

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

AND

INDEPENDENT AUDITOR'S REVIEW REPORT

For the three-month period ended 31 March 2026

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three-month period ended 31 March 2026

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Independent auditor's review report on the interim condensed consolidated financial statements To the Shareholders of Middle East Pharmaceutical Industries Company (A Saudi Joint Stock Company)

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of Middle East Pharmaceutical Industries Company - A Saudi Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated 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 consolidated 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

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

Other Matter:

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2025 were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed consolidated financial statements on 16 Thul-Qi'dah, 1446H (corresponding to 14 May 2025).

for Ernst & Young Professional Services



Waleed G. Tawfiq
Certified Public Accountant
License No. (437)



Riyadh: 25 Thul-Qi'dah 1447H
(12 May 2026)

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION


AS AT 31 March 2026

(All amounts in ~~SR~~ unless otherwise stated)

| | | 31 March 2026 | 31 December 2025 |
|---|-------------|--------------------|---------------------|
| | <i>Note</i> | (Unaudited) | (Audited) |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 133,368,897 | 123,365,389 |
| Intangible assets | 11 | 63,747,171 | 62,362,549 |
| Right-of-use asset | | 504,340 | 552,423 |
| Total non-current assets | | 197,620,408 | 186,280,361 |
| Current assets | | | |
| Trade receivables | 7 | 286,962,609 | 256,838,441 |
| Inventories | 9 | 101,361,116 | 103,525,950 |
| Prepayments and other current assets | 8 | 21,715,471 | 18,515,178 |
| Cash, cash equivalents, and cash in transit | 6 | 18,818,641 | 34,370,454 |
| Total current assets | | 428,857,837 | 413,250,023 |
| Total assets | | 626,478,245 | 599,530,384 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 17 | 200,000,000 | 200,000,000 |
| Other comprehensive loss | | (13,019,229) | (13,726,442) |
| Retained earnings | | 230,469,434 | 229,970,452 |
| Total equity | | 417,450,205 | 416,244,010 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Loans and borrowings | 13 | 27,800,242 | 21,409,723 |
| Employee benefits | | 30,527,612 | 29,688,661 |
| Other long-term Employee benefits | 16.2 | 250,632 | - |
| Lease liability – noncurrent portion | | 164,681 | 164,681 |
| Total non-current liabilities | | 58,743,167 | 51,263,065 |
| Current liabilities | | | |
| Short-term loans | 12 | 50,101,467 | 37,389,182 |
| Trade payables | | 45,862,025 | 44,021,213 |
| Accruals and other current liabilities | 14 | 39,024,379 | 38,040,008 |
| Loans and borrowings – current portion | 13 | 5,064,386 | 4,573,527 |
| Zakat payable | 15 | 9,926,046 | 7,692,809 |
| Lease liability – current portion | | 306,570 | 306,570 |
| Total current liabilities | | 150,284,873 | 132,023,309 |
| Total liabilities | | 209,028,040 | 183,286,374 |
| Total equity and liabilities | | 626,478,245 | 599,530,384 |



Ahmed Al Tabbaa
Chairman



Mohamed Maher Al Ghannam
Managing Director & CEO



Moazam Ali Shah
Chief Financial Officer

The accompanying notes 1 to 29 form an integral part of these interim condensed consolidated financial statements


MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

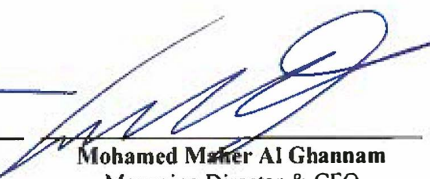
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

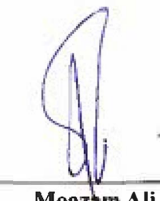
For the three-month ended 31 March 2026

(All amounts in SAR unless otherwise stated)

| | <i>Note</i> | For the three-month period ended 31 March (Unaudited) | |
|--|-------------|--|-------------------|
| | | 2026 | 2025 |
| Revenue | 19 | 130,126,657 | 97,361,107 |
| Cost of revenue | 20 | (49,509,929) | (37,093,712) |
| Gross profit | | 80,616,728 | 60,267,395 |
| Selling and distribution expenses | 21 | (30,531,351) | (23,377,443) |
| General and administrative expenses | 22 | (17,400,608) | (14,491,672) |
| Impairment loss on trade receivables | 7 | (2,018,709) | - |
| Other income/(expenses), net | | 54,064 | (95,612) |
| Operating profit | | 30,720,124 | 22,302,668 |
| Finance costs | 23 | (1,587,905) | (1,364,466) |
| Profit before zakat | | 29,132,219 | 20,938,202 |
| Zakat expense | | (2,233,237) | (1,539,921) |
| Profit for the period | | 26,898,982 | 19,398,281 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Re-measurements of defined benefit obligation | | 707,213 | - |
| Other comprehensive income for the period | | 707,213 | - |
| Total comprehensive income for the period | | 27,606,195 | 19,398,281 |
| Basic and diluted earnings per share | 26 | 1.34 | 0.97 |


 Ahmed Al Tabbaa
 Chairman


 Mohamed Maher Al Ghannam
 Managing Director & CEO


 Moazam Ali Shah
 Chief Financial Officer

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MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 March 2026

