SAUDI PHARMACEUTICAL INDUSTRIES
AND MEDICAL APPLIANCES CORPORATION
(SPIMACO – ADDWAEIH COMPANY)
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three month and six-month periods ended 30 June 2026
together with
Independent Auditor's Review Report

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

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

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

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

Introduction

We have reviewed the accompanying 30 June 2026 condensed consolidated interim financial statements of Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO – ADDWAEIH COMPANY) ("the Company") and its subsidiaries ("the Group") which comprises of:

- the condensed consolidated statement of financial position as at 30 June 2026;
- the condensed consolidated statement of profit or loss for the three-month and six-month periods ended 30 June 2026;
- the condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2026;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2026; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

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

To the Shareholders of Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO – ADDWAEIH COMPANY) (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2026 condensed consolidated interim financial statements of Saudi Pharmaceutical Industries and Medical Appliances Corporation and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Naif

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ترخيص رقم ٤٦
س.ت ١٠١٠٤٢٥٤٩٤
Lic No. 46
C.R. 1010425494
R : 2
KPMG
KPMG Professional Services

Naif Abdulrahman Edrees
License No: 457

Riyadh on: 4 August 2026
Corresponding to 21 Safar 1448H

SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION (SPIMACO – ADDWAEIH COMPANY)

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

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

	Note	**30 June 2026**	31 December 2025 (Audited)
ASSETS			
Property, plant and equipment	5	**1,516,981**	1,543,715
Assets under construction	5	**245,175**	233,577
Intangible assets		**98,876**	104,147
Right-of-use assets		**5,429**	6,506
Equity-accounted investees	6	**85,056**	81,425
Deferred tax assets		**23,085**	22,245
Total non-current assets		**1,974,602**	1,991,615
Trade receivables	7	**1,301,157**	1,176,435
Inventories	8	**533,406**	611,029
Due from related parties	20	**35,989**	25,099
Investments at fair value through profit or loss (FVTPL)		**502**	495
Prepayments and other assets	9	**146,537**	179,191
Short term investments	10	**151,452**	179,981
Cash and cash equivalents	11	**218,867**	203,906
Total current assets		**2,387,910**	2,376,136
Total assets		**4,362,512**	4,367,751
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**1,200,000**	1,200,000
Statutory reserve	1	**-**	360,685
Treasury shares	12	**(19,937)**	(19,937)
Foreign currency translation reserve		**(27,315)**	(26,461)
Share-based payments reserve		**4,004**	2,880
Retained earnings		**531,646**	79,479
Equity attributable to Shareholders of the Parent		**1,688,398**	1,596,646
Non-controlling interests		**157,210**	165,514
Total equity		**1,845,608**	1,762,160
Liabilities			
Loans and borrowings	13	**486,084**	462,178
Lease liabilities		**3,832**	4,935
Employees' end of service benefit obligations		**166,403**	187,085
Government grant		**38,910**	39,693
Contract liabilities	15	**54,887**	51,843
Total non-current liabilities		**750,116**	745,734
Loans and borrowings – current portion	13	**959,711**	965,431
Lease liabilities – current portion		**1,525**	1,745
Zakat and income tax payable	16	**12,553**	52,088
Trade payables and other liabilities		**398,769**	495,588
Dividends payable	14	**169,996**	168,976
Refund liabilities	15	**224,234**	176,029
Total current liabilities		**1,766,788**	1,859,857
Total liabilities		**2,516,904**	2,605,591
Total equity and liabilities		**4,362,512**	4,367,751

Abdulaziz Aloud — **Chief Financial Officer**

Ahmed Alyedai — **Managing Director**

Authorized Board Member

The accompanying notes from pages 9 to 22 form an integral part of these condensed consolidated interim financial statements

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
For the three-month and six-month periods ended 30 June 2026
(All amounts in thousands of ⃁, unless otherwise stated)

		For the three-month period ended 30 June		For the six-month period ended 30 June	
	Note	**2026**	2025	**2026**	2025
Revenue	22	**492,863**	400,759	**916,697**	885,602
Cost of revenue		**(252,779)**	(206,683)	**(440,498)**	(462,631)
Gross profit		**240,084**	194,076	**476,199**	422,971
Selling and marketing expenses		**(72,503)**	(66,676)	**(138,773)**	(142,002)
General and administrative expenses		**(63,884)**	(60,030)	**(119,692)**	(122,890)
Research and development expenses		**(12,713)**	(15,068)	**(23,838)**	(27,934)
Other income	17	**3,409**	3,706	**7,268**	25,498
Impairment (loss) / reversal on financial assets	7, 20	**(5,644)**	5,432	**(24,963)**	(9,713)
Operating profit		**88,749**	61,440	**176,201**	145,930
Finance costs	18	**(20,401)**	(24,674)	**(40,088)**	(49,242)
Finance income		**2,633**	3,007	**5,373**	5,721
Share of results of equity-accounted investees	6	**6,523**	8,298	**13,831**	16,150
Profit before zakat and income tax		**77,504**	48,071	**155,317**	118,559
Zakat and income tax	16	**(9,062)**	(8,949)	**(18,122)**	(9,409)
Deferred tax credit / (expense)		**1,419**	(3,073)	**814**	1,960
Profit for the period		**69,861**	36,049	**138,009**	111,110
Profit attributable to:					
Shareholders of the Parent		**68,410**	32,626	**133,482**	103,451
Non-controlling interests		**1,451**	3,423	**4,527**	7,659
		69,861	36,049	**138,009**	111,110
Earnings per share					
Basic and diluted (⃁)	19	**0.57**	0.28	**1.12**	0.87

