receivables	8	(392,993)	(1,560,976)
Impairment of losses on financial assets – instalment sale receivables	7	4,861,825	11,973
Charge for provision slow moving inventories	6	637,442	985,903
Provision for employee benefits		1,072,063	535,816
Lease adjustment		(469,310)	-
Finance income		-	(361,512)
Finance cost		1,504,858	95,615
		38,497,949	29,430,124
<i>Working capital changes:</i>			
Inventories		(3,046,633)	(7,213,893)
Installment sales receivables		(16,487,015)	(9,887,433)
Trade receivables		(15,479,364)	(14,694,572)
Prepayments and other current assets		(10,881,362)	(14,156,361)
Trade payables		2,845,562	85,579
Contract liabilities		16,515	(79,651)
Accrued expenses and other current liabilities		1,679,335	1,152,435
Cash used in operations		(2,855,013)	(15,363,772)
Zakat paid		(2,051,233)	(4,068,107)
Employee benefits paid		(61,334)	(26,529)
Finance costs paid		(647,547)	(95,615)
Net cash flows used in operating activities		(5,615,127)	(19,554,023)
INVESTING ACTIVITIES			
Purchase of property and equipment	4	(422,132)	(59,689)
Purchase of intangible asset		(610,301)	-
Net cash flows used in investing activities		(1,032,433)	(59,689)
FINANCING ACTIVITIES			
Proceed from bank borrowing		46,018,128	-
Repayment of bank borrowing		(237,006)	-
Repayment of lease liability		(733,022)	(749,540)
Dividends paid		(13,986,342)	(14,000,000)
Net cash flows from / (used in) financing activities		31,061,758	(14,749,540)
Net increase / (decrease) in cash and cash equivalents		24,414,198	(34,363,252)
Cash and cash equivalents at the beginning of the period		24,211,581	43,402,652
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		48,625,779	9,039,400


Chief Financial Officer


Chief Executive Officer


Chairman of the Board

The accompanying notes from 1 to 22 form an integral part of these interim condensed financial statements.

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2025

1 CORPORATE INFORMATION

Alf Meem Yaa for Medical Supplies and Equipment Company ("the Company") is a Saudi Joint Stock Company incorporated in Jeddah, Kingdom of Saudi Arabia. The Company was registered as a Saudi Limited liability company on 14 Safar 1430H, corresponding to 9 February 2009, under commercial registration number 4030186415 and Unified identification number 7001587315

On 23 Jumada I 1443H, corresponding 27 December 2021, the Capital Market Authority (CMA) has approved the registration of the Company shares for the purpose of direct listing on Numu - Parallel Market. The shares of the Company are listed on Nomu - Parallel Market and start trading as on 15 Jumada Al Thani 1443H, corresponding to 18 January 2022 with the symbol 9527 and ISIN Code SA15GGP4KRH1.

As per the Company's By-laws, the Company is engaged in wholesale and retail trade which mainly includes perfumes, cosmetics, orthotic devices, medical supplies, decorative soap, incense, veterinary medicine and medical equipment.

The Company operates through the following branches and these condensed interim financial statements include their results as well:

<i>Branch / City</i>	<i>Commercial Registration No.</i>	<i>Registration Date</i>
Riyadh	1010478367	12 Rabie Awal 1440H, corresponding to 19 November 2018
Jeddah	4030186415	14 Safar 1430H, corresponding to 9 February 2009
Dammam	2050133577	8 Rajab 1441H, corresponding to 3 March 2020

The registered address of the Company is Prince Sultan Street P.O. Box 11544, Jeddah 21463 Kingdom of Saudi Arabia

2 BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia as well as other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2024 (see also note 2.4).

2.2 Basis of measurement

These interim condensed financial statements are prepared under the historical cost convention, except employees' defined benefit obligations, actuarial present value calculations are used.

2.3 Functional and presentation currency

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

**ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

2 BASIS OF PREPARATION (continued)

2.4 Material accounting judgements, estimates and assumptions

The preparation of the Company's interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, were disclosed in annual financial statements for the year ended 31 December 2024. Any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods.

2.5 Material accounting policies

The accounting policies adopted by the Company for the preparation of these interim condensed financial statements are consistent with those followed in preparation of the Company's annual financial statements for the year ended 31 December 2024, except for accounting policies related to the new standard adopted by the Company effective as of 1 January 2025 (see note 3).

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 but does not have an impact on the interim condensed financial statements of the Company.

Lack of exchangeability – Amendments to IAS 21

The amendments to IAS 21 The Effect of changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine the spot rate when exchangeability is lacking. The amendment also require disclosure of information that enables the users of its financial statements to understand how the currency not being exchangeable into the other currency affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendment did not have a material impact on Company's interim condensed financial statements.