(All amounts in ~~S~~ unless otherwise stated)

| | Note | <u>Share capital</u> | <u>General reserve</u> | <u>Retained earnings</u> | <u>Other comprehensive loss</u> | <u>Total equity</u> |
|---|------|----------------------|------------------------|--------------------------|---------------------------------|---------------------|
| Balance at 1 January 2026 (audited) | | 200,000,000 | - | 229,970,452 | (13,726,442) | 416,244,010 |
| Profit for the period | | - | - | 26,898,982 | - | 26,898,982 |
| Other comprehensive income | | - | - | - | 707,213 | 707,213 |
| Total comprehensive income for the period | | - | - | 26,898,982 | 707,213 | 27,606,195 |
| Dividends | 18 | - | - | (26,400,000) | - | (26,400,000) |
| Balance at 31 March 2026 (unaudited) | | 200,000,000 | - | 230,469,434 | (13,019,229) | 417,450,205 |
| Balance at 1 January 2025 (audited) | | 200,000,000 | 25,253,411 | 154,707,576 | (11,751,592) | 368,209,395 |
| Profit for the period | | - | - | 19,398,281 | - | 19,398,281 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | 19,398,281 | - | 19,398,281 |
| Balance at 31 March 2025 (unaudited) | | 200,000,000 | 25,253,411 | 174,105,857 | (11,751,592) | 387,607,676 |



Ahmed Al Tabbaa
Chairman



Mohamed Maher Al Ghannam
Managing Director & CEO



Syed Moazam Ali Shah
Chief Financial Officer

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MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

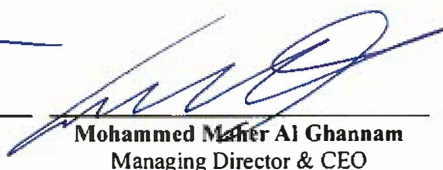
As at 31 March 2026

(All amounts in ~~SR~~ unless otherwise stated)

| | <i>Notes</i> | For the three-month period ended 31 March (Unaudited) | |
|---|--------------|--|--------------------|
| | | <u>2026</u> | <u>2025</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before zakat | | 29,132,219 | 20,938,202 |
| <i>Adjustments to reconcile net profit to net cash flows from operating activities:</i> | | | |
| Depreciation | 10 | 3,222,622 | 2,806,682 |
| Amortization | 11 | 1,970,030 | 1,741,107 |
| Provision for employee benefits | | 1,275,086 | 1,915,990 |
| Finance costs | 23 | 1,587,905 | 1,114,466 |
| Addition of impairment loss on trade receivables | 7 | 2,018,709 | - |
| Provision for net realizable value loss on inventories, net | 9 | 2,775 | 2,687,481 |
| Loss on disposal of intangible assets | | - | 55,435 |
| <i>Changes in operating assets and liabilities:</i> | | | |
| Inventories | | 2,162,059 | (3,737,569) |
| Cash-in-transit | | 2,381,090 | - |
| Trade receivables | | (32,142,877) | (5,408,529) |
| Prepayments and other current assets | | (3,200,293) | (618,641) |
| Trade payables | | 1,840,812 | 10,746,922 |
| Other long-term employee benefits | | 250,632 | - |
| Accruals and other current liabilities | | 984,371 | (7,538,333) |
| Cash generated from operating activities | | 11,485,140 | 24,703,213 |
| Net employee benefits paid | | (153,400) | (1,478,086) |
| Net cash generated from operating activities | | 11,331,740 | 23,225,127 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property, plant and equipment | 10 | (13,178,047) | (4,664,276) |
| Additions to intangible assets | 11 | (3,354,652) | (3,192,262) |
| Net cash used in investing activities | | (16,532,699) | (7,856,538) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from short-term loans during the period | 12 | 32,662,074 | 5,000,000 |
| Repayments of short-term loans during the period | 12 | (19,949,789) | (6,856,351) |
| Proceeds of loans and borrowings during the period | 13 | 6,498,431 | - |
| Repayments of loans and borrowings during the period | 13 | (191,175) | (1,584,484) |
| Dividends paid | 18 | (26,400,000) | - |
| Finance costs paid | | (589,305) | (704,856) |
| Net cash used in financing activities | | (7,969,764) | (4,145,691) |
| Net changes in cash and cash equivalents | | (13,170,723) | 11,222,898 |
| Cash and cash equivalents at the beginning of period | | 26,574,921 | 22,645,719 |
| Cash and cash equivalents at end of the period | | 13,404,198 | 33,868,617 |
| Cash-in-transit | | 5,414,443 | - |
| Cash, cash equivalents and cash in transit at end of the period | 6 | 18,818,641 | 33,868,617 |



Ahmed Al Tabbaa
Chairman



Mohammed Maher Al Ghannam
Managing Director & CEO



Syed Moazam Ali Shah
Chief Financial Officer

The accompanying notes 1 to 29 form an integral part of these interim condensed consolidated financial statements

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED)

31 March 2026

(All amounts in SAR unless otherwise stated)

1. REPORTING ENTITY

Middle East Pharmaceutical Industries Company (“the Company”) was a Limited Liability Company incorporated in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010150538 and Unified No. 7018055066 on 2 Rabi II 1419H (corresponding to 27 July 1998).

The Company applied to the Ministry of Commerce to convert the legal status of the Company from a limited liability company to a closed joint stock company, pursuant to shareholders’ decision. On 21 Sha’ban 1443H (corresponding to 24 March 2022) the Ministry of Commerce approved the conversion from a limited liability company to a Saudi Closed Joint Stock Company.