Abdulaziz Aloud	Ahmed Alyedai	
Chief Financial Officer	**Managing Director**	**Authorized Board Member**

The accompanying notes from pages 9 to 22 form an integral part of these condensed consolidated interim financial statements

SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION
(SPIMACO – ADDWAEIH COMPANY)
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the three-month and six-month periods ended 30 June 2026
(All amounts in thousands of ⃁, unless otherwise stated)

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026	2025	**2026**	2025
Profit for the period	**69,861**	36,049	**138,009**	111,110
Other comprehensive income / (loss)				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	**732**	10,371	**(854)**	19,339
Other comprehensive income / (loss) for the period	**732**	10,371	**(854)**	19,339
Total comprehensive income for the period	**70,593**	46,420	**137,155**	130,449
Total comprehensive income attributable to:				
Shareholders of the Parent	**69,142**	42,997	**132,628**	122,790
Non-controlling interests	**1,451**	3,423	**4,527**	7,659
	70,593	46,420	**137,155**	130,449

Abdulaziz Aloud — **Chief Financial Officer**

Ahmed Alyedai — **Managing Director**

Authorized Board Member

The accompanying notes from pages 9 to 22 form an integral part of these condensed consolidated interim financial statements

SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION (SPIMACO – ADDWAEIH COMPANY)
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six-month period ended 30 June 2026
(All amounts in thousands of ⃁, unless otherwise stated)

	Share capital	Statutory reserve	Treasury Shares	Foreign currency translation reserve	Share-based payment reserve	Retained earnings / (accumulated losses)	Equity attributable to Shareholders of the Parent	Non-controlling interests	Total equity
Balance as at 1 January 2026	**1,200,000**	**360,685**	**(19,937)**	**(26,461)**	**2,880**	**79,479**	**1,596,646**	**165,514**	**1,762,160**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**133,482**	**133,482**	**4,527**	**138,009**
Other comprehensive loss for the period	**-**	**-**	**-**	**(854)**	**-**	**-**	**(854)**	**-**	**(854)**
Total comprehensive income	**-**	**-**	**-**	**(854)**	**-**	**133,482**	**132,628**	**4,527**	**137,155**
Dividend (note 14)	**-**	**-**	**-**	**-**	**-**	**(42,000)**	**(42,000)**	**-**	**(42,000)**
Dividend paid to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(12,831)**	**(12,831)**
Transfer from statutory reserve (note 1)	**-**	**(360,685)**	**-**	**-**	**-**	**360,685**	**-**	**-**	**-**
Share-based payment expense	**-**	**-**	**-**	**-**	**1,124**	**-**	**1,124**	**-**	**1,124**
Balance as at 30 June 2026	**1,200,000**	**-**	**(19,937)**	**(27,315)**	**4,004**	**531,646**	**1,688,398**	**157,210**	**1,845,608**
Balance as at 1 January 2025	1,200,000	360,685	(19,937)	(43,348)	1,175	(120,273)	1,378,302	153,017	1,531,319
Profit for the period	-	-	-	-	-	103,451	103,451	7,659	111,110
Other comprehensive income for the period	-	-	-	19,339	-	-	19,339	-	19,339
Total comprehensive income	-	-	-	19,339	-	103,451	122,790	7,659	130,449
Share-based payment expense	-	-	-	-	2,653	-	2,653		2,653
Balance as at 30 June 2025	1,200,000	360,685	(19,937)	(24,009)	3,828	(16,822)	1,503,745	160,676	1,664,421

Abdulaziz Aloud — **Chief Financial Officer**

Ahmed Alyedai — **Managing Director**

Authorized Board Member

The accompanying notes from pages 9 to 22 form an integral part of these condensed consolidated interim financial statements.

SAUDI PHARMACEUTICAL INDUSTRIES AND MEDICAL APPLIANCES CORPORATION (SPIMACO – ADDWAEIH COMPANY)
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2026
(All amounts in thousands of ⃁, unless otherwise stated)