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

4 PROPERTY AND EQUIPMENT

	<i>Furniture SR</i>	<i>Leasehold improvements & fixtures SR</i>	<i>Computers SR</i>	<i>Office equipment SR</i>	<i>Tools SR</i>	<i>Motor vehicles SR</i>	<i>Total SR</i>
Cost:							
At 1 January 2025	751,596	1,930,921	628,961	337,545	27,835	462,115	4,138,973
Additions	79,288	-	177,206	31,638	-	134,000	422,132
At 30 June 2025	830,884	1,930,921	806,167	369,183	27,835	596,115	4,561,105
Accumulated depreciation:							
At 1 January 2025	319,816	712,728	402,714	145,768	24,920	278,804	1,884,750
Charge for the year	71,934	184,572	49,181	32,352	331	48,754	387,124
At 30 June 2025	391,750	897,300	451,895	178,120	25,251	327,558	2,271,874
Net book value:							
At 30 June 2025 (unaudited)	439,134	1,033,621	354,272	191,063	2,584	268,557	2,289,231

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

4 PROPERTY AND EQUIPMENT (continued)

	<i>Furniture SR</i>	<i>Leasehold improvements & fixtures SR</i>	<i>Computers SR</i>	<i>Office equipment SR</i>	<i>Tools SR</i>	<i>Motor vehicles SR</i>	<i>Total SR</i>
Cost:							
At 1 January 2024	736,285	1,782,801	517,780	266,626	24,570	462,115	3,790,177
Additions	15,311	148,120	111,181	70,919	3,265	-	348,796
	<u>751,596</u>	<u>1,930,921</u>	<u>628,961</u>	<u>337,545</u>	<u>27,835</u>	<u>462,115</u>	<u>4,138,973</u>
At 31 December 2024							
Accumulated Depreciation:							
At 1 January 2024	182,135	353,806	330,327	91,608	23,040	186,128	1,167,044
Charge for the year	137,681	358,922	72,387	54,160	1,880	92,676	717,706
	<u>319,816</u>	<u>712,728</u>	<u>402,714</u>	<u>145,768</u>	<u>24,920</u>	<u>278,804</u>	<u>1,884,750</u>
At 31 December 2024							
Net book value:							
At 31 December 2024 (audited)	<u>431,780</u>	<u>1,218,193</u>	<u>226,247</u>	<u>191,777</u>	<u>2,915</u>	<u>183,311</u>	<u>2,254,223</u>

The depreciation charged during the period / year is allocated to general and administrative expenses.

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

5 RIGHT-OF-USE ASSETS

The Company has lease agreements for buildings. The Company also has lease agreements for warehouses with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The movement of right of use assets is as follows:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	1,113,758	2,117,010
Additions	3,092,371	-
Adjustment	(53,587)	-
Depreciation charged for the period / year	(470,985)	(1,003,252)
At the end of the period / year	3,681,557	1,113,758

The depreciation charged during the period / year is allocated to general and administrative expenses.

6 INVENTORIES

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Medical equipment	25,426,643	27,604,609
Medical supplies	49,274,629	41,158,200
Stock in transit	-	1,677,857
Return asset	4,534,026	5,747,999
	79,235,298	76,188,665
Less: Provision for slow moving inventory	(2,795,091)	(2,157,649)
	76,440,207	74,031,016

6.1 Movement in the provision for slow moving inventories is as follows:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Balance at the beginning of the period / year	2,157,649	4,744,326
Addition / (write-off) during the year	637,442	(2,586,677)
Balance at the end of period / year	2,795,091	2,157,649

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

7 INSTALLMENT SALES RECEIVABLES

Installments sales receivables comprise of receivables arising from sales of medical equipment. For the purposes of these interim condensed financial statements, installment sales receivables pertaining to sale of medical equipment are carried at amortized cost, as detailed below:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Installment sales receivable	62,780,752	46,293,737
Less: Allowance for expected credit loss	(11,652,487)	(6,790,662)
Net installment sales receivable	<u>51,128,265</u>	<u>39,503,075</u>

7.1 Movement in the allowance for expected credit loss is as follows:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Balance at the beginning of the period / year	6,790,662	6,246,569
Charge for the period / year	4,861,825	544,093
Balance at the end of period / year	<u>11,652,487</u>	<u>6,790,662</u>

The Company applies a simplified approach for calculating expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss for all receivable balance. Based on the historical trend and expected performance of the customers, the Company believes that the above expected credit loss allowance sufficiently covers the risk of default.