The Company’s registered office is located at the following address:

8146 King Muhammad V, Sulaimaniyah,
P.O. Box 4180
Riyadh 11491
Kingdom of Saudi Arabia

The Company has ten (10) branches incorporated in the Kingdom of Saudi Arabia and one (1) branch in United Arab Emirates (UAE). The interim condensed consolidated financial statements include the results of the eleven (11) branches listed below:

| <u>Branch name</u> | <u>Commercial registration number</u> |
|---|--|
| Middle East Pharmaceutical Industries Company Branch – Riyadh | 1010274622 |
| Middle East Pharmaceutical Industries Company Branch – Riyadh | 1010560224 |
| Middle East Pharmaceutical Industries Company Branch – Riyadh | 1010728546 |
| Middle East Pharmaceutical Industries Company Branch – Riyadh | 1010653238 |
| Factory of Middle East Pharmaceutical Industries Company – Riyadh Second Industrial City | 1010394325 |
| Middle East Distribution Branch – Riyadh | 1010175025 |
| Middle East Distribution Company Branch – Jeddah | 4030278683 |
| Middle East Distribution Company Branch – Jeddah | 4030161826 |
| Middle East Distribution Company Branch – Dammam | 2050061104 |
| Middle East Pharmaceutical Industries Company Branch – Dammam | 2050168074 |
| Middle East Pharmaceutical Industries (Listed Joint Stock Company)– Dubai, UAE Branch | 100636 |

The Company and its subsidiaries, mentioned below, (collectively referred to as “the Group”) are engaged in manufacturing medicines, medicated and non-medicated creams and gels.

The subsidiaries included in the interim condensed consolidated financial statements as of 31 March 2026 and 31 March 2025 are the same as disclosed in the financial statements for the year ended 31 December 2025.

| Name of subsidiaries | Percentage of ownership | | | |
|-----------------------------------|--------------------------------|------------------------|----------------------|------------------------|
| | 31 March 2026 | | 31 March 2025 | |
| | <i>Direct</i> | <i>Indirect</i> | <i>Direct</i> | <i>Indirect</i> |
| Avalon Pharma UK Holdings Limited | 100 | - | 100 | - |
| Avalon Cosmetics Limited | - | 100 | - | 100 |
| Avalon Pharma Limited | - | - | - | 100 |
| Avalon Nutrition Limited | - | - | - | 100 |

On 27 January 2026 (corresponding to 8 Shaban 1447H) the Company’s Board of Directors approved a resolution for the voluntary dissolution and winding-up of Avalon Pharma UK Holdings Limited and its subsidiaries (the “UK Company”).

As at 31 March 2026, the status of the dissolution process is as follows:

- Avalon Pharma Limited and Avalon Nutrition Limited have been legally dissolved.
- Avalon Pharma UK Holdings Limited and Avalon Cosmetics Limited are currently under dissolution process.

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENT (UNAUDITED) (continued)

31 March 2026

(All amounts in ﷲ unless otherwise stated)

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” that is endorsed in KSA by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2025.

2.2 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost convention and going concern assumption, except for the employees’ defined benefits obligations which is measured using the projected unit credit method .

2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyal ﷲ (SR) which is the functional currency of the Company. All amounts rounded to the nearest Saudi Riyal.

2.4 Basis of consolidation

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to the elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

3. USE OF JUDGMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, we make estimates and judgments that affect the amounts recorded. Actual results could differ from our estimates. Our estimates and judgments are based on historical experience and other factors we consider reasonable, including expectations of future events. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The significant judgments made by the management in applying the Group’s accounting policies and the key sources of estimation were the same as those applied to the Group’s last annual financial statements for the year ended 31 December 2025.

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENT (UNAUDITED) (continued)

31 March 2026

(All amounts in ~~ﷲ~~ unless otherwise stated)

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

5. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. *IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments), Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards- Volume 11* apply for the first time on 1 January 2026. The Group assesses these amendments do not have an impact on the financial statements.

The standards and amendments that are issued, but not yet effective, as of 31 March 2026 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

| | |
|--|---|
| 1 January 2027 | IFRS 18 Presentation and Disclosure in Financial Statements IFRS 19 Subsidiaries without Public Accountability Disclosure IAS 21 The Effect of changes in Foreign Exchange Rates- Translation to a Hyperinflationary Presentation Currency. |
| Available for optional adoption / effective date deferred indefinitely | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 |

The new and amended standards mentioned above are not expected to have a significant impact on the Group's financial statements.

6. CASH, CASH EQUIVALENTS AND CASH IN TRANSIT

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|--|----------------------------------|
| Cash on hand | 168,706 | 418,360 |
| Cash at banks – current accounts | <u>13,235,492</u> | <u>26,156,561</u> |
| Cash and cash equivalents | 13,404,198 | 26,574,921 |
| Cash in transit | <u>5,414,443</u> | 7,795,533 |
| Cash, cash equivalents and cash in transit | <u>18,818,641</u> | <u>34,370,454</u> |

Cash on hand includes petty cash funds and undeposited cash at year-end. Cash in transit includes customers wired transfer payments that have been made by customers at the year-end but received at Company's bank accounts after the year end. The management believes that there is no need for any significant impairment loss against the carrying value of cash at bank because the bank balances are kept with banks having sound credit rating. Also, there are no deposits and restricted cash.