	30 June 2026	30 June 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**138,009**	111,110
Adjustments for:		
Depreciation of property, plant and equipment	**38,014**	43,572
Depreciation of right-of-use assets	**1,077**	1,286
Amortization of intangible assets	**7,232**	6,459
Asset under construction written off	**1,017**	-
Share of results of equity accounted investees	**(13,831)**	(16,150)
Loss / (gain) on disposal of property, plant and equipment	**343**	(18,505)
Gain on termination or right of use assets and lease liability	**-**	(114)
Provision for sales/services discounts and returns	**48,205**	33,406
Shared based payment expense	**1,124**	2,653
Provision for net realizable value loss relating to inventories	**10,141**	11,029
Impairment loss on financial assets	**24,963**	9,713
Provision for employees' end of services benefits	**15,509**	13,967
Amortization of government grant	**(596)**	(951)
Terminated employees' legal claims reversal	**(898)**	(61)
Finance costs	**40,088**	49,242
Finance income	**(5,373)**	(5,721)
Zakat and income tax	**18,122**	9,409
Deferred tax	**(814)**	(1,960)
	322,332	248,384
Changes in:		
Inventories	**67,550**	42,659
Trade receivables and due from related parties	**(149,889)**	(80,123)
Prepayments and other assets	**17,369**	3,259
Contract liabilities	**3,044**	11,932
Trade payables and other liabilities	**(95,921)**	(29,809)
Cash generated from operating activities	**164,485**	196,302
Finance costs paid	**(51,096)**	(36,819)
Finance income received	**7,606**	4,791
Finance cost paid relating to lease liabilities	**(116)**	(166)
Zakat and income tax paid	**(44,573)**	(18,965)
Employees' end of service benefit obligations paid	**(36,191)**	(35,007)
Net cash generated from operating activities	**40,115**	110,136

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2026
(All amounts in thousands of ⃁, unless otherwise stated)

	30 June 2026	30 June 2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(6,665)**	(21,826)
Additions to intangible assets	**(582)**	(1,730)
Additions to short term investment	**(119,971)**	(15,000)
Disposal of short term investment	**148,500**	-
Proceeds from sale of property, plant and equipment	**25**	26,677
Additions to asset under construction	**(24,914)**	(10,757)
Net cash used in investing activities	**(3,607)**	(22,636)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans and borrowings	**504,390**	611,153
Repayment of loans and borrowings	**(475,080)**	(551,090)
Lease liabilities paid	**(1,323)**	(2,284)
Dividend paid to shareholders	**(40,980)**	(218)
Dividend paid to non-controlling interest	**(12,831)**	-
Net cash (used in) / generated from financing activities	**(25,824)**	57,561
Net changes in cash and cash equivalents during the period	**10,684**	145,061
Foreign currency translation adjustments	**4,277**	(1,479)
Cash and cash equivalents at the beginning of the period	**203,906**	122,143
Cash and cash equivalents at the end of the period	**218,867**	265,725

Abdulaziz Aloud — **Chief Financial Officer**

Ahmed Alyedai — **Managing Director**

Authorized Board Member

The accompanying notes from pages 9 to 22 form an integral part of these condensed consolidated interim financial statements.

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

1. THE COMPANY, ITS SUBSIDIARIES AND BUSINESS DESCRIPTION

Saudi Pharmaceutical Industries and Medical Appliances Corporation (the "Company" or the "Parent Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration number 1131006650 dated Rajab 6, 1406H (corresponding to March 16, 1986) with unified number 7000652177 and formed according to the Ministerial Resolution No. 884 dated Jumada Al-Awwal 10, 1406H (corresponding to January 21, 1986). These condensed consolidated interim financial statements ('interim financial statements') as at and for the six-month period ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as 'the Group').

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

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

The Company's share capital as at 30 June 2026 amounted to ⃁ 1,200 million (31 December 2025: ⃁ 1,200 million), consisting of 120 million fully paid and issued shares (31 December 2025: 120 million) of ⃁ 10 each.

The statutory reserve included in the consolidated financial statements as of 30 June 2026 and 31 December 2025 was required under the Group's previous by-laws. The shareholders of the Group in their Extraordinary General Assembly Meeting held on 9 June 2026, has approved the transfer of ⃁ 360.7 million from statutory reserve to retained earnings.

The Group continues to monitor regional geopolitical developments and their potential impact on Saudi Arabia and the wider GCC region, as the majority of its operations are conducted within the GCC. While the situation remains dynamic, the Group maintains a robust operational framework to manage related risks. These developments have not had a material impact on the Group's financial statements for the period ended 30 June 2026. However, given the evolving nature of the situation, the Group will continue to assess any potential long-term impact on its business at future reporting dates.

1.1 Subsidiaries

Name of subsidiary	Principal activities	Country of incorporation	Effective ownership 30 June 2026	Effective ownership 31 December 2025
ARAC Healthcare Company	Pharmaceutical products distributor	Saudi Arabia	**100%**	100%
Pharmaceutical Industries Company for Distribution (a)	Pharmaceutical products distributor	Saudi Arabia	**100%**	100%
ARACOM Medical Company	Pharmaceutical products distributor	Saudi Arabia	**100%**	100%
ANORA Trading Company (b)	Pharmacy – retail	Saudi Arabia	**99%**	99%
Dammam Pharmaceutical Company	Pharmaceutical manufacturer	Saudi Arabia	**100%**	100%
Qassim Medical Service Company	Healthcare services provider	Saudi Arabia	**57.27%**	57.27%
SPIMACO Saudi Foundation – Algeria	Pharmaceutical products distributor	Algeria	**100%**	100%
SPIMACO Misr Company for Marketing (a)	Pharmaceutical products marketing	Egypt	**100%**	100%

