

**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 period ended 31 March 2026
together with
Independent Auditor's Review Report**

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 period ended 31 March 2026

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شركة كي بي إي 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 31 March 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:

- the condensed consolidated statement of financial position as at 31 March 2026;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2026;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 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 31 March 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 Abdulrahman Edrees
License No: 457



Riyadh on: 6 May 2026
Corresponding to 19 DHUAL-QA'DAH 1447H

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

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

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

	Note	31 March 2026	31 December 2025 (Audited)
ASSETS			
Property, plant and equipment	5	1,525,460	1,543,715
Assets under construction	5	236,109	233,577
Intangible assets		101,402	104,147
Right-of-use assets		5,966	6,506
Equity-accounted investees	6	88,733	81,425
Deferred tax assets		21,737	22,245
Total non-current assets		1,979,407	1,991,615
Trade receivables	7	1,192,494	1,176,435
Inventories	8	587,569	611,029
Due from related parties	19	30,913	25,099
Investments at fair value through profit or loss (FVTPL)		498	495
Prepayments and other assets	9	138,426	179,191
Short term investments	10	191,452	179,981
Cash and cash equivalents	11	149,654	203,906
Total current assets		2,291,006	2,376,136
Total assets		4,270,413	4,367,751
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1,200,000	1,200,000
Statutory reserve	1	360,685	360,685
Treasury shares	12	(19,937)	(19,937)
Foreign currency translation reserve		(28,047)	(26,461)
Share-based payments reserve		3,442	2,880
Retained earnings		144,551	79,479
Equity attributable to Shareholders of the Parent		1,660,694	1,596,646
Non-controlling interests		168,590	165,514
Total equity		1,829,284	1,762,160
Liabilities			
Loans and borrowings	13	344,141	462,178
Lease liabilities		3,789	4,935
Employees' end of service benefit obligations		184,309	187,085
Government grant		39,201	39,693
Contract liabilities	14	49,541	51,843
Total non-current liabilities		620,981	745,734
Loans and borrowings – current portion	13	923,881	965,431
Lease liabilities – current portion		1,513	1,745
Zakat and income tax payable	15	31,860	52,088
Trade payables and other liabilities		492,930	495,588
Dividends payable		168,964	168,976
Refund liabilities	14	201,000	176,029
Total current liabilities		1,820,148	1,859,857
Total liabilities		2,441,129	2,605,591
Total equity and liabilities		4,270,413	4,367,751

Abdulaziz Aloud

Chief Financial Officer

Ahmed Aljedai

Managing Director



Authorized Board Member

The accompanying notes from pages 9 to 20 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 period ended 31 March 2026

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

	Note	31 March 2026	31 March 2025
Revenue	21	423,834	484,843
Cost of revenue		<u>(187,719)</u>	<u>(255,948)</u>
Gross profit		236,115	228,895
Selling and marketing expenses		(66,270)	(75,326)
General and administrative expenses		(55,808)	(62,860)
Research and development expenses		(11,125)	(12,866)
Other income	16	3,859	21,792
Impairment loss on financial assets	7, 19	<u>(19,319)</u>	<u>(15,145)</u>
Operating profit		87,452	84,490
Finance costs	17	(19,687)	(24,568)
Finance income		2,740	2,714
Share of results of equity-accounted investees	6	7,308	7,852
Profit before zakat and income tax		77,813	70,488
Zakat and income tax	15	(9,060)	(460)
Deferred tax (expense) / credit		(605)	5,033
Profit for the period		68,148	75,061
Profit attributable to:			
Shareholders of the Parent		65,072	70,825
Non-controlling interests		3,076	4,236
		68,148	75,061
Earning per share			
Basic and diluted (ﷲ)	18	0.55	0.59

Abdulaziz Aloud

Chief Financial Officer

Alimed Aljedai

Managing Director



Authorized Board Member

The accompanying notes from pages 9 to 20 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 period ended 31 March 2026
(All amounts in thousands of ~~SR~~, unless otherwise stated)