7. TRADE RECEIVABLES

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|--|--|----------------------------------|
| Trade receivables | 300,364,583 | 268,221,706 |
| Less: Impairment loss on trade receivables | <u>(13,401,974)</u> | <u>(11,383,265)</u> |
| | <u>286,962,609</u> | <u>256,838,441</u> |

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENT (UNAUDITED) (continued)

31 March 2026

(All amounts in SAR unless otherwise stated)

7. TRADE RECEIVABLES (continued)

Movement in the allowance for impairment as per expected credit loss (ECL) model in respect to trade receivables is as follows:

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|----------------------------------|--|----------------------------------|
| Opening balance | 11,383,265 | 10,064,577 |
| Charge for the period/year | 2,018,709 | 1,465,747 |
| Write-off during the period/year | - | (147,059) |
| Closing balance | <u>13,401,974</u> | <u>11,383,265</u> |

Management believes that for financial assets measured at amortized cost (cash, cash equivalents, cash in transit and trade receivables), the fair value approximates the carrying amount due to the short-term maturity of these instruments.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|--|----------------------------------|
| Due from employees | 6,679,855 | 5,453,968 |
| Advances to suppliers | 5,509,888 | 3,800,246 |
| VAT refundable | 1,984,932 | 2,043,232 |
| Prepaid employee tickets | 1,847,595 | - |
| Prepaid insurance | 1,650,814 | 3,099,890 |
| Prepaid subscription fees | 1,282,621 | 1,354,650 |
| Prepaid rent | 727,184 | 572,850 |
| Margin deposit on letters of guarantees | 353,083 | 409,559 |
| Others | 1,679,499 | 1,780,783 |
| | <u>21,715,471</u> | <u>18,515,178</u> |

9. INVENTORIES

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|--|--|----------------------------------|
| Finished products | 28,181,812 | 36,864,616 |
| Packaging materials | 29,697,972 | 33,490,756 |
| Raw materials | 38,488,015 | 28,380,696 |
| Consumable supplies | 6,906,376 | 6,814,531 |
| Spare parts inventory | 2,773,606 | 2,807,429 |
| Work-in-progress | 708,596 | 560,408 |
| | <u>106,756,377</u> | <u>108,918,436</u> |
| Less: Provision for Net Realizable Value (NRV) | <u>(5,395,261)</u> | <u>(5,392,486)</u> |
| Inventories, net | <u>101,361,116</u> | <u>103,525,950</u> |

Movement in provision for NRV loss is as follows:

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|--|--|----------------------------------|
| Opening balance | 5,392,486 | 8,107,250 |
| Add: Provision for NRV loss during the period/year | 1,569,494 | 7,175,093 |
| Less: Destruction made during the period/year | (1,566,719) | (9,889,857) |
| | <u>2,775</u> | <u>(2,714,764)</u> |
| Balance as at period/year ended | <u>5,395,261</u> | <u>5,392,486</u> |

MIDDLE EAST PHARMACEUTICAL INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (UNAUDITED) (continued)

31 March 2026

(All amounts in ﷲ unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

| | <i>Land</i> | <i>Buildings</i> | <i>Machineries</i> | <i>Furniture and office equipment</i> | <i>Motor vehicles</i> | <i>Computers</i> | <i>Tools</i> | <i>Assets under construction</i> | <i>Total</i> |
|---|-------------------|-------------------|--------------------|---|---------------------------|-------------------|-------------------|--------------------------------------|--------------------|
| <u>Cost:</u> | | | | | | | | | |
| At 1 January 2026 | 15,828,842 | 96,604,284 | 50,954,587 | 8,506,174 | 7,553,250 | 10,689,901 | 15,985,846 | 9,742,999 | 215,865,883 |
| Additions | 5,250,000 | - | 8,830 | 80,878 | 22,600 | 208,904 | 1,117,716 | 6,574,502 | 13,263,430 |
| Transferred to Intangible Assets | - | - | - | - | - | - | - | (85,383) | (85,383) |
| Transfer | - | - | - | - | - | 145,545 | 53,489 | (199,034) | - |
| At 31 March 2026 | 21,078,842 | 96,604,284 | 50,963,417 | 8,587,052 | 7,575,850 | 11,044,350 | 17,157,051 | 16,033,084 | 229,043,930 |
| <u>Accumulated depreciation:</u> | | | | | | | | | |
| At 1 January 2026 | - | 33,335,001 | 31,484,285 | 6,294,097 | 4,923,713 | 5,735,914 | 10,727,484 | - | 92,500,494 |
| Charges for the period | - | 1,153,854 | 811,216 | 195,770 | 242,163 | 460,701 | 310,835 | - | 3,174,539 |
| At 31 March 2026 | - | 34,488,855 | 32,295,501 | 6,489,867 | 5,165,876 | 6,196,615 | 11,038,319 | - | 95,675,033 |
| <u>Net book value:</u> | | | | | | | | | |
| At 31 March 2026 (Unaudited) | 21,078,842 | 62,115,429 | 18,667,916 | 2,097,185 | 2,409,974 | 4,847,735 | 6,118,732 | 16,033,084 | 133,368,897 |