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

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

1.1 Subsidiaries (Continued)

Name of subsidiary	Principal activities	Country of incorporation	Effective ownership 30 June 2026	Effective ownership 31 December 2025
SPIMACO Misr Company for Distribution (a)	Pharmaceutical products distributor	Egypt	**100%**	100%
SPIMACO Egypt Company	Pharmaceutical products distributor	Egypt	**100%**	100%
SPIMACO Misr for Pharmaceutical Industries	Pharmaceutical manufacturer	Egypt	**90.59%**	90.59%
SPIMACO Morocco for Pharmaceutical Industries	Pharmaceutical manufacturer	Morocco	**78.68%**	78.68%
SPIMACO Bio Company (c)	Pharmaceutical manufacturer	Saudi Arabia	**100%**	-

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

b) ANORA Trading Company is a limited liability company, with a paid-up capital of ⃁ 0.3 million, and it is 99% owned by ARAC Healthcare Company (a wholly owned subsidiary of SPIMACO Group). The financial impact from the liquidation of ANORA Trading Company is immaterial as it has insignificant commercial activity and does not have financial commitments. The final financial statements for liquidation purposes are completed and issued in the year 2026 and the Group has completed the liquidation during 2026 (refer note 24).

c) The Group incorporated a new subsidiary, SPIMACO Bio, on 1 January 2026 as part of its strategic plans to expand into high value-added pharmaceutical sectors, including biological, gene, and cell therapies. The new subsidiary will commence its operations after completing all required regulatory requirements and obtaining the necessary approvals from the authorities.

1.2 Associates and joint venture

Name	Principal activities	Country of incorporation	Effective shareholding 30 June 2026	Effective shareholding 31 December 2025
Arabian Medical Products Manufacturing Company (ENAYAH) – Joint venture	Manufacturing healthcare products	Saudi Arabia	**51%**	51%
CAD Middle East Pharmaceutical Company (CAD) – Associate	Active Pharmaceutical Ingredients manufacturing	Saudi Arabia	**46.08%**	46.08%
Tassili Arab Pharmaceutical Company (TAPHCO) – Associate	Pharmaceutical manufacturer	Algeria	**22%**	22%

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS 34) 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ('SOCPA') and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025 ("last annual financial statements").

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS), however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 31 December 2025. These interim results may not be an indicator of the expected annual results of the Group for the year ending 31 December 2026.

b) Basis of measurement

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

c) Functional and presentation currency

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

d) Use of judgments and estimates

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

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

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies and calculation methods applied in preparing the condensed consolidated interim financial statements are consistent with those followed in preparing the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025 ("last annual financial statements"), except for the application of the new standards that became effective on 1 January 2026. The Group did not early adopt any other standard, interpretation or amendment issued but not yet effective.

4. NEW ACCOUNTING STANDARDS OR AMENDMENTS FOR 2026 AND FORTHCOMING REQUIREMENTS

There are new standards and number of amendments to standards which are effective from 1 January 2026 and after and have been explained in Group's annual consolidated financial Statements, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

IFRS 18 "Presentation and Disclosure in Financial Statements" will replace IAS 1 "Presentation of Financial Statements" and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim financial statements; however, earlier application is permitted.

5. NEW ACCOUNTING STANDARDS OR AMENDMENTS FOR 2026 AND FORTHCOMING REQUIREMENTS (Continued)

During 2026, the Group commenced preparatory work for the application of IFRS 18, which includes studying its requirements, reviewing current accounting policies and disclosures, and comparing the standard's requirements with the Group's current practices to identify areas of difference and application requirements. The current assessment work includes, by way of example and not limitation, the following:

a) Structure of the Statement of Profit or Loss
IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat income tax and discontinued operations. This classification of income and expenses depends on the main business activities of an entity. The Group does not expect to have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets are expected to change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes', However, IFRS 18 introduces mandatory subtotals, including operating profit, profit or loss before financing and income taxes. Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss to result from the following:

- Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented in the 'net finance costs' subtotal. Under IFRS 18, interest income earned on cash and cash equivalents are expected to classify within the investing category, while interest expense on borrowings and lease liabilities are expected to classify within classified within the financing category.
- The Group's share of profit or loss of associates and joint ventures accounted for using the equity method are expected to classify within the investing category.
- Interest cost on employee benefit obligations, which is currently presented within employee costs in the operating category, are expected to classify within the financing category.

Net foreign exchange gain / losses are currently included in other income. Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that it has foreign exchange differences to be classified in the operating and financing categories. For example, foreign exchange differences on trade payables and trade receivables will be classified in the operating category.

b) Management-defined performance measures
Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) is used by management and communicated to investors in our annual report and investor relations materials as an indicator of the Group's underlying operating cash-generation capacity. Under IFRS 18, a reconciliation of EBITDA to operating profit will be required in the notes to the consolidated financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the consolidated financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

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

4. NEW ACCOUNTING STANDARDS OR AMENDMENTS FOR 2026 AND FORTHCOMING REQUIREMENTS (Continued)

c) Principles of aggregation and disaggregation
The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it is expected that the goup will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as ‘other’ and will use more informative labels.

d) Consequential amendments
IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation may 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 flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

Accordingly, this disclosure represents the Group's initial assessment as of the date these condensed interim consolidated financial statements were approved. This assessment will continue to be updated during subsequent financial periods in line with the progress of preparatory work for the application of the standard, and this disclosure will be updated as appropriate upon completion of the assessment work and in a manner consistent with the requirements of International Financial Reporting Standards.