	31 March 2026	31 March 2025
Profit for the period	68,148	75,061
<u>Other comprehensive (loss) / income</u>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences	(1,586)	8,968
Other comprehensive (loss) / income for the period	(1,586)	8,968
Total comprehensive income for the period	66,562	84,029
Total comprehensive income attributable to:		
Shareholders of the Parent	63,486	79,793
Non-controlling interests	3,076	4,236
	66,562	84,029

Abdulaziz Aloud

Chief Financial Officer

Ahmed Aljedai

Managing Director



Authorized Board Member

The accompanying notes from pages 9 to 20 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 three-month period ended 31 March 2026

(All amounts in thousands of ~~SR~~, 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	-	-	-	-	-	65,072	65,072	3,076	68,148
Other comprehensive loss for the period	-	-	-	(1,586)	-	-	(1,586)	-	(1,586)
Total comprehensive income	-	-	-	(1,586)	-	65,072	63,486	3,076	66,562
Share-based payment expense	-	-	-	-	562	-	562	-	562
Balance as at 31 March 2026	1,200,000	360,685	(19,937)	(28,047)	3,442	144,551	1,660,694	168,590	1,829,284
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	-	-	-	-	-	70,825	70,825	4,236	75,061
Other comprehensive income for the period	-	-	-	8,968	-	-	8,968	-	8,968
Total comprehensive income	-	-	-	8,968	-	70,825	79,793	4,236	84,029
Share-based payment expense	-	-	-	-	1,326	-	1,326	-	1,326
Balance as at 31 March 2025	1,200,000	360,685	(19,937)	(34,380)	2,501	(49,448)	1,459,421	157,253	1,616,674

Abdulaziz Aloud

Chief Financial Officer

Ahmed Aljedai

Managing Director



Authorized Board Member

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three-month period ended 31 March 2026

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

	<u>31 March 2026</u>	<u>31 March 2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	68,148	75,061
Adjustments for:		
Depreciation of property, plant and equipment	18,814	21,121
Depreciation of right-of-use assets	540	644
Amortization of intangible assets	3,602	3,209
Share of results of equity accounted investees	(7,308)	(7,852)
Loss / (gain) on disposal of property, plant and equipment	276	(18,078)
Provision for sales/services discounts and returns	24,971	39,271
Shared based payment expense	562	1,326
Provision for net realizable value loss relating to inventories	343	7,680
Impairment loss on financial assets	19,319	15,145
Provision for employees' end of services benefits	8,177	6,739
Amortization of government grant	(298)	(475)
Terminated employees' legal claims charge / (reversal)	253	(1,961)
Finance costs	19,687	24,568
Finance income	(2,740)	(2,714)
Zakat and income tax	9,060	(4,573)
Deferred tax	605	-
	<u>164,011</u>	<u>159,111</u>
Changes in:		
Inventories	23,208	25,396
Trade receivables and due from related parties	(40,706)	(185,094)
Prepayments and other assets	27,079	38,405
Contract liabilities	(2,302)	-
Trade payables and other liabilities	(2,911)	12,921
Cash generated from operating activities	<u>168,379</u>	<u>50,739</u>
Finance costs paid	(33,175)	(13,702)
Finance income received	3,378	2,710
Finance cost paid relating to lease liabilities	(61)	(89)
Zakat and income tax paid	(16,203)	(73)
Employees' end of service benefit obligations paid	(10,953)	(21,148)
Net cash generated from operating activities	<u>111,365</u>	<u>18,437</u>

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

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three-month period ended 31 March 2026