8 TRADE RECEIVABLES

Trade receivables comprise the following:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Trade receivables	102,435,902	86,956,538
Less: Allowance for expected credit loss	(4,669,579)	(5,062,572)
Net trade receivables	<u>97,766,323</u>	<u>81,893,966</u>

8.1 Movement in the allowance for expected credit loss is as follows:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Balance at the beginning of the period / year	5,062,572	7,327,962
Reversal for the period / year	(392,993)	(2,265,390)
Balance at the end of period / year	<u>4,669,579</u>	<u>5,062,572</u>

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

9 CASH AND CASH EQUIVALENTS

	<i>30 June 2025 (Unaudited) SR</i>	<i>31 December 2024 (Audited) SR</i>
Cash in hand	21,287	-
Cash at bank	23,604,492	24,211,580
Short term deposit	25,000,000	-
	48,625,779	24,211,580

Short term deposit is placed with a local commercial bank with the original term of up to a month and denominated in SR. Short term deposit yield financial income at prevailing market rates of interest. The cash at bank is held in current accounts and term deposits with banks having sound credit ratings and does not carry any mark-up. The credit risk on these balances is expected to be very minimal. Bank balances and short-term deposits are subject to an insignificant risk of changes in value. The fair value of cash and cash equivalents approximates the carrying value at 30 June 2025 and 31 December 2024.

10 LEASE LIABILITIES

Movement in lease liabilities is summarized as follows:

	<i>30 June 2025 (Unaudited) SR</i>	<i>31 December 2024 (Audited) SR</i>
At the beginning of the period / year	1,626,122	2,597,906
Additions	3,092,371	-
Accretion of interest	130,044	171,121
Adjustment	(522,897)	-
Payments made during the period / year	(863,066)	(1,142,905)
At the end of the period / year	3,462,574	1,626,122

The scheduled maturities of the lease liabilities are as follows:

As at 30 June 2025	<i>Principal amount SR</i>	<i>Interest SR</i>	<i>Net lease liabilities SR</i>
Current portion	1,109,424	(121,338)	988,086
Non-current portion	2,846,021	(371,533)	2,474,488
	3,955,445	(492,871)	3,462,574
As at 31 December 2024	<i>Principal amount SR</i>	<i>Interest SR</i>	<i>Net lease liabilities SR</i>
Current portion	1,171,235	(86,684)	1,084,550
Non-current portion	597,741	(56,170)	541,572
	1,768,976	(142,854)	1,626,122

10.1 Expenses related to short-term and low-value leases for the period ended 30 June 2025 amounted to SR 409,365 (31 December 2024: SR 607,806).

**ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

11 SHORT TERM BORROWINGS

In 2025, the Company has obtained multi-purpose credit facilities from a commercial bank to support its operating cycle. A short term Tawarruq financing facility with a limit of SR 50 million, carrying a margin of SIBOR + 2.3%. As of the reporting date, the utilized amount under this facility is SR 41.8 million, which is used to finance the operating cycle of the Company. The Company also has a medium-term revolving Tawarruq facility with a limit of SR 20 million. The utilized amount under this facility is SR 4.1 million, and it is repayable in quarterly installments. The financing facilities are secured by a promissory note issued by the Company.

These facility agreements contain financial covenants that require the Company to maintain certain financial ratios. As of 30 June 2025, the Company was in compliance with all loan covenants. The outstanding financing is classified under current liabilities in the statement of financial position, as these facilities are repayable within 12 months from the reporting date.

The breakup of the bank facilities is as follows:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Short term facility	42,454,098	-
Medium term revolving facility	4,184,336	-
Balance at the end of the year	46,638,434	-

12 ZAKAT

Zakat is charged at the higher of net adjusted income or Zakat base as required by the ZATCA. The key elements of zakat base primarily include equity components, net income and liabilities adjusted for zakat purpose.

12.1 Provision for zakat

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period/ year	8,000,600	7,551,975
Provision for the current period / year	2,304,060	4,642,861
Payments during the period / year	(2,051,233)	(4,194,236)
At the end of the period / year	8,253,427	8,000,600

12.2 Status of assessments

The Company filed its Zakat returns with the Zakat, Tax and Customs Authority ("ZATCA") up to the end of the year 31 December 2024, and paid the accrued Zakat according to these returns, and obtained Zakat certificate valid until 30 April 2026. A final assessment was issued by the Zakat, Tax and Customs Authority until 2019, and all financial dues amounting to SR 224,605 were paid in 2021, and there are no financial liabilities due on the Company. The taxpayer's declaration was approved in accordance with the provisions of the Zakat Regulations issued under Ministerial Resolution No. (1007) dated 1445H, On 9 September 2024, the audit and review of the withholding tax was completed in accordance with the provisions of Article 63 of the Executive Regulations of the Income Tax Law, issued under Ministerial Resolution No. (1535).

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

13 REVENUE

Disaggregation of revenues from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and services lines and timing of revenue recognition.

13.1 By primary geographical markets

The revenue from contracts with customers is derived from the primary geographical market that is the Kingdom of Saudi Arabia.

13.2 By major products/service lines

The Company has determined that it operates as a single reportable segment, revenues at 30 June 2025 and 30 June 2024 comprise from the following:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Medical supplies	49,726,100	44,391,225	121,328,826	104,079,824
Medical equipment sales with significant financing	16,873,452	8,473,476	36,459,535	26,139,988
Supplier of services	1,540,254	1,436,256	3,688,004	3,237,533
	68,139,806	54,300,957	161,476,365	133,457,345

13.3 By timing of revenue recognition

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Products transferred at a point in time	68,139,806	54,300,957	161,476,365	133,457,345

14 COST OF REVENUE

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cost of goods sold	38,197,046	30,973,274	90,332,784	74,609,585
Cost of service – employees' related cost	523,311	348,273	890,611	663,783
	38,720,357	31,321,547	91,223,395	75,273,368

ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

15 SELLING AND MARKETING EXPENSE

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Staff incentive and marketing expenses	4,755,142	8,633,557	12,433,043	19,484,447
Employees' cost	4,400,002	2,015,652	8,728,024	4,106,398
Transportation and freight charges	118,041	177,727	184,959	408,301
	<u>9,273,185</u>	<u>10,826,936</u>	<u>21,346,026</u>	<u>23,999,146</u>

16 GENERAL AND ADMINISTRATIVE EXPENSE

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Employees' cost	3,120,021	2,516,042	7,219,446	4,915,418
Legal and professional fees	1,275,158	370,224	2,456,967	845,654
Subscription expenses	530,564	141,092	1,021,793	323,079
Board of Directors and audit committee remuneration	556,000	183,000	556,000	557,000
Depreciation of right-of-use-assets	320,585	341,362	470,985	600,159
Rent expenses	227,212	-	409,365	262,641
Depreciation of property and equipment	197,504	173,227	387,124	346,687
Amortisation of intangible asset	108,327	-	216,655	-
Audit fees	70,000	50,000	160,000	190,000
Others	434,549	127,760	1,157,011	276,975
	<u>6,839,920</u>	<u>3,902,707</u>	<u>14,055,346</u>	<u>8,317,613</u>

17 EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Profit attributable to shareholders of the Company	8,308,084	13,542,679	27,905,240	26,592,923
Weighted average number of shares	7,000,000	7,000,000	7,000,000	7,000,000
Basic and diluted earnings per share (SR per share)	1.19	1.93	3.99	3.80

**ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

18 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. The management assessed that the fair value of cash and cash equivalents, trade receivables, instalment sales receivables. Short-term borrowings and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the six-month period ended 30 June 2025 and year ended 31 December 2024, there were no movements between the levels.

**ALF MEEM YAA FOR MEDICAL SUPPLIES AND EQUIPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2025

19 RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions mainly represent Salaries, allowances and bonuses of senior executives. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Directors and shareholders (whether executive or otherwise).

Significant transaction with related party in the ordinary course of business included in the interim condensed financial statements is summarized below:

<i>Related party</i>	<i>Description of transaction</i>	<i>Relationship</i>	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
			<i>30 June 2025</i>	<i>30 June 2024</i>	<i>30 June 2025</i>	<i>30 June 2024</i>
			<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>
Audit Committee and Board of Directors	Remuneration	Audit Committee and Board of Directors	556,000	183,000	556,000	557,000

a) Remuneration of key management personnel:

<i>Name</i>	<i>Nature of transactions</i>	<i>30 June 2025</i>	<i>31 December 2024</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR</i>	<i>SR</i>
Key Management Personnel	Short-term employee benefits	4,024,366	6,848,940
	Post-employment benefits liability	5,694,365	3,646,361

20 SUBSEQUENT EVENTS

There have been no significant subsequent events since the period ended 30 June 2025, which would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

21 COMPARATIVE INFORMATION

During the period, certain comparative figures have been reclassified to conform with the presentation in the current period. The impact of reclassification is immaterial on interim condensed financial statements.

22 AUTHORISATION OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorised for issue by the Company's Board of Directors on 5 Rabi' al-Awwal 1447H (corresponding to 28 August 2025G).