

Gulf Pharmaceutical Industries P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 June 2025



KPMG Lower Gulf Limited
The Offices 5 at One Central
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Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of Gulf Pharmaceutical Industries JULPHAR CO Public JSC

Introduction

We have reviewed the accompanying 30 June 2025 interim condensed consolidated financial statements of Gulf Pharmaceutical Industries JULPHAR CO Public JSC ("the Company") and its subsidiaries ("the Group"), which comprises:

- the interim condensed consolidated statements of profit or loss for the six-month and three-month periods ended 30 June 2025;
- the interim condensed consolidated statements of comprehensive income for the six-month and three-month periods ended 30 June 2025;
- the interim condensed consolidated statement of financial position as at 30 June 2025;
- the interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025
- the interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2025; and
- notes to the interim condensed consolidated financial statements.

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





Gulf Pharmaceutical Industries JULPHAR CO Public JSC
Independent Auditors' Report on
Review of Interim Condensed Consolidated Financial Statements
30 June 2025

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". A review of interim condensed consolidated 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

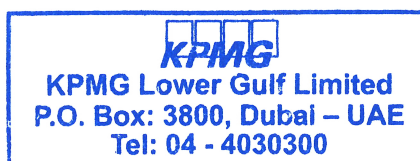
Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter – Comparative information

The interim condensed consolidated financial statements of the Group for the six-month and three-month periods ended 30 June 2024, excluding the adjustments described in Note 23 to the interim condensed consolidated financial statements, were reviewed by another auditor, who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 14 August 2024. The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2025, excluding the adjustments described in Note 23 (b) to the interim condensed consolidated financial statements, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 14 May 2025. Furthermore, the consolidated financial statements of the Group as at and for the year ended 31 December 2024, excluding the adjustments described in Note 23 to the interim condensed consolidated financial statements, were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on 17 March 2025.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Ras Al Khaimah, United Arab Emirates



Date: **13 AUG 2025**

Gulf Pharmaceutical Industries P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 (unaudited)

		Six months ended 30 June		Three months ended 30 June	
	Notes	2025 AED millions	2024* AED millions	2025 AED millions	2024* AED millions
Continuing operations					
Revenue from contracts with customers	4	707.3	675.8	348.1	339.0
Cost of revenue		(409.3)	(411.5)	(204.3)	(229.9)
Gross profit		298.0	264.3	143.8	109.1
Other income		1.8	4.4	0.3	3.8
Selling and distribution expenses**		(177.1)	(162.5)	(93.8)	(80.4)
General and administrative expenses		(64.7)	(68.0)	(26.1)	(22.3)
Operating profit		58.0	38.2	24.2	10.2
Finance income		5.3	0.3	2.8	-
Finance costs		(22.8)	(32.3)	(7.6)	(16.8)
Gain from investments and others		2.5	2.5	-	-
Profit/(loss) before tax for the period from continuing operations		43.0	8.7	19.4	(6.6)
Income tax and zakat expense	20	(4.4)	(1.4)	(2.5)	(0.6)
Profit/(loss) for the period from continuing operations		38.6	7.3	16.9	(7.2)
Discontinued operations					
Profit/(loss) for the period from discontinued operations, net of tax	6	1.2	(8.2)	0.2	4.0
Hyperinflation adjustment on net monetary position	21	(0.3)	(1.5)	-	(0.8)
Gain on disposal of a subsidiary, net of tax	6(b)	118.7	-	-	-
		119.6	(9.7)	0.2	3.2
PROFIT/(LOSS) FOR THE PERIOD		158.2	(2.4)	17.1	(4.0)
Profit/(loss) attributable to:					
Equity holders of the Parent		157.9	(1.4)	17.0	(3.3)
Non-controlling interests		0.3	(1.0)	0.1	(0.7)
		158.2	(2.4)	17.1	(4.0)
Earnings per share:					
Basic and diluted					
Earnings per share attributable to the equity holders of the Parent (in UAE fils)	15	13.7	(0.1)	1.5	(0.3)
Earnings per share for continuing operations:					
Basic and diluted					
Earnings per share from continuing operations attributable to the equity holders of the Parent (in UAE fils)	15	3.3	0.6	1.5	(0.6)

* Refer to note 23 and also comparative information has been re-presented due to discontinued operations.