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

	<u>31 March 2026</u>	<u>31 March 2025</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,314)	(7,183)
Additions to intangible assets	(134)	(11)
Additions to short term investment	(24,971)	(20,000)
Disposal of short term investment	13,500	-
Proceeds from sale of property, plant and equipment	88	26,250
Additions to asset under construction	(9,429)	(10,399)
Net cash used in investing activities	<u>(22,260)</u>	<u>(11,343)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans and borrowings	260,000	539,000
Repayment of loans and borrowings	(406,038)	(499,041)
Lease liabilities paid	(1,378)	(2,345)
Dividends paid	(12)	(103)
Net cash (used in) / generated from financing activities	<u>(147,428)</u>	<u>37,511</u>
Net changes in cash and cash equivalents during the period	(58,323)	44,605
Foreign currency translation adjustments	4,071	(346)
Cash and cash equivalents at the beginning of the period	203,906	122,143
Cash and cash equivalents at the end of the period	<u>149,654</u>	<u>166,402</u>

Abdulaziz Aloud

Chief Financial Officer

Alimed Aljedai

Managing Director



Authorized Board Member

The accompanying notes from pages 9 to 20 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)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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

1. THE COMPANY, ITS SUBSIDIARIES AND BUSINESS DESCRIPTION

Saudi Pharmaceutical Industries and Medical Appliances Corporation (the “Company” or the “Parent Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration number 1131006650 dated Rajab 6, 1406H (corresponding to March 16, 1986) with unified number 7000652177 and formed according to the Ministerial Resolution No. 884 dated Jumada Al-Awwal 10, 1406H (corresponding to January 21, 1986). These condensed consolidated interim financial statements (‘interim financial statements’) as at and for the three-month period ended 31 March 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 31 March 2026 amounted to ~~ﷲ~~1,200 million (31 December 2025: ~~ﷲ~~ 1,200 million), consisting of 120 million fully paid and issued shares (31 December 2025: 120 million) of ~~ﷲ~~10 each.

The statutory reserve included in the consolidated financial statements as of 31 March 2026 and 31 December 2025 was required under the Group’s previous by-laws. The Board of Directors in their meeting held on 11 Shawwal 1447H corresponding to 30 March 2026) recommends to the General assembly to transfer statutory reserve to retained earnings.

The Group continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC environment given that the majority of the Group’s operations are conducted within GCC 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 financial statements for the period ended 31 March 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group’s business will continue to be assessed on future reporting dates.

1.1 Subsidiaries

Name of subsidiary	Principal activities	Country of incorporation	Effective ownership	
			31 March 2026	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%

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

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

(All amounts in thousands of **ﷲ**, 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	
			31 March 2026	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 **ﷲ** 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 expects to conclude the liquidation during 2026.

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	
			31 March 2026	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%

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

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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

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 (“ﷲ”) which is the Group’s functional and presentation currency. All amounts have been rounded off to the nearest thousands of Saudi Riyals unless otherwise stated.

d) Use of judgments and estimates

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

The significant 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.

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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

5. PROPERTY, PLANT AND EQUIPMENT AND ASSETS UNDER CONSTRUCTION

	Property, Plant and Equipment (PPE)		Assets under Construction (AUC)	
	31 March 2026	31 December 2025	31 March 2026	31 December 2025
Cost:				
Opening balance	2,669,865	2,641,154	233,577	172,318
Additions	1,314	45,585	9,429	43,556
Disposals	(4,044)	(30,089)	-	-
Written off	-	-	-	(2,675)
Transfer in / (out)	960	7,935	(1,684)	(1,739)
Reclassification	-	-	-	5,722
Foreign currency translation	(2,269)	5,280	(5,213)	16,395
Closing balance	2,665,826	2,669,865	236,109	233,577
Accumulated depreciation:				
Opening balance	1,126,150	1,067,525	-	-
Charge for the period / year	18,814	75,930	-	-
Disposals during the period / year	(3,680)	(19,240)	-	-
Foreign currency translation	(918)	1,935	-	-
Closing balance	1,140,366	1,126,150	-	-
Net book value	1,525,460	1,543,715	236,109	233,577

During the three-month period ended 31 March 2025, the Group acquired property, plant and equipment amounting to **ﷲ** 7.2 million. Assets with a carrying value of **ﷲ** 8.2 million were disposed off during the period, resulting in a gain on disposal of **ﷲ** 18.1 million, which has been recognised within other income in the condensed consolidated interim financial statements. Depreciation expense for the three-month period ended amounted to **ﷲ** 21.1 million.