5. PROPERTY, PLANT AND EQUIPMENT AND ASSETS UNDER CONSTRUCTION

	Property, Plant and Equipment (PPE)		**Assets under Construction (AUC)**	
Cost:	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
Opening balance	**2,669,865**	2,641,154	**233,577**	172,318
Additions	**6,665**	45,585	**24,914**	43,556
Disposals	**(6,021)**	(30,089)	**-**	-
Written off	**-**	-	**(1,017)**	(2,675)
Transfer in / (out)	**5,921**	7,935	**(7,301)**	(1,739)
Reclassification	**-**	-	**-**	5,722
Foreign currency translation	**(1,584)**	5,280	**(4,998)**	16,395
Closing balance	**2,674,846**	2,669,865	**245,175**	233,577
Accumulated depreciation:				
Opening balance	**1,126,150**	1,067,525	**-**	-
Charge for the period / year	**38,014**	75,930	**-**	-
Disposals during the period / year	**(5,653)**	(19,240)	**-**	-
Foreign currency translation	**(646)**	1,935	**-**	-
Closing balance	**1,157,865**	1,126,150	**-**	-
Net book value	**1,516,981**	1,543,715	**245,175**	233,577

During the six-month period ended 30 June 2025, the Group acquired property, plant and equipment amounting to ⃁ 21.8 million. Assets with a carrying value of ⃁ 8.2 million were disposed off during the period, resulting in a gain on disposal of ⃁ 18.5 million (refer note 17), which has been recognised within other income in the condensed consolidated interim financial statements. Depreciation expense for the six-month period ended amounted to ⃁ 43.6 million.

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

6. EQUITY-ACCOUNTED INVESTEES

	30 June 2026	31 December 2025
Opening balance	**81,425**	67,734
Share of result for the period / year	**13,831**	24,352
Share of OCI for the year	**-**	(461)
Dividends	**(10,200)**	(10,200)
Closing balance	**85,056**	81,425

	30 June 2026	31 December 2025
Arabian Medical Products Manufacturing Company (ENAYAH) – Joint Venture*	**85,056**	81,425
Tassili Arab Pharmaceutical Company (TAPHCO) - Associate Company	**-**	-
CAD Middle East Pharmaceutical Company- Associate Company	**-**	-
	85,056	81,425

*During the period, the Parent Company entered into a binding agreement to acquire an additional 12% equity interest in Enayah. As of 30 June 2026, the acquisition had not been finalized, and the transaction remained subject to the completion of the agreed closing conditions. Upon completion, the ownership will increase to 63%. The shareholders of the Enayah in their Extra Ordinary General Assembly Meeting held during the period ended 30 June 2026, approved the Board of Directors' recommendation to distribute cash dividends of ⃁ 20 million the group share amounted to ⃁ 10.2 million.

7. TRADE RECEIVABLES

	30 June 2026	31 December 2025
Trade receivables – third parties	**1,434,823**	1,287,422
Trade receivables – related parties (note 20)	**37,879**	37,879
	1,472,702	1,325,301
Less: impairment provision – third parties	**(133,666)**	(110,987)
Less: impairment provision – related parties (note 20)	**(37,879)**	(37,879)
	1,301,157	1,176,435

The movement in impairment provision is as follows:

	30 June 2026	31 December 2025
As at 1 January	**110,987**	93,918
Charge for the period / year	**23,166**	17,640
Written off	**-**	(1,442)
Effect of foreign currency translation	**(487)**	871
Closing balance	**133,666**	110,987

8. INVENTORIES

	30 June 2026	31 December 2025
Finished goods	**313,877**	397,899
Raw material	**228,272**	213,500
Work-in-progress	**6,854**	16,945
Stores and spares	**28,823**	30,628
Goods-in-transit	**2,744**	46
	580,570	659,018
Less: Provision for net realizable value (NRV) loss	**(47,164)**	(47,989)
	533,406	611,029

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

8. INVENTORIES (Continued)

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

	30 June 2026	31 December 2025
Opening balance	**47,989**	59,027
Charge for the period / year*	**10,141**	8,912
Written-off	**(10,897)**	(20,324)
Effect of foreign currency translation	**(69)**	374
	47,164	47,989

*During the period ended 30 June 2026, the provision for net realizable value mainly includes expired and nearly expired goods.

9. PREPAYMENTS AND OTHER ASSETS

	30 June 2026	31 December 2025
Advance to suppliers	**52,767**	85,424
VAT refundable	**39,976**	51,401
Prepaid insurance and other expenses	**27,507**	21,403
Unbilled revenue	**9,773**	5,950
Accrued finance income	**3,896**	6,144
Due from employees	**926**	467
Others	**11,692**	8,402
	146,537	179,191

10. SHORT TERM INVESTMENT

As of 30 June 2026, short term investment represents Shariah-compliant deposits placed at one of the local banks, with profit margins ranging from 5.2% to 6% (31 December 2025: 5.36% to 5.7%), with a maturity of more than 3 months and less than a year.

The movement of short-term investment is as follows:

	30 June 2026	31 December 2025
As at 1 January	**179,981**	155,000
Additions during the period / year	**119,971**	149,981
Disposal during the period / year	**(148,500)**	(125,000)
Closing balance	**151,452**	179,981

11. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Cash at bank	**188,138**	157,528
Cash on hand	**729**	378
Short term deposits	**30,000**	46,000
	218,867	203,906

12. TREASURY SHARES

During 2023, the Extraordinary General Assembly in its meeting held on Rabi Al'Akhir 30, 1445H (corresponding to 15 November 2023) approved the purchase of the Company's shares, with a maximum of 815,000 shares. During 2024, the Company completed the purchase of 645,000 shares amounting to ⃁19.94 million to be allocated to the Employees' Long-term Incentives Program (LTIP) and be granted to high-performing employees. The program intends to attract, motivate, and retain employees responsible for the achievement of the Group's goals and strategies. The program provides a share-based payment plan for all eligible employees participating in the program by granting them shares in the Company upon completing the duration of service. The Group accounts for the share-based payment plan program as an equity-settled share-based payment.

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

12. TREASURY SHARES (Continued)

During the period ended 30 June 2026, the shareholders of the Group in their Extra Ordinary General Assembly Meeting held on 9 June 2026, approved the purchase of the Company's shares, with a maximum of 889,604 shares. There is no impact of treasury shares on these condensed consolidated interim financial statements for the six-month period ended 30 June 2026.

13. LOANS AND BORROWINGS

	30 June 2026	31 December 2025
Current		
Islamic financing	**606,579**	340,200
Short-term loans	**353,132**	625,231
	959,711	965,431
Non-Current		
Islamic financing	**486,084**	462,178
	486,084	462,178

During the period ended 30 June 2026, the Group obtained additional loans amounting to ⃁ 504 million (30 June 2025: ⃁ 611 million) and repaid loans amounting to ⃁ 475 million (30 June 2025: ⃁ 551 million).

14. DIVIDEND PAYABLE

This represents dividends announced in current year and prior year(s) and remain unclaimed as of 30 June 2026. The shareholders of the Group in their Extra Ordinary General Assembly Meeting held on 9 June 2026, approved the Board of Directors' recommendation to distribute cash dividends of ⃁ 0.35 per share amounting to ⃁ 42 million.

15. REFUND LIABILITIES AND CONTRACT LIABILITIES

15.1 Refund Liabilities

	30 June 2026	31 December 2025
Sales/services discounts provision:		
Opening balance	**151,403**	144,558
Discounts provision against sales / services	**98,553**	204,245
Actual discounts adjustment during the period/year	**(47,330)**	(197,400)
Closing balance	**202,626**	151,403
Sales returns:		
Opening balance	**24,626**	25,272
Charge for the period / year	**8,053**	16,656
Adjusted during the period / year	**(11,029)**	(17,381)
Foreign currency translation	**(42)**	79
Closing balance	**21,608**	24,626
Total refund liabilities – current	**224,234**	176,029

15.2 Contract Liabilities

	30 June 2026	31 December 2025
Contract liabilities - non current	**54,887**	51,843

This relates to advances received from AstraZeneca UK Limited per the investment agreement dated June 2018, to reserve manufacturing capacity at the oncology facility in Qassim. During the period, the Group has received ⃁ 9.5 million and recognized ⃁ 6.5 million (31 December 2025: ⃁ 5.2 million) as revenue.

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

16. ZAKAT AND TAX PAYABLE

16.1 The movement in the zakat and income tax payable:

	30 June 2026	31 December 2025
Opening balance	**52,088**	62,435
Charge for the period / year	**18,122**	9,730
Paid during the period / year	**(44,573)**	(20,134)
Other adjustment	**(13,047)**	-
Effect of foreign currency translation	**(37)**	57
	12,553	52,088

16.2 Status of zakat and income tax assessments

The Company submitted the zakat returns to the Zakat, Tax and Customs Authority (ZATCA) and obtained the zakat certificate till 2025.

During 2023, ZATCA issued the preliminary assessment for 2020, which resulted in additional liabilities. During 2026, the Group agreed to settle the assessed amount of ⃁ 16.2 million and finalized the assessment for the year 2020.

The Ministry of Finance issued Ministerial Resolution No. (1007) dated 19/8/1445H (corresponding to 29 February 2024). Accordingly, the Implementing Regulations of Zakat were updated in line with the provisions of this resolution (the "New Zakat By-Laws").

The Tax and Zakat declarations for the years 2021, 2022 and 2023 were under review by ZATCA as of 31 December 2025. The approach to computing the Zakat liability has undergone changes with the implementation of the New Zakat By-Laws compared to the previous calculation basis for years prior to 2021, 2022 and 2023. During 2026, ZATCA has issued final assessment based on the New Zakat By-Laws and the management has agreed to settle the revised liability of ⃁ 4.1 million for 2021 and ⃁ 8.5 million for 2023. The assessment for 2022 is currently under review by ZATCA as of 30 June 2026.

Further, the Company did not receive Zakat assessment for the year 2024 and 2025 from ZATCA.

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

17. OTHER INCOME

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026	2025	**2026**	2025
(Loss) / gain on disposal of property, plant and equipment	**(67)**	427	**(343)**	18,505
Terminated employees' legal claims reversal / (charge) (refer to note 23)	**1,151**	(1,900)	**898**	61
Amortization of government grant	**298**	476	**596**	951
Foreign exchange income / (loss)	**1,261**	2,463	**(1,249)**	2,860
Others	**766**	2,240	**7,366**	3,121
	3,409	3,706	**7,268**	25,498

18. FINANCE COSTS

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026	2025	**2026**	2025
Murabaha Loan	**20,346**	24,597	**39,972**	49,076
Lease liabilities	**55**	77	**116**	166
	20,401	24,674	**40,088**	49,242

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

19. EARNINGS PER SHARE

	30 June 2026	30 June 2025
Profit for the period attributable to the Shareholders of the Parent	**133,482**	103,451
Weighted average number of ordinary shares	**119,355,000**	119,358,283
Earning per share attributable to Shareholders of the Parent (⃁)	**1.12**	0.87

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

	2026	2025
Issued ordinary shares at 1 January	**120,000,000**	120,000,000
Effect of treasury shares held	**(645,000)**	(641,717)
	119,355,000	119,358,283

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

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

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

20.1 Significant transactions

Name of related parties	**Relationship**	**Nature of transactions**	**30 June 2026**	30 June 2025
CAD Middle East Pharmaceutical Co.	Associate	Purchase of raw material	**8,301**	2,968
Arabian Medical Products Manufacturing Co. (ENAYAH)	Joint Venture	Dividend	**10,200**	10,200

20.2 Due from related parties

Name of related parties	**Nature of balance**	**30 June 2026**	31 December 2025
Non-current			
CAD Middle East Pharmaceutical Co.	Non-commercial	**42,444**	42,444
Tassili Arab Pharmaceutical Co. (TAPHCO)	Non-commercial	**32,583**	32,583
Current			
Arabian Medical Products Manufacturing Co. (ENAYAH)	Non-commercial	**26,856**	16,656
CAD Middle East Pharmaceutical Co.	Non-commercial	**13,292**	10,805
Tassili Arab Pharmaceutical Co. (TAPHCO)	Commercial	**37,879**	37,879
		153,054	140,367
Less: impairment allowance		**(117,065)**	(115,268)
		35,989	25,099

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

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

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

	30 June 2026	31 December 2025
Opening balance	**115,268**	111,608
Charge for the period/year	**1,797**	3,660
Closing balance	**117,065**	115,268

As at 30 June 2026 ⃁ 38.3 million (31 December 2025: ⃁ 39.45 million) included in trade and other payables is balance due to TAPHCO (a related party).

The non-commercial balance outstanding is as follows:

	30 June 2026	31 December 2025
Gross receivable	**115,175**	102,488
Less: impairment provision	**(79,186)**	(77,389)
	35,989	25,099

The commercial balance outstanding is as follows:

	30 June 2026	31 December 2025
Gross receivable	**37,879**	37,879
Less: impairment provision	**(37,879)**	(37,879)
	-	-

20.3 Remuneration of key management personnel

	30 June 2026	30 June 2025
Short term benefits	**5,845**	5,999
Share based payment expense	**1,124**	2,653
Long term benefits	**368**	-
	7,337	8,652

21. FINANCIAL INSTRUMENTS

The classification methodology used in line with the annual consolidated financial statements for the year ended 31 December 2025. No transfers were recorded between Level 1, Level 2 or Level 3 for the six month period ended 30 June 2026.

22. SEGMENT INFORMATION

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

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

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

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

22. SEGMENT INFORMATION (Continued)

The following table represents the segregation of revenue by type:

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026	2025	**2026**	2025
Revenue from sale of products	**416,581**	350,205	**766,115**	785,850
Revenue from services	**76,282**	50,554	**150,582**	99,752
	492,863	400,759	**916,697**	885,602

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

For the six-month period ended 30 June 2026

Primary geographical markets	**Pharmaceutical Manufacturing**	**Trading & Distribution Services**	**Healthcare Services**	**Total**
Kingdom of Saudi Arabia	**682,435**	**42,301**	**93,215**	**817,951**
Middle East	**70,342**	**-**	**-**	**70,342**
Egypt	**11,003**	**-**	**-**	**11,003**
Morocco	**15,868**	**-**	**-**	**15,868**
Algeria	**-**	**1,533**	**-**	**1,533**
	779,648	**43,834**	**93,215**	**916,697**
Timing of revenue recognition				
At a point in time	**734,542**	**43,834**	**13,401**	**791,777**
Over time	**45,106**	**-**	**79,814**	**124,920**
	779,648	**43,834**	**93,215**	**916,697**

For the six-month period ended 30 June 2025

Primary geographical markets	Pharmaceutical Manufacturing	Trading & Distribution Services	Healthcare Services	Total
Kingdom of Saudi Arabia	691,857	51,005	89,356	832,218
Middle East	29,039	-	-	29,039
Egypt	8,092	-	-	8,092
Morocco	14,749	-	-	14,749
Algeria	-	1,504	-	1,504
	743,737	52,509	89,356	885,602
Timing of revenue recognition				
At a point in time	743,737	52,509	11,084	807,330
Over time	-	-	78,272	78,272
	743,737	52,509	89,356	885,602

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

22. SEGMENT INFORMATION (Continued)

Selected financial information categorized by these business segments as follows:

30 June 2026	**Pharmaceutical Manufacturing**	**Trading & Distribution Services**	**Healthcare Services**	**Total**
Revenues	**779,648**	**43,834**	**93,215**	**916,697**
Depreciation and amortization	**(41,396)**	**(764)**	**(4,163)**	**(46,323)**
Finance (cost) / income	**(32,884)**	**(6,749)**	**4,918**	**(34,715)**
Impairment loss on financial assets	**(14,552)**	**(7,159)**	**(3,252)**	**(24,963)**
Zakat / income tax expense	**(12,340)**	**(1,386)**	**(3,582)**	**(17,308)**
Share of results of equity-accounted investees	**13,831**	**-**	**-**	**13,831**
Profit / (loss) for the period	**155,735**	**(30,676)**	**12,950**	**138,009**
Profit / (loss) attributable to Shareholders of the Parent	**157,598**	**(30,676)**	**6,560**	**133,482**
Total Assets	**3,552,269**	**413,777**	**396,466**	**4,362,512**
Total Liabilities	**2,002,115**	**426,848**	**87,941**	**2,516,904**

30 June 2025	Pharmaceutical Manufacturing	Trading & Distribution Services	Healthcare Services	Total
Revenue	743,737	52,509	89,356	885,602
Depreciation and amortization	(45,591)	(1,441)	(4,285)	(51,317)
Finance (cost) / income	(41,208)	(7,352)	5,039	(43,521)
Impairment loss on financial assets	(4,184)	(5,453)	(76)	(9,713)
Zakat / income tax expense	(3,347)	(1,519)	(2,583)	(7,449)
Share of results of equity-accounted investees	16,150	-	-	16,150
Profit / (loss) for the period	121,598	(28,420)	17,932	111,110
Profit / (loss) attributable to Shareholders of the Parent	121,575	(28,420)	10,296	103,451
Total Assets	3,837,128	276,308	391,953	4,505,389
Total Liabilities	2,306,334	455,642	78,992	2,840,968

23. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent liabilities

As at 30 June 2026, the Group has letters of guarantee amounting to ⃁ 59.6 million (31 December 2025: ⃁ 62.32 million).

In addition, the Group has contingent liability against letter of credit amounting to ⃁ 10.3 million issued in the normal course of business (31 December 2025: ⃁ 3.72 million).

23. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (Continued)

Legal contingencies

Terminated Employees' Legal Cases

There have been labour law claims filed by terminated employees against the Company. The Group is working with external legal counsels to assess the validity and potential liabilities associated with these claims. Due to the inherent uncertainty of litigation, the financial impact on the Group cannot be reliably estimated at this stage. It is important to note that the ultimate resolution of these legal cases, including potential settlements, judgments, or dismissals, may have a material impact on the Group's financial position, results of operations, and cash flows in future reporting periods. The Group will provide updates as significant developments occur or when more information becomes available. While the Group is still vigorously defending these claims amounting to ⃁ 2.3 million, it has a related provision of ⃁ 0.2 million as of 30 June 2026 (31 December 2025: ⃁ 3.3 million).

Other Legal Contingencies

During normal business operations, some cases arise against the Group and are currently being defended, but the ultimate outcome of these cases cannot be determined with certainty. The management has recorded a provision of ⃁ 1.5 million against these cases.

Capital commitments

As at 30 June 2026, the Group has capital commitments for purchase of property, plant and equipment and intangible assets amounting to ⃁ 179.95 million (31 December 2025: ⃁ 122.3 million).

24. SUBSEQUENT EVENTS

Subsequent to the reporting period, the Group completed the liquidation of the ANORA Trading Company - a limited liability Company, and its commercial registration was cancelled on 29 July 2026, confirming the completion of the liquidation process. The liquidation had no financial impact on the accompanying condensed consolidated interim financial statements.

Except for the event described above, no subsequent events have occurred that require disclosure or adjustment to the accompanying condensed consolidated interim financial statements.

25. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements have been approved and authorized for issue on 15 Safar 1448H (corresponding to 29 July 2026) by the Audit Committee under authorization from the Board of Directors.