**Selling and distribution expenses for the three months and six months period ended 30 June 2025 include research and development expenses amounting AED 7.6 million and AED 14.0 million respectively (three months and six months period 30 June 2024: AED 6.2 million and AED 12.0 million respectively).

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 (unaudited)

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions</i>	<i>2024* AED millions</i>	<i>2025 AED millions</i>	<i>2024* AED millions</i>
Profit/(loss) for the period	158.2	(2.4)	17.1	(4.0)
Other comprehensive income/(loss)				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Continued operations				
Currency translation differences	3.7	(23.4)	3.1	5.7
Loss on cash flow hedge	(6.0)	(0.2)	(2.0)	(3.0)
Reclassification adjustment to statement of profit or loss	0.6	0.7	0.2	1.1
	<u>(1.7)</u>	<u>(22.9)</u>	<u>1.3</u>	<u>3.8</u>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>				
Net change in fair value of financial asset at fair value through other comprehensive income (FVTOCI) (note 9)	-	(0.1)	-	(0.1)
Total other comprehensive (loss)/income from continued operations	<u>(1.7)</u>	<u>(23.0)</u>	<u>1.3</u>	<u>3.7</u>
Discontinued operations				
Hyperinflation adjustment relating to discontinued operations (note 6 (a))	1.9	6.6	-	4.4
Currency translation differences	(0.9)	0.9	-	0.9
Total other comprehensive income from discontinued operations	<u>1.0</u>	<u>7.5</u>	<u>-</u>	<u>5.3</u>
Total other comprehensive (loss)/income	(0.7)	(15.5)	1.3	9.0
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>157.5</u>	<u>(17.9)</u>	<u>18.4</u>	<u>5.0</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Parent	156.9	(20.3)	18.3	3.3
Non-controlling interests	0.6	2.4	0.1	1.7
	<u>157.5</u>	<u>(17.9)</u>	<u>18.4</u>	<u>5.0</u>

* Comparative information has been re-presented due to discontinued operations.

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 (unaudited)

		30 June 2025 AED millions (unaudited)	31 December 2024* AED millions (audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	5	250.3	255.6
Right of use assets		62.9	58.4
Intangible assets		80.1	81.3
Deferred tax asset		0.8	0.8
Financial asset at fair value through other comprehensive income	9	0.2	0.2
Derivative financial instrument		7.0	12.7
		401.3	409.0
Current assets			
Inventories	7	475.6	413.7
Financial assets at fair value through profit or loss	8	21.3	21.3
Trade and other receivables	10	635.8	925.1
Restricted cash	22	26.1	76.2
Short term deposits	11	9.0	38.2
Cash and cash equivalents	11	334.7	109.1
		1,502.5	1,583.6
Assets held for sale	6	27.5	448.4
		1,530.0	2,032.0
TOTAL ASSETS		1,931.3	2,441.0
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,155.3	1,155.3
Statutory reserve	13	185.5	185.5
Foreign currency translation reserve		(237.3)	(241.7)
Cash flow hedge reserve		6.7	12.1
Fair value reserve		(7.1)	(7.1)
Accumulated losses		(147.1)	(305.0)
Equity attributable to shareholders of the Parent		956.0	799.1
Non-controlling interest		11.1	10.5
Total equity		967.1	809.6

* Refer to note 23

Gulf Pharmaceutical Industries P.S.C.

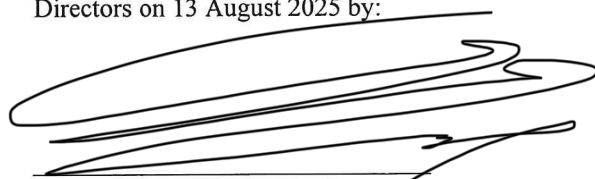
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (continued)
As at 30 June 2025 (unaudited)

	Notes	30 June 2025 AED millions (unaudited)	31 December 2024* AED millions (audited)
Non-current liabilities			
Provision for employees' end of service benefits		75.4	76.3
Bank borrowings	14	363.7	612.5
Deferred tax liability		7.2	8.3
Lease liabilities		47.5	42.2
		<u>493.8</u>	<u>739.3</u>
Current liabilities			
Trade payables and accruals		414.6	398.7
Income tax and zakat payable		15.0	5.2
Bank borrowings	14	21.9	300.6
Lease liabilities		15.1	15.7
		<u>466.6</u>	<u>720.2</u>
Liabilities directly associated with the assets held for sale	6	3.8	171.9
		<u>470.4</u>	<u>892.1</u>
Total liabilities		<u>964.2</u>	<u>1,631.4</u>
TOTAL EQUITY AND LIABILITIES		<u>1,931.3</u>	<u>2,441.0</u>

* Refer to note 23

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim condensed consolidated financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group as of and for the six-months period ended 30 June 2025.