6. EQUITY-ACCOUNTED INVESTEEES

	31 March 2026	31 December 2025
Opening balance	81,425	67,734
Share of result for the period / year	7,308	24,352
Share of OCI for the year	-	(461)
Dividends	-	(10,200)
Closing balance	88,733	81,425
	31 March 2026	31 December 2025
Arabian Medical Products Manufacturing Company (ENAYAH) – Joint Venture	88,733	81,425
Tassili Arab Pharmaceutical Company (TAPHCO) - Associate Company	-	-
CAD Middle East Pharmaceutical Company- Associate Company	-	-
	88,733	81,425

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

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

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

7. TRADE RECEIVABLES

	<u>31 March 2026</u>	<u>31 December 2025</u>
Trade receivables – third parties	1,322,555	1,287,422
Trade receivables – related parties (note 19)	37,879	37,879
	<u>1,360,434</u>	<u>1,325,301</u>
Less: impairment provision – third parties	(130,061)	(110,987)
Less: impairment provision – related parties (note 19)	(37,879)	(37,879)
	<u>1,192,494</u>	<u>1,176,435</u>

The movement in impairment provision is as follows:

	<u>31 March 2026</u>	<u>31 December 2025</u>
As at 1 January	110,987	93,918
Charge for the period / year	19,561	17,640
Written off	-	(1,442)
Effect of foreign currency translation	(487)	871
Closing balance	<u>130,061</u>	<u>110,987</u>

8. INVENTORIES

	<u>31 March 2026</u>	<u>31 December 2025</u>
Finished goods	357,417	397,899
Raw material	229,481	213,500
Stores and spares	29,229	30,628
Work-in-progress	14,054	16,945
Goods-in-transit	2,050	46
	<u>632,231</u>	<u>659,018</u>
Less: Provision for net realizable value (NRV) loss	(44,662)	(47,989)
	<u>587,569</u>	<u>611,029</u>

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

	<u>31 March 2026</u>	<u>31 December 2025</u>
Opening balance	47,989	59,027
Charge for the period / year*	343	8,912
Written-off	(3,578)	(20,324)
Effect of foreign currency translation	(92)	374
	<u>44,662</u>	<u>47,989</u>

*During the period ended 31 March 2026, the provision for net realizable value majorly includes expired and nearly expired goods.

9. PREPAYMENTS AND OTHER ASSETS

	<u>31 March 2026</u>	<u>31 December 2025</u>
Advance to suppliers	55,618	85,424
VAT refundable	34,739	51,401
Prepaid insurance and other expenses	23,085	21,403
Accrued finance income	5,491	6,144
Due from employees	613	467
Others	18,880	14,352
	<u>138,426</u>	<u>179,191</u>

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10. SHORT TERM INVESTMENT

As of 31 March 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:

	31 March 2026	31 December 2025
As at 1 January	179,981	155,000
Additions during the period / year	24,971	149,981
Disposal during the period / year	(13,500)	(125,000)
Closing balance	191,452	179,981

11. CASH AND CASH EQUIVALENTS

	31 March 2026	31 December 2025
Cash at bank	148,928	157,528
Cash on hand	726	378
Short term deposits	-	46,000
	149,654	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 ~~ﷲ~~19.94 million to be allocated to the Employees' Long-term Incentives Program (LTIP) and be granted to high-performing employees. The program intends to attract, motivate, and retain employees responsible for the achievement of the Group's goals and strategies. The program provides a share-based payment plan for all eligible employees participating in the program by granting them shares in the Company upon completing the duration of service. The Group accounts for the share-based payment plan program as an equity-settled share-based payment.