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | <i>Lands</i> | <i>Buildings</i> | <i>Machineries</i> | <i>Furniture and office equipment</i> | <i>Motor vehicles</i> | <i>Computers</i> | <i>Tools</i> | <i>Assets under construction</i> | <i>Total</i> |
|----------------------------------|-------------------|-------------------|--------------------|---------------------------------------|-----------------------|-------------------|-------------------|----------------------------------|--------------------|
| <u>Cost:</u> | | | | | | | | | |
| At 1 January 2025 | 15,828,842 | 96,357,495 | 47,859,355 | 7,717,075 | 6,760,994 | 7,225,747 | 14,722,935 | 4,901,704 | 201,374,147 |
| Additions | - | 246,789 | 3,043,250 | 677,967 | 1,092,256 | 3,464,154 | 1,011,814 | 5,255,506 | 14,791,736 |
| Disposals | - | - | - | - | (300,000) | - | - | - | (300,000) |
| Transfers | - | - | 51,982 | 111,132 | - | - | 251,097 | (414,211) | - |
| At 31 December 2025 | <u>15,828,842</u> | <u>96,604,284</u> | <u>50,954,587</u> | <u>8,506,174</u> | <u>7,553,250</u> | <u>10,689,901</u> | <u>15,985,846</u> | <u>9,742,999</u> | <u>215,865,883</u> |
| <u>Accumulated depreciation:</u> | | | | | | | | | |
| At 1 January 2025 | - | 28,667,128 | 28,398,058 | 5,557,808 | 4,299,688 | 4,192,211 | 9,494,539 | - | 80,609,432 |
| Charge for the year | - | 4,667,873 | 3,086,227 | 736,289 | 924,025 | 1,543,703 | 1,232,945 | - | 12,191,062 |
| Disposals | - | - | - | - | (300,000) | - | - | - | (300,000) |
| At 31 December 2025 | <u>-</u> | <u>33,335,001</u> | <u>31,484,285</u> | <u>6,294,097</u> | <u>4,923,713</u> | <u>5,735,914</u> | <u>10,727,484</u> | <u>-</u> | <u>92,500,494</u> |
| <u>Net book value:</u> | | | | | | | | | |
| At 31 December 2025 (Audited) | <u>15,828,842</u> | <u>63,269,283</u> | <u>19,470,302</u> | <u>2,212,077</u> | <u>2,629,537</u> | <u>4,953,987</u> | <u>5,258,362</u> | <u>9,742,999</u> | <u>123,365,389</u> |

10.1 Depreciation has been allocated as follows:

| | 31 March 2026 (Unaudited) | 31 March 2025 (Unaudited) |
|--|--|---------------------------------|
| Cost of revenue (Note 20) | 1,832,402 | 1,749,040 |
| General and administrative expenses (Note 22)* | 926,467 | 704,170 |
| Selling and distribution expenses (Note 21) | 463,753 | 353,472 |
| | <u>3,222,622</u> | <u>2,806,682</u> |

*Includes depreciation of Right to use Asset of SR 48,084 as of 31 March 2026 & NIL as of 31 March 2025.

10.2 Assets under construction include expansion of existing factory, machinery under commissioning process to increase the production capacity expected to be completed by 2026 and construction of new factory is expected to be completed in 2027.

10.3 During the year the Group acquired land of 2,500 Sq mt for SR 5.25m for construction of warehouse and expansion of Avalon 1 facilities.

10.4 The Group's land title deeds number 910121016951, 310112020258 and 3819430000100 are currently mortgaged to Saudi Industrial Development Fund (SIDF) as loan security (Note 13).

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(All amounts in ~~SR~~ unless otherwise stated)

11. INTANGIBLE ASSETS

| | <i>Software and licenses</i> | <i>Registered developed products</i> | <i>Formulation in progress (*)</i> | <i>Total</i> |
|--|----------------------------------|--|--|-------------------|
| Cost: | | | | |
| 1 January 2026 | 10,763,065 | 46,005,266 | 38,158,784 | 94,927,115 |
| Additions | 100,266 | 313,109 | 2,855,894 | 3,269,269 |
| Transfer from Property, plant and equipment | 85,383 | - | - | 85,383 |
| At 31 March 2026 | <u>10,948,714</u> | <u>46,318,375</u> | <u>41,014,678</u> | <u>98,281,767</u> |
| Accumulated amortization: | | | | |
| 1 January 2026 | 6,693,677 | 25,870,889 | - | 32,564,566 |
| Charge for the period | 242,615 | 1,727,415 | - | 1,970,030 |
| At 31 March 2026 | <u>6,936,292</u> | <u>27,598,304</u> | <u>-</u> | <u>34,534,596</u> |
| Net book value: | | | | |
| At 31 March 2026 (Unaudited) | <u>4,012,422</u> | <u>18,720,071</u> | <u>41,014,678</u> | <u>63,747,171</u> |
| Cost: | | | | |
| 1 January 2025 | 9,576,514 | 33,469,504 | 32,326,485 | 75,372,503 |
| Additions | 1,186,551 | 928,105 | 17,510,053 | 19,624,709 |
| Write-offs during the year | - | - | (70,097) | (70,097) |
| Transfers | - | 11,607,657 | (11,607,657) | - |
| At 31 December 2025 | <u>10,763,065</u> | <u>46,005,266</u> | <u>38,158,784</u> | <u>94,927,115</u> |
| Accumulated amortization: | | | | |
| 1 January 2025 | 5,739,401 | 19,040,735 | - | 24,780,136 |
| Charge for the year | 954,276 | 6,830,154 | - | 7,784,430 |
| At 31 December 2025 | <u>6,693,677</u> | <u>25,870,889</u> | <u>-</u> | <u>32,564,566</u> |
| Net book value: | | | | |
| At 31 December 2025 (Audited) | <u>4,069,388</u> | <u>20,134,377</u> | <u>38,158,784</u> | <u>62,362,549</u> |

11.1 Amortization has been allocated as follows:

| | 31 March 2026 (Unaudited) | 31 March 2025 (Unaudited) |
|---|--|---------------------------------|
| Cost of revenue (Note 20) | 1,727,415 | 1,514,264 |
| General and administrative expenses (Note 22) | 241,917 | 226,145 |
| Selling and distribution expenses (Note 21) | 698 | 698 |
| | <u>1,970,030</u> | <u>1,741,107</u> |

(*) As at 31 March 2026, borrowing costs amounting to SR 414,214 (31 December 2025: SR 387,182) were capitalised in respect of the products under formulation in progress.

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12. SHORT-TERM LOANS

During the period the Group obtained additional Murabaha financing from commercial banks in the normal course of business to meet the working capital requirements. Financial charges rates on loans range between 1.25% to 2.50%+SAIBOR.

The movement of loans at end of the period is as follows:

| Islamic banking facilities (Murabaha) | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|--|--|----------------------------------|
| Opening balance | 37,389,182 | 60,088,833 |
| Proceeds from loans | 32,662,074 | 42,389,183 |
| Repayments | <u>(19,949,789)</u> | <u>(65,088,834)</u> |
| | <u>50,101,467</u> | <u>37,389,182</u> |

13. LOANS AND BORROWINGS

The Group obtained long-term financing from Saudi Industrial Development Fund (SIDF) and a commercial bank at agreed commercial rates.

In July 2025, the Group obtained a new long-term loan facility from a commercial bank amounting to SR 3,823,511. The loan is repayable in quarterly instalments and carries an effective interest rate of 12.49% payable in twenty equal instalments beginning 22 October 2025.

On 2 January 2024, the Management Credit Committee of SIDF approved a post financing facility amounting to SR 30,000,000 in relation to the Group's Manufacturing Plants No. 2 & 3, and its Central Warehouse. To compensate the Fund for the expenses associated with evaluating and presenting the Group's loan application, SR 2,100,000 will be deducted on a pro-rata basis from the full loan amount plus follow-up charges as billed by SIDF. The semi-annual follow-up fees shall not exceed the amount of SR 300,000 semi-annually, and in all cases the total of these costs will not exceed the amount of SR 3,840,000 throughout the course of this agreement. On 28 April 2025, SR 15,000,000 from the facility amount was received. On 18 August 2025, an additional SR 9,000,000 was received. As of the end of the period, out of the SR 30,000,000 approved loans, the Group has received SR 24,000,000, equivalent to 80% of the approved loan. From this amount, SR 1,680,000 was deducted as deferred financial charges (upfront fees). This loan carries an effective interest rate of 3.13%-5.49%.

On 4 January 2026, the Group obtained a new long-term loan facility from a commercial bank amounting to SR 1,498,431. The loan is repayable in quarterly instalments and carries an effective interest rate of 1.50% payable in twenty equal instalments beginning 2 April 2026.

On 19 February 2026, the Group obtained a new long-term loan facility from a commercial bank amounting to SR 5,000,000. The loan is repayable in quarterly instalments and carries an effective interest rate of 1.50% payable in 12 equal instalments from 9 May 2028.

The Group's outstanding loan balance at the end of the period is as follows:

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|--------------------------------------|--|----------------------------------|
| Opening balance | 25,983,250 | 3,168,968 |
| Proceeds from loans | 6,498,431 | 26,143,488 |
| Repayment of commercial bank loan | <u>(191,175)</u> | <u>(3,360,143)</u> |
| | <u>32,290,506</u> | <u>25,952,313</u> |
| Amortized deferred financial charges | 574,122 | 30,937 |
| | <u>32,864,628</u> | <u>25,983,250</u> |

Based on the loan repayment schedules, the outstanding balances as at year end are as follows:

| | | |
|---------------------|--------------------------|--------------------------|
| Current portion | 5,064,386 | 4,573,527 |
| Non-current portion | <u>27,800,242</u> | <u>21,409,723</u> |
| | <u>32,864,628</u> | <u>25,983,250</u> |

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14. ACCRUALS AND OTHER CURRENT LIABILITIES

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|--|--|----------------------------------|
| Salaries and related benefits | 16,533,003 | 17,532,522 |
| Provision for sales return | 12,014,409 | 10,429,876 |
| Board and committee members remuneration | 2,187,500 | 2,700,000 |
| Customers advanced payments | 1,607,767 | 640,758 |
| Professional fees | 990,220 | 825,074 |
| Marketing and advertising | 905,892 | 2,733,545 |
| Finance cost accrued | 841,951 | 1,071,931 |
| Due to employees | 826,743 | 517,837 |
| Transit Insurance | 713,000 | 571,000 |
| Others | 2,403,894 | 1,017,465 |
| | 39,024,379 | 38,040,008 |

15. ZAKAT PAYABLE

Zakat returns have been submitted to the Zakat, Tax and Customs Authority ("ZATCA") for the years up to 31 December 2025, and the liability has been settled. ZATCA has issued the final assessment up to the year ended 31 December 2024, and the Group has paid all the amounts based on the final assessment.

16. RELATED PARTIES TRANSACTIONS

Related parties include subsidiary companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Transactions with related parties carried out during the period, in the normal course of business, are approved by the Board. The transactions and balances with related parties are as follows:

16.1 Compensation and benefits to key management personnels:

| | 31 March 2026 (Unaudited) | 31 March 2025 (Unaudited) |
|--|--|---------------------------------|
| Short-term employee benefits | 4,258,425 | 3,720,744 |
| Board and other committee members remuneration | 837,500 | 627,500 |
| Employees defined benefits obligations | 482,972 | 288,216 |
| Other long term employee benefits | 250,632 | - |
| Total compensation and benefits to key management personnels | 5,829,529 | 4,636,460 |

16.2 Other long term Employee Benefits:

During the period, the Board of Directors approved a cash-based Long-Term Incentive Plan ("LTIP") for certain executives of the Group, effective from 1 January 2026. The LTIP comprises three separate performance cycles, each covering a three-year performance and vesting period. The cycles commence on 1 January 2026 and conclude on 31 December 2028, 31 December 2029, and 31 December 2030, respectively. Vesting of awards under each cycle is subject to the achievement of specified performance conditions including financial and non-financial key performance indicators (KPIs) and the continued employment of participants on the vesting date.