These interim condensed consolidated financial statements were approved and signed on behalf of the Board of Directors on 13 August 2025 by:


Sh Saqer Humaid Al Qasimi
Chairman


Mr. Basel Nimer Al Ziyadeh
Chief Executive Officer

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 (unaudited)

	<i>Attributable to the equity holders of the Parent</i>							<i>Non-controlling interest AED millions</i>	<i>Total equity AED millions</i>
	<i>Share capital AED millions</i>	<i>Statutory reserve AED millions</i>	<i>Foreign currency translation reserve AED millions</i>	<i>Cash flow hedge reserve AED millions</i>	<i>Fair value reserve AED millions</i>	<i>Accumulated losses AED millions</i>	<i>Total AED millions</i>		
As at 1 January 2025	1,155.3	185.5	(241.7)	12.1	(7.1)	(305.0)	799.1	10.5	809.6
Profit for the period	-	-	-	-	-	157.9	157.9	0.3	158.2
Other comprehensive income/(loss) for the period	-	-	4.4	(5.4)	-	-	(1.0)	0.3	(0.7)
Total comprehensive income/(loss)for the period	-	-	4.4	(5.4)	-	157.9	156.9	0.6	157.5
As at 30 June 2025 (unaudited)	1,155.3	185.5	(237.3)	6.7	(7.1)	(147.1)	956.0	11.1	967.1
As at 1 January 2024	1,155.3	185.5	(212.5)	19.6	(7.0)	(346.7)	794.2	12.0	806.2
Loss for the period	-	-	-	-	-	(1.4)	(1.4)	(1.0)	(2.4)
Other comprehensive (loss)/income for the period	-	-	(19.3)	0.5	(0.1)	-	(18.9)	3.4	(15.5)
Total comprehensive (loss)/income for the period	-	-	(19.3)	0.5	(0.1)	(1.4)	(20.3)	2.4	(17.9)
As at 30 June 2024 (unaudited)	1,155.3	185.5	(231.8)	20.1	(7.1)	(348.1)	773.9	14.4	788.3

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025 (unaudited)

		<i>Six months ended 30 June</i>	
	<i>Notes</i>	<i>2025 AED millions</i>	<i>2024* AED millions</i>
OPERATING ACTIVITIES			
Profit before tax for the period from continuing operations		43.0	8.7
Profit(loss) before tax for the period from discontinued operations	6	145.8	(8.6)
Profit before tax for the period		188.8	0.1
Adjustments for:			
Depreciation of property, plant and equipment	5	19.4	39.2
Depreciation of right of use assets		8.7	23.8
Amortisation of intangible assets		3.0	8.9
Provision for stock losses	7(a)	22.5	32.6
Impairment loss on intangible assets		0.9	-
Allowance for expected credit loss on receivables	10(a)	2.9	3.7
Hyperinflation adjustment	6	0.3	1.5
Provision for employees' end of service benefits		5.2	6.1
Finance income		(5.3)	(1.6)
Gain on disposal of a subsidiary, excluding tax		(144.4)	-
Finance costs		22.8	35.8
		124.8	150.1
Changes in working capital			
Trade and other receivables		(43.3)	(100.6)
Inventories		(86.2)	(49.2)
Trade payables and accruals		61.9	100.7
Cash generated from operations		57.2	101.0
Employees' end of service benefits paid		(6.1)	(7.2)
Income tax and zakat paid		(2.8)	(1.1)
Net cash flows from continued operating activities		42.6	76.2
Net cash flows from discontinued operating activities		5.7	16.5
Total net cash flows from operating activities		48.3	92.7
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(15.1)	(30.4)
Proceeds from disposal of property, plant and equipment		0.1	0.5
Purchase of intangible assets		(1.9)	(6.0)
Proceeds from disposal of subsidiaries		722.3	-
Tax paid on disposal of a subsidiary		(17.8)	-
Deposits having maturities after three months and less than one year		29.2	(0.6)
Finance income received		5.3	1.6
Net cash flows from/(used in) continued investing activities		28.1	(30.3)
Net cash flows from/(used in) discontinued investing activities		694.0	(4.6)
Total net cash flows from/(used in) investing activities		722.1	(34.9)

* Refer to note 23 and also comparative information has been re-presented due to discontinued operations.