There is no impact of treasury shares on these condensed consolidated interim financial statements for the three-month period ended 31 March 2026.

13. LOANS AND BORROWINGS

	31 March 2026	31 December 2025
<u>Current</u>		
Islamic financing	617,061	340,200
Short-term loans	306,820	625,231
	923,881	965,431
<u>Non-Current</u>		
Islamic financing	344,141	462,178
	344,141	462,178

During the period ended 31 March 2026, the Group obtained additional loans amounting to ~~ﷲ~~260 million (31 March 2025: ~~ﷲ~~539 million) and repaid loans amounting to ~~ﷲ~~406 million (31 March 2025: ~~ﷲ~~499 million).

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14. REFUND LIABILITIES AND CONTRACT LIABILITIES

14.1 Refund Liabilities

	<u>31 March 2026</u>	<u>31 December 2025</u>
Sales/services discounts provision:		
Opening balance	151,403	144,558
Discounts provision against sales / services	44,047	204,245
Actual discounts adjustment during the period/year	(18,082)	(197,400)
Closing balance	<u>177,368</u>	<u>151,403</u>
Sales returns:		
Opening balance	24,626	25,272
Charge for the period / year	4,491	16,656
Adjusted during the period / year	(5,325)	(17,381)
Foreign currency translation	(160)	79
Closing balance	<u>23,632</u>	<u>24,626</u>
Total refund liabilities – current	<u>201,000</u>	<u>176,029</u>

14.2 Contract Liabilities

	<u>31 March 2026</u>	<u>31 December 2025</u>
Contract liabilities - non current	<u>49,541</u>	<u>51,843</u>

This relates to advances received from AstraZeneca UK Limited per the investment agreement dated June 2018, to reserve manufacturing capacity at the oncology facility in Qassim. During the period, the Group has recognized ~~ﷲ~~ 2.3 million (31 December 2025: ~~ﷲ~~ 5.2 million) as revenue.

15. ZAKAT AND TAX PAYABLE

15.1 The movement in the zakat and income tax payable:

	<u>31 March 2026</u>	<u>31 December 2025</u>
Opening balance	52,088	62,435
Charge for the period / year	9,060	9,730
Paid during the period / year	(16,203)	(20,134)
Other adjustment	(13,047)	-
Effect of foreign currency translation	(38)	57
	<u>31,860</u>	<u>52,088</u>

15.2 Status of zakat and income tax assessments

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

During 2023, ZATCA issued the preliminary assessment for 2020, which resulted in additional liabilities. During 2026, the Group agreed to settle the assessed amount of ~~ﷲ~~ 15.8 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 ~~ﷲ~~ 4.1 million for 2021 and ~~ﷲ~~ 8.5 million for 2023. The assessment for 2022 is currently under review by ZATCA as of 31 March 2026.

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

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15. ZAKAT AND TAX PAYABLE (Continued)

15.2 Status of zakat and income tax assessments (Continued)

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.

16. OTHER INCOME

	<u>31 March 2026</u>	<u>31 March 2025</u>
(Loss) / gain on disposal of property, plant and equipment	(276)	18,078
Terminated employees' legal claims (charge) / reversal (refer to note 22)	(253)	1,961
Amortization of government grant	298	475
Foreign exchange (loss) / income	(2,510)	397
Others	6,600	881
	<u>3,859</u>	<u>21,792</u>

17. FINANCE COSTS

	<u>31 March 2026</u>	<u>31 March 2025</u>
Murabaha Loan	19,626	24,479
Lease liabilities	61	89
	<u>19,687</u>	<u>24,568</u>

18. EARNING PER SHARE

	<u>31 March 2026</u>	<u>31 March 2025</u>
Profit for the period attributable to the owners of the Company	65,072	70,825
Weighted average number of ordinary shares	119,355,000	119,432,855
Earning per share attributable to the owners of the Company (ﷲ)	<u>0.55</u>	<u>0.59</u>

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

	<u>31 March 2026</u>	<u>31 March 2025</u>
Issued ordinary shares at 1 January	120,000,000	120,000,000
Effect of treasury shares held	(645,000)	(567,145)
	<u>119,355,000</u>	<u>119,432,855</u>

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

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

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

19.1 Significant transactions

<u>Name of related parties</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>31 March 2026</u>	<u>31 March 2025</u>
CAD Middle East Pharmaceutical Co.	Associate	Purchase of raw material	487	44
Arab Company for Drugs Industries and Medical Appliances (ACDIMA)	Major Shareholder	Research cost	195	-

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19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

19.2 Due from related parties

Name of related parties	Nature of balance	31 March 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	16,656	16,656
CAD Middle East Pharmaceutical Co. Tassili Arab Pharmaceutical Co. (TAPHCO)	Non-commercial Commercial	16,377	10,805
		<u>37,879</u>	<u>37,879</u>
		145,939	140,367
Less: impairment allowance		<u>(115,026)</u>	<u>(115,268)</u>
		<u>30,913</u>	<u>25,099</u>

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

	31 March 2026	31 December 2025
Opening balance	115,268	111,608
Charge for the period/year	(242)	3,660
Closing balance	<u>115,026</u>	<u>115,268</u>

As at 31 March 2026 ~~ﷲ~~ 38.3 million (31 December 2025: ~~ﷲ~~ 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:

	31 March 2026	31 December 2025
Gross receivable	108,060	102,488
Less: impairment provision	(77,147)	(77,389)
	<u>30,913</u>	<u>25,099</u>

The commercial balance outstanding is as follows:

	31 March 2026	31 December 2025
Gross receivable	37,879	37,879
Less: impairment provision	(37,879)	(37,879)
	<u>-</u>	<u>-</u>

19.3 Remuneration of key management personnel

	31 March 2026	31 March 2025
Short term benefits	2,134	3,884
Share based payment expense	532	1,326
Long term benefits	178	353
	<u>2,844</u>	<u>5,563</u>

20. 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 three-month period ended 31 March 2026.

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21. SEGMENT INFORMATION

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

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

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

The following table represents the segregation of revenue by type:

	31 March 2026	31 March 2025
Revenue from sale of products	349,534	435,645
Revenue from services	74,300	49,198
	423,834	484,843

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 three-month period ended 31 March 2026

Primary geographical markets	Pharmaceutical	Trading & Distribution	Healthcare	Total
	Manufacturing	Services	Services	
Kingdom of Saudi Arabia	321,202	20,401	43,944	385,547
Middle East	30,824	-	-	30,824
Egypt	571	-	-	571
Morocco	6,455	-	-	6,455
Algeria	-	437	-	437
	359,052	20,838	43,944	423,834
At a point in time	332,935	20,838	6,549	360,322
Over time	26,117	-	37,395	63,512
	359,052	20,838	43,944	423,834

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21. SEGMENT INFORMATION (Continued)

For the three-month period ended 31 March 2025

	Pharmaceutical Manufacturing	Trading & Distribution Services	Healthcare Services	Total
Primary geographical markets				
Kingdom of Saudi Arabia	381,434	30,568	45,272	457,274
Middle East	20,486	-	-	20,486
Egypt	-	(6)	-	(6)
Morocco	6,130	-	-	6,130
Algeria	-	959	-	959
	<u>408,050</u>	<u>31,521</u>	<u>45,272</u>	<u>484,843</u>
Timing of revenue recognition				
At a point in time	408,050	31,521	7,837	447,408
Over time	-	-	37,435	37,435
	<u>408,050</u>	<u>31,521</u>	<u>45,272</u>	<u>484,843</u>

Selected financial information categorized by these business segments as follows:

	Pharmaceutical Manufacturing	Trading & Distribution Services	Healthcare Services	Total
31 March 2026				
Revenues	359,052	20,838	43,944	423,834
Depreciation and amortization	(20,444)	(388)	(2,124)	(22,956)
Finance (cost) / income	(16,441)	(2,968)	2,462	(16,947)
Impairment loss on financial assets	(15,451)	(3,403)	(465)	(19,319)
Zakat / income tax expense	(6,578)	(650)	(1,832)	(9,060)
Share of results of equity- accounted investees	7,308	-	-	7,308
Profit / (loss) for the period	70,300	(9,946)	7,794	68,148
Profit / (loss) attributable to Shareholders of the Parent	70,983	(9,946)	4,035	65,072
Total Assets	3,405,906	435,711	428,796	4,270,413
Total Liabilities	1,910,922	435,110	95,097	2,441,129

	Pharmaceutical Manufacturing	Trading & Distribution Services	Healthcare Services	Total
31 March 2025				
Revenue	408,050	31,521	45,272	484,843
Depreciation and amortization	(22,124)	(737)	(2,113)	(24,974)
Finance (cost) / income	(20,726)	(3,572)	2,444	(21,854)
Zakat / income tax expense	1,267	(707)	(1,020)	(460)
Impairment loss on financial assets	(6,457)	(8,688)	-	(15,145)
Share of results of equity- accounted investees	7,852	-	-	7,852
Profit / (loss) for the period	84,675	(19,399)	9,785	75,061
Profit / (loss) attributable to Shareholders of the Parent	84,607	(19,399)	5,617	70,825
Total Assets	3,597,517	513,941	377,570	4,489,028
Total Liabilities	2,298,809	500,918	72,627	2,872,354

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22. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent liabilities

As at 31 March 2026, the Group has letters of guarantee amounting to ~~ﷲ~~ 65.3 million (31 December 2025: ~~ﷲ~~ 62.32 million).

In addition, the Group has contingent liability against letter of credit amounting to ~~ﷲ~~ 3.29 million issued in the normal course of business (31 December 2025: ~~ﷲ~~ 3.72 million).

Legal contingencies

Terminated Employees' Legal Cases

There have been labour law claims filed by terminated employees against the Company. The Group is working with external legal counsels to assess the validity and potential liabilities associated with these claims. Due to the inherent uncertainty of litigation, the financial impact on the Group cannot be reliably estimated at this stage. It is important to note that the ultimate resolution of these legal cases, including potential settlements, judgments, or dismissals, may have a material impact on the Group's financial position, results of operations, and cash flows in future reporting periods. The Group will provide updates as significant developments occur or when more information becomes available. While the Group is still vigorously defending these claims amounting to ~~ﷲ~~ 5.2 million, it has a related provision of ~~ﷲ~~ 3.2 million as of 31 March 2026 (31 December 2025: ~~ﷲ~~ 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. Management believes that the results of these cases will not have a material impact on the Group's consolidated financial statements for the period ended 31 March 2026.

Capital commitments

As at 31 March 2026, the Group has capital commitments for purchase of property, plant and equipment and intangible assets amounting to ~~ﷲ~~ 123.8 million (31 December 2025: ~~ﷲ~~ 122.3 million).

23. SUBSEQUENT EVENTS

Subsequent to the period end, the Board of Directors, on 16 Dhul Qidah 1447H (corresponding to 3 May 2026), recommended that the General Assembly approve the share buyback of up to 889,604 shares to be allocated under the long-term incentive plan for eligible employees.

Except for the above event there are no subsequent events that require disclosure or amendment to the accompanying condensed consolidated interim financial statements.

24. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements have been approved and authorized for issue on 13 Dhul Qidah 1447H (corresponding to 30 April 2026) by the Audit Committee under authorization from the Board of Directors.