Long-term incentive plan (LTIP) costs are recognised over the vesting period as employee benefit expenses within general and administrative expenses with a corresponding liability recognised based on an actuarial valuation. As at 31 March 2026, the Group recognised an LTIP liability amounting to SR 250,632.

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17. SHARE CAPITAL

| | <u>No. of shares</u> | <u>Par value</u> | <u>Total value</u> |
|------------------|----------------------|------------------|--------------------|
| 31 March 2026 | 20,000,000 | 10 | 200,000,000 |
| 31 December 2025 | 20,000,000 | 10 | 200,000,000 |

On 27 February 2024, the Company offered six million (6,000,000) ordinary shares, representing 30% of the Company's capital, through a public offering in Saudi Stock Exchange ("Tadawul").

On 29 January 2026 (corresponding to 10 Shaban 1447H), the Board of Directors announced its recommendation to the Extraordinary General Assembly to increase the Company's capital from SAR 200 million (20 million shares) to SAR 350 million (35 million shares) through a bonus share issuance at a ratio of 3 shares for every 4 shares held. The increase will be through capitalizing SAR 150 million from the Company's retained earnings balance. As of the reporting date the process of capitalization was not completed.

18. DIVIDENDS

On 8 March 2026 (corresponding to 19 Ramadan 1447H) the Company's Board of Directors approved the distribution of interim cash dividends for the second half of 2025 amounting to SR 26.4 million (SR 1.32 per share) to eligible shareholders as of 29 March 2026.

19. REVENUE

The breakdown of revenue by customer type is as follows:

| | <u>31 March</u> <u>2026</u> (Unaudited) | 31 March <u>2025</u> (Unaudited) |
|----------------------|---|--|
| <i>Revenue from:</i> | | |
| Private customers | 91,903,038 | 66,277,269 |
| Public customers | 33,593,459 | 26,131,289 |
| Export customers | 4,630,160 | 4,952,549 |
| | <u>130,126,657</u> | <u>97,361,107</u> |

Revenue is recognised at a point in time at which the performance obligation is satisfied.

The table below represents the segregation of revenue by geographical market.

| | <u>31 March</u> <u>2026</u> (Unaudited) | 31 March <u>2025</u> (Unaudited) |
|-------------------------|---|--|
| <i>Revenue from:</i> | | |
| Kingdom of Saudi Arabia | 125,496,497 | 92,408,558 |
| UAE | 2,603,769 | 1,208,037 |
| Iraq | 812,758 | - |
| Kuwait | 578,624 | 1,593,283 |
| Bahrain | 257,539 | 218,356 |
| Jordan | 22,650 | - |
| Other export market | 354,820 | 1,932,873 |
| | <u>130,126,657</u> | <u>97,361,107</u> |

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20. COST OF REVENUE

| | 31 March <u>2026</u> (Unaudited) | 31 March <u>2025</u> (Unaudited) |
|---|--|--|
| Beginning inventory finished goods (Note 9) | 36,864,616 | 39,200,968 |
| Add: Direct purchases | 1,270,819 | - |
| Add: Cost of goods manufactured: | | |
| Packing materials cost | 12,839,190 | 11,174,220 |
| Raw materials cost | 12,626,431 | 10,392,826 |
| Less: Ending inventory finished goods (Note 9) | <u>(28,181,812)</u> | <u>(40,234,733)</u> |
| Cost of inventory consumed during the period | 35,419,244 | 20,533,281 |
| Indirect labor | 6,696,344 | 5,853,865 |
| Direct labor | 2,802,296 | 2,925,615 |
| Depreciation (Note 10) | 1,832,402 | 1,749,040 |
| Amortization (Note 11) | 1,727,415 | 1,514,264 |
| Other overheads | <u>1,032,228</u> | <u>4,517,647</u> |
| | <u>49,509,929</u> | <u>37,093,712</u> |

21. SELLING AND DISTRIBUTION EXPENSES

| | 31 March <u>2026</u> (Unaudited) | 31 March <u>2025</u> (Unaudited) |
|-------------------------------------|--|--|
| Salaries and other related benefits | 11,947,587 | 9,588,606 |
| Marketing and advertising expenses | 6,274,816 | 4,638,421 |
| Housing and accommodation expenses | 3,038,668 | 2,487,405 |
| Freight | 1,886,221 | 1,899,627 |
| Employees' vacation expenses | 1,494,045 | 396,625 |
| Travelling expenses | 1,429,174 | 779,633 |
| Employees' transportation allowance | 925,884 | 1,030,864 |
| Employees' GOSI expenses | 642,880 | 497,281 |
| Employees' medical insurance | 597,210 | 589,240 |
| Depreciation (Note 10) | 463,753 | 353,472 |
| Employees' visa and iqama expenses | 301,116 | 357,344 |
| Legal and government fees | 145,632 | 177,348 |
| Amortization (Note 11) | 698 | 698 |
| Others | <u>1,383,667</u> | <u>580,879</u> |
| | <u>30,531,351</u> | <u>23,377,443</u> |

22. GENERAL AND ADMINISTRATIVE EXPENSES

| | 31 March <u>2026</u> (Unaudited) | 31 March <u>2025</u> (Unaudited) |
|--|--|--|
| Salaries and other related benefits | 6,572,758 | 4,813,873 |
| Professional fees | 2,054,303 | 1,545,653 |
| Housing and accommodation expenses | 1,445,804 | 1,168,762 |
| Communication expenses | 1,260,448 | 1,467,175 |
| Depreciation (Note 10) | 926,467 | 704,170 |
| Board and committee members remuneration | 837,500 | 627,500 |
| Fees on letter of guarantee/credit | 535,210 | 170,351 |
| Employees' transportation allowance | 427,020 | 342,519 |
| Employees' medical insurance | 356,341 | 314,997 |
| Office supplies | 351,409 | 422,564 |
| Employee GOSI expenses | 349,226 | 283,962 |
| Repairs and maintenance | 266,872 | 173,575 |
| Travelling expenses | 259,054 | 415,043 |
| Amortization (Note 11) | 241,917 | 226,145 |
| Legal and government fees | 203,385 | 585,400 |
| Others | <u>1,312,894</u> | <u>1,229,983</u> |
| | <u>17,400,608</u> | <u>14,491,672</u> |

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23. FINANCE COSTS

| | 31 March 2026 (Unaudited) | 31 March 2025 (Unaudited) |
|--|--|---------------------------------|
| Finance cost related to borrowings | 1,163,427 | 1,114,466 |
| Net interest cost: Employees' defined benefits obligations | 424,478 | 250,000 |
| | 1,587,905 | 1,364,466 |

24. CONTINGENCIES

| | 31 March 2026 (Unaudited) | 31 December 2025 (Audited) |
|-----------------------|--|----------------------------------|
| Letters of credits | 8,521,372 | 11,682,662 |
| Letters of guarantees | 18,946,435 | 12,876,128 |
| | 27,467,807 | 24,558,790 |

25. SEGMENT REPORTING

A. Information about reportable segments

The Board of Directors (BOD), which has been identified as the Chief Operating Decision Maker (CODM), monitors the gross profit of its reportable segments separately to make decisions about resource allocation and performance assessment.

The Group has three (3) operating segments: Private, Public and Export. The Group's CODM evaluates the segments' revenue and gross profit on a regular basis in deciding how to allocate resources among the segments and in assessing segment performance. The CODM evaluates the performance of the Group's segments based on revenue and gross profit. The Group uses revenue and gross profit as its principal measure of segment performance as it enhances the Group's ability to compare past financial performance with current performance and analyze underlying business performance and trends.

Performance is measured by the CODM based on revenue and gross profit as reported in the management accounts. Management believes that this measure is the most relevant in evaluating the Group. As such, expenses, assets and liabilities related to segments are neither included in the internal management reports nor provided regularly to the management.

B. Information about reportable segments

The following table presents information for the Group's operating segments for the period ended 31 March 2026 and 31 March 2025, respectively.

**31 March 2026
(Unaudited)**

| | <i>Private customers</i> | <i>Public customers</i> | <i>Export customers</i> | <i>Total</i> |
|-----------------|--------------------------|-------------------------|-------------------------|--------------|
| Revenue | 91,903,038 | 33,593,459 | 4,630,160 | 130,126,657 |
| Cost of revenue | (28,620,785) | (18,654,450) | (2,234,694) | (49,509,929) |
| Gross profit | 63,282,253 | 14,939,009 | 2,395,466 | 80,616,728 |

Unallocated (expenses)/ income

| | |
|-------------------------------------|-------------------|
| Selling and distribution expenses | (30,531,351) |
| General and administrative expenses | (17,400,608) |
| Impairment loss on trade receivable | (2,018,709) |
| Other income, net | 54,064 |
| Finance costs | (1,587,905) |
| Profit before zakat | 29,132,219 |
| Zakat expense | (2,233,237) |
| Profit for the period | 26,898,982 |

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25. SEGMENT REPORTING (Continued)

31 March 2025
(Unaudited)

| | <i>Private customers</i> | <i>Public customers</i> | <i>Export customers</i> | <i>Total</i> |
|-----------------|--------------------------|-------------------------|-------------------------|--------------|
| Revenue | 66,277,269 | 26,131,289 | 4,952,549 | 97,361,107 |
| Cost of revenue | (18,941,566) | (15,796,039) | (2,356,107) | (37,093,712) |
| Gross profit | 47,335,703 | 10,335,250 | 2,596,442 | 60,267,395 |

Unallocated expenses

| | |
|-------------------------------------|--------------|
| Selling and distribution expenses | (23,377,443) |
| General and administrative expenses | (14,491,672) |
| Other expenses, net | (95,612) |
| Finance costs | (1,364,466) |
| Profit before zakat | 20,938,202 |
| Zakat expense | (1,539,921) |
| Profit for the period | 19,398,281 |

26. EARNINGS PER SHARE (EPS)

Basic and diluted earnings per share are based on the net profit for the periods ended 31 March 2026 and 31 March 2025 divided by weighted average number of shares.

| | 31 March 2026 (Unaudited) | 31 March 2025 (Unaudited) |
|---|---|---------------------------------|
| Profit for the period | 26,898,982 | 19,398,281 |
| Weighted average number of shares outstanding during the period | 20,000,000 | 20,000,000 |
| Basic and diluted earnings per share | 1.34 | 0.97 |

27. RECENT GEOPOLITICAL DEVELOPMENT IN THE MIDDLE EAST

The Group continues to monitor the regional geopolitical developments and their potential impact on the region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's interim condensed consolidated financial statements for the three-months period ended 31 March 2026; however, given the evolving nature of the tension, the potential long-term impact on the Group's business will continue to be monitored and assessed by management.

28. EVENTS AFTER THE REPORTING DATE

On 11 May 2026 (corresponding to 24 Thul-Qidah 1447H), Extraordinary General Assembly has approved the board of directors' recommendation to increase the Company's capital from SAR 200 million (20 million shares) to SAR 350 million (35 million shares).

In the opinion of management, except for the above event, there have been no significant subsequent events for period ended 31 March 2026 that would have material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.

29. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors for issuance on 5 May 2026 corresponding to 18 Thul-Qi'dah 1447H