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

For the six months ended 30 June 2025 (unaudited)

		<i>Six months ended 30 June</i>	
		2025	2024*
		AED	AED
	<i>Notes</i>	millions	millions
FINANCING ACTIVITIES			
Utilisation of bank overdraft and trust receipts facility	14(b)	297.5	345.8
Repayment of bank overdraft and trust receipts facility	14(b)	(423.7)	(349.0)
Repayment of bank borrowings	14(b)	(401.3)	(22.5)
Principal repayment of lease liabilities		(8.5)	(23.7)
Release of restricted cash related to term loan		9.9	-
Interest paid		(28.9)	(35.8)
Currency translation differences		0.1	(15.7)
Net cash flows used in continued financing activities		(551.2)	(82.9)
Net cash flows used in discontinued financing activities		(3.7)	(18.0)
Total net cash used in financing activities		(554.9)	(100.9)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		215.5	(43.1)
Currency translation differences		-	(4.6)
Cash and cash equivalents at the beginning of the period/year		109.1	231.6
Cash and cash equivalents attributable to assets held for sale		13.6	21.6
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD- CONTINUED OPERATIONS	11	334.7	190.6
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD- DISCONTINUED OPERATIONS	11	3.5	14.9

* Refer to note 23 and also comparative information has been re-presented due to discontinued operations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

1. ACTIVITIES

Gulf Pharmaceutical Industries JUPHAR CO Public JSC also known as Gulf Pharmaceutical Industries P.S.C is a public shareholding company (the “Company” or “Parent Company”) domiciled in Digdaga - Ras Al Khaimah having registration no. 251. It was incorporated by the Emiri decree No.5/80 issued by H.H. The Ruler of the Emirate of Ras Al Khaimah and its dependencies on 30 March 1980 and the Emiri decree No.9/80 on 4 May 1980.

The Company’s registered office address is P.O. Box. 997 Ras Al Khaimah, United Arab Emirates (UAE). The Company commenced its commercial activities effective from November 1984. The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange.

The principal activities of the Company and its subsidiaries (the “Group” or “Julphar”) are the manufacturing and selling of medicines, drugs and various other types of pharmaceutical and medical compounds in addition to cosmetic compounds.

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 was authorised for issue in accordance with the resolution of the Board of Directors on 13 August 2024.

The Company has the following subsidiaries:

			Percentage of Ownership		
Serial No.	Name of subsidiary	Country of Incorporation	30 June 2025 (unaudited)	31 December 2024 (audited)	Subsidiary activity
Direct subsidiaries					
1.	Mena Cool Transportation F.Z.E.	United Arab Emirates	100%	100%	Transportation
2.	Julphar Pharmaceuticals P.L.C. (note (b))	Ethiopia	55%	55%	Manufacturing medicines
3.	Julphar SES L.L.C. (note (a))	Egypt	99.8%	99.8%	General trading
4.	Julphar Investment Limited (note (a))	United Arab Emirates	100%	-	Activities of holding companies
5.	Julphar Company for Trading and Distribution L.L.C. (note (a))	Egypt	99.8	99.8	General trading
6.	Mena Cool Machinery Trading (note (a))	United Arab Emirates	100%	100%	General trading
7.	Julphar Life L.L.C. (note (a))	United Arab Emirates	100%	100%	General trading
8.	Julphar Tunisie (note (a))	Tunisia	99%	99%	Distributor of Julphar’s products in Tunisia
9.	Julphar Gulf Pharmaceuticals Kenya Limited (note (a))	Kenya	100%	100%	Distributor of Julphar's products in Kenya
10.	Planet Pharmacies L.L.C	United Arab Emirates	100%	100%	Distribution, wholesale and retail trading of medicines and cosmetic products.

Gulf Pharmaceutical Industries P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

1. ACTIVITIES (continued)

Serial No.	Name of subsidiary	Country of Incorporation	Percentage of Ownership		Name of subsidiary
			30 June 2025 (unaudited)	31 December 2024 (audited)	
Indirect subsidiaries					
Subsidiary of Mena Cool Machinery Trading					
1.	Julphar General Trading L.L.C. (note (a))	United Arab Emirates	100%	100%	General trading
Subsidiary of Julphar Company for Trading and Distribution L.L.C.					
1.	Julphar Egypt Company L.L.C.	Egypt	100%	100%	Distributors of Julphar’s products in Egypt
Subsidiary of Julphar Egypt Company L.L.C.					
1.	Julphar Plus (note (a))	Egypt	100%	100%	Manufacturing and distribution of medicines
Subsidiaries of Planet Pharmacies L.L.C.					
1.	Julphar Drug Store Sharjah	United Arab Emirates	100%	100%	Trading in medicines and medical equipment
2.	Julphar Drug Store LLC (Abu Dhabi)	United Arab Emirates	100%	100%	Trading in medicines and medical equipment
3.	Awafi Drug Store	United Arab Emirates	100%	100%	Trading in medicines and medical equipment
4.	Julphar Healthy Services	United Arab Emirates	100%	100%	Facilities management services, health treatment undertaking services and hospitals management
5.	Health First Investment LLC	United Arab Emirates	100%	100%	Investment in commercial, industrial, and healthcare enterprises and their management.
6.	Health First Pharmacy LLC (Abu Dhabi)	United Arab Emirates	100%	100%	Trading in medicines and medical equipment
7.	Kawakeb Al Saydaliyat Company LLC	Kingdom of Saudi Arabia	100%	100%	Trading in medicines and medical equipment
8.	Planet Pharmacies LLC	Sultanate of Oman	100%	100%	Trading in medicines and medical equipment
9.	Future Medical Co. Ltd	Kingdom of Saudi Arabia	100%	100%	Trading in medicines and medical equipment
Julphar Investment Limited					
1.	Gulf pharmaceutical industries Julphar KSA (note (a))	Kingdom of Saudi Arabia	100%	-	Agents, sale of cosmetics, Export and import activities

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

1. ACTIVITIES (continued)

Serial No.	Name of subsidiary	Country of incorporation	Percentage of Ownership		Subsidiary activity
			30 June 2025 (unaudited)	31 December 2024 (audited)	
Indirect subsidiaries (continued)					
Subsidiaries of Julphar Healthy Services					
1.	Scientific Pharmacy LLC	Sultanate of Oman	100%	100%	Trading in medicines and medical equipment
Subsidiary of Kawakeb Al Saydaliyat Company LLC					
1.	Zahrat Al Rawdah Pharmacies Limited Liability Company (note (c))	Kingdom of Saudi Arabia	-	100%	Retail and wholesale trading in medicines and cosmetics
Subsidiary of Health First Investment LLC					
1.	Health First Pharmacy (Sharjah)	United Arab Emirates	100%	100%	Retail and wholesale trading in medicines and cosmetics

- a) These subsidiaries are not operational, and the financial results are immaterial to the overall interim condensed consolidated financial statements of the Group.
- b) During the year ended 31 December 2024, the Board of Directors of the Group renewed its intention to sell this subsidiary and thus as of 30 June 2025, management has classified the subsidiary as a disposal group held for sale (note 6). As of the reporting date, the sale of the subsidiary has not been completed, and the sale is expected to be completed during the current year.
- c) Zahrat Al Rawdah Pharmacies Limited Company was sold during the current six months period ended 30 June 2025 (note 6).

2. BASIS OF PREPARATION AND CHANGES TO THE MATERIAL ACCOUNTING POLICY INFORMATION**2.1 Basis of preparation**

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2024.

In addition, results for the six months ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams (AED), which is also the functional currency of the Company, and all values are rounded to the nearest million except where otherwise indicated.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and derivative financial instruments measured at fair value (note 18).

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

2. BASIS OF PREPARATION AND CHANGES TO THE MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 New standards, interpretations and amendments adopted by the Group

New standards, amendments and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing the condensed consolidated interim financial statements.

The following amended standards and interpretations are not expected to have a material impact on the Group's condensed consolidated interim financial statements:

	Effective date
Classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associates or Joint Venture - Amendments to IFRS 10 and IAS 28	Effective date deferred

New standards, amendments and interpretations effective during the period

The following new or amended standards that are required to be adopted in annual periods beginning on 1 January 2025 and do not have a material impact on the Group's condensed consolidated interim financial statements:

Lack of Ex changeability - Amendments to IAS 21	1 January 2025
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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements for the year ended 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 Disaggregated revenue information

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Gross sales	780.9	911.3	364.6	456.8
Less: commissions	(31.2)	(26.8)	(14.6)	(12.8)
Net sales	749.7	884.5	350.0	444.0
Less: net sales relating to discontinued operations (note 6)	(42.4)	(208.7)	(1.9)	(105.0)
	707.3	675.8	348.1	339.0

The Group derives its revenue from sale of medicines, drugs and various other types of pharmaceuticals and medical compounds in addition to cosmetic compounds and other retail pharmacy products. The revenue is recognised on the basis of “point in time” revenue recognition criteria. The geographical split of gross revenue is as follows:

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Geographic information				
UAE	302.6	289.2	142.5	143.7
Other GCC countries	259.9	426.2	107.6	205.7
Other countries	187.2	169.1	99.9	94.6
	749.7	884.5	350.0	444.0
Less: net sales relating to discontinued operations (note 6)	(42.4)	(208.7)	(1.9)	(105.0)
	707.3	675.8	348.1	339.0

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)**4.2 Contract balances**

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
Contract assets		
Trade receivables (note 10)	570.8	565.7
Contract liabilities		
Refund liabilities	68.4	56.7
Rebate and accruals	15.8	18.7
Advances from customers	2.9	1.6
Commissions payable	24.8	22.2
	111.9	99.2

4.3 Performance obligations

The performance obligation on sales of goods is satisfied upon delivery and payment is generally due within 6 to 12 months from delivery (30 June 2024: 6 to 12 months from delivery).

5. PROPERTY, PLANT AND EQUIPMENT

- a) Property, plant and equipment additions during the current period amounted to AED 15.1 million (30 June 2024: AED 30.4 million).
- b) Depreciation charges for the current period amounted to AED 19.4 million (30 June 2024: AED 39.2 million).
- c) Certain property, plant and equipment of the Group are mortgaged against bank facilities (note 14).
- d) The factory and its related buildings of the Parent Company are constructed on plots of land amounting to AED 3.7 million (31 December 2024: AED 3.7 million) which are owned by the Government of Ras Al Khaimah.

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS**a) Julphar Pharmaceuticals P.L.C.**

During the year ended 31 December 2021, the Board of Directors of the Company decided to sell Julphar Pharmaceuticals P.L.C. ("Julphar Ethiopia"). As at 31 December 2024, the Board of Directors renewed its intention to sell Julphar Ethiopia. Accordingly, Julphar Ethiopia has been classified as a disposal group held for sale and as a discontinued operation.

With Julphar Ethiopia being classified as a discontinued operation, the results of Julphar Ethiopia have not been presented in the segment information (note 17). There was no write-down of carrying amount immediately before and after the classification of the disposal group as held for sale. The comparative interim condensed consolidated statement of comprehensive income of the Group has been represented to show the discontinued operation of Julphar Ethiopia separately from continuing operations in 2025 and 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)**a) Julphar Pharmaceuticals P.L.C. (continued)**

The net cash flows used in Julphar Ethiopia are as follows:

	<i>Six months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Operating	(1.0)	(5.7)
Investing	(1.1)	-
Financing	-	(0.6)
Net cash outflow	<u>(2.1)</u>	<u>(6.3)</u>

Basic and diluted loss per share

Basic and diluted loss per share is disclosed in note 15.

The results of the discontinued operations of Julphar Ethiopia for the six months ended 30 June are presented below:

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Revenue from contracts with customers	3.4	1.4	1.9	-
Cost of revenue	(2.2)	(1.4)	(1.3)	(0.4)
Gross profit/(loss)	1.2	-	0.6	(0.4)
Selling, distribution and administrative expenses	(0.3)	(0.7)	(0.2)	(0.4)
Operating profit/(loss)	0.9	(0.7)	0.4	(0.8)
Hyperinflation adjustment (note 21)	(0.3)	(1.5)	-	(0.8)
Profit/(loss) before tax for the period from discontinued operations	0.6	(2.2)	0.4	(1.6)
Income tax expense	(0.3)	-	(0.2)	-
PROFIT/(LOSS) FOR THE PERIOD	0.3	(2.2)	0.2	(1.6)
Other comprehensive income				
Hyperinflation adjustment (note 21)	1.9	6.6	-	4.4
Currency translation differences	(0.9)	0.9	-	0.9
Total other comprehensive income	1.0	7.5	-	5.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1.3	5.3	0.2	3.7

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

a) Julphar Pharmaceuticals P.L.C. (continued)

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Loss for the period attributable to:				
Equity holders of the Parent	0.2	(1.2)	0.1	(0.9)
Non-controlling interests	0.1	(1.0)	0.1	(0.7)
	0.3	(2.2)	0.2	(1.6)
Total comprehensive income attributable to:				
Equity holders of the Parent	0.7	2.9	0.1	2.0
Non-controlling interests	0.6	2.4	0.1	1.7
	1.3	5.3	0.2	3.7

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)**b) Zahrat Al Rawdah Pharmacies Limited Liability Company**

During the year ended 31 December 2024, the Board of Directors of the Company decided to sell Zahrat Al Rawdah Pharmacies Limited Liability Company ("Zahrat"), a wholly owned subsidiary. The Company entered into a Sale and Purchase Agreement ("SPA") on 31 October 2024. The legal formalities related to the divestment have been completed on 16 February 2025. Accordingly, a gain net of transaction cost and tax, of AED 118.7 million was recognised by the Group on derecognition during the period ended 30 June 2025. Accordingly, Zahrat has been classified as a disposal group held for sale and as a discontinued operation as at 30 June 2025. The proceeds from disposal have been received during the six months ended 30 June 2025.

With Zahrat being classified as a discontinued operation, the results of Zahrat have not been presented in the segment information (note 17). The comparative interim condensed consolidated statement of comprehensive income of the Group has been represented to show the discontinued operation of Zahrat separately from continuing operations in 2025 and 2024.

The net cash flows used in Zahrat are as follows:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)*</i>	<i>(unaudited)</i>
Operating	6.7	17.0
Investing	(9.4)	(4.0)
Financing	(3.7)	(18.0)
Net cash outflow	<u>(6.4)</u>	<u>(5.0)</u>

Basic and diluted loss per share

Basic and diluted loss per share is disclosed in note 15.

**Represents activity for one-month period ended 31 January 2025 prior to the completion of the sale on 16 February 2025. There are no other significant activities that transpired between 1 to 16 February 2025.*

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)**b) Zahrat Al Rawdah Pharmacies Limited Liability Company (continued)**

The results of the discontinued operations of Zahrat for the six months ended 30 June are presented below:

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Revenue from contracts with customers	39.0	207.3	-	105.0
Cost of revenue	(29.4)	(128.7)	-	(56.0)
Gross profit	9.6	78.6	-	49.0
Other income	0.1	0.4	-	(1.8)
Selling and distribution expenses	(5.2)	(35.0)	-	(18.0)
General and administrative expenses	(2.9)	(33.2)	-	(14.6)
Operating profit	1.6	10.8	-	14.6
Finance income	-	1.3	-	0.9
Finance costs	(0.8)	(3.5)	-	(2.4)
Profit before tax for the period from discontinued operations	0.8	8.6	-	13.1
Income tax expense	(0.2)	(1.1)	-	(0.6)
PROFIT FOR THE PERIOD	0.6	7.5	-	12.5
Other comprehensive income	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	0.6	7.5	-	12.5

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)**c) Diabtec L.L.C.**

During the year ended 31 December 2024, the Board of Directors of the Company decided to sell Diabtec LLC. ("Diabtec"), a wholly owned subsidiary. The Company entered into a Sale and Purchase Agreement ("SPA") dated on 14 March 2024. All the legal formalities related to the divestment were fulfilled and the sale of Diabtec was completed during the year ended 31 December 2024. Accordingly, a gain of AED 37.6 million was recorded by the Group on derecognition as at 31 December 2024. The proceeds from disposal have been received during the six months ended 30 June 2025.

With Diabtec being classified as a discontinued operation, the results of Diabtec have not been presented in the segment information (note 17). The comparative consolidated statement of comprehensive income of the Group has been represented to show the discontinued operation of Diabtec separately from continuing operations.

There were no cash flows from Diabtec, as the company did not have any operations.

General and administrative expenses amounting to AED 15 million were incurred during six months period ended 30 June 2024, including AED 7.7 million incurred for three months period ended 30 June 2024.

Basic and diluted loss per share

Basic and diluted loss per share is disclosed in note 15.

d) The major classes of assets and liabilities of the disposal group classified as held for sale as at the period/year are as follows:

	30 June 2025	31 December 2024		
	Julphar Pharmaceuticals P.L.C. AED millions (unaudited)	Julphar Pharmaceuticals P.L.C. AED millions (audited)	Zahrat Al Rawdah Pharmacies L.L.C. AED millions (audited)	Total AED millions (audited)
ASSETS				
Property, plant and equipment	10.5	9.1	22.9	32.0
Right of use assets	-	-	127.7	127.7
Intangible assets	-	-	53.4	53.4
Inventories	13.0	11.2	161.4	172.6
Trade and other receivables	0.5	1.3	47.8	49.1
Bank balances and cash	3.5	5.7	7.9	13.6
Assets held for sale	27.5	27.3	421.1	448.4
LIABILITIES				
Provision for employees' end of service benefits	-	-	13.1	13.1
Lease liabilities	-	-	114.9	114.9
Trade payables and accruals	3.5	3.4	33.0	36.4
Income tax and zakat payable	0.3	0.5	7.0	7.5
Liabilities directly associated with assets held for sale	3.8	3.9	168.0	171.9
Net assets directly associated with assets held for sale	23.7	23.4	253.1	276.5
Less: net assets attributable to non-controlling interests	(10.7)	(10.5)	-	(10.5)
Group's share of net assets directly associated with disposal group	13.0	12.9	253.1	266.0

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

7. INVENTORIES

	<i>30 June 2025 AED millions (unaudited)</i>	<i>31 December 2024 AED millions (audited)</i>
Raw materials	103.0	92.6
Packing materials	48.7	50.2
Work-in-progress	11.8	9.1
Finished goods	336.1	461.3
Goods in transit	4.2	12.5
Consumables	23.8	23.3
Spare parts	36.0	34.3
	563.6	683.3
Less: provision for stock losses (note (a))	(75.0)	(97.0)
	488.6	586.3
Less: inventories attributable to assets held for sale (note 6)	(13.0)	(172.6)
	475.6	413.7

a) The movement in the Group's provision for stock losses is as follows:

	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (audited)</i>
Balance at the beginning of the period/year	97.0	60.7
Charge during the period/year	22.5	76.4
Derecognized on disposal of a subsidiary	(23.1)	-
Written-off during the period/year	(21.4)	(40.1)
	75.0	97.0

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

8. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial asset at fair value through profit or loss is denominated in AED and is held for trading in the UAE market amounting to AED 21.3 million (31 December 2024: AED 21.3 million).

Movements in financial asset at fair value through profit and loss are as follows:

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
Balance at the beginning and end of the period/year	21.3	21.3

Investment in unquoted equity security represents investment in an entity which is engaged in manufacturing of packing materials. The Group has 7.25% equity investment in the entity. Management has performed a valuation and recorded the investment at fair value. Fair value has been computed using dividend growth model (31 December 2024: dividend growth model). They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk (note 18).

9. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
Fair value of financial assets at FVTOCI	0.2	0.2

Movements in fair value of financial asset at FVTOCI during the period/year are as follows:

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
Balance at the beginning of the period/year	0.2	0.3
Unrealized loss on revaluation for the period/year	-	(0.1)
Balance at the end of the period/year	0.2	0.2

As at 30 June 2025, the Group recognized a negative fair value reserve of AED 7.1 million (31 December 2024: negative fair value reserve of AED 7.1 million).

Investment in quoted equity security represents investment in an entity which is engaged in development of innovative medicines to combat cardiovascular diseases. The Group holds non-controlling interests of 2.2% in the entity. The investment was irrevocably designated at fair value through OCI as the Group considers the investment to be strategic in nature. They are classified as level 1 fair values in the fair value hierarchy (note 18).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

10. TRADE AND OTHER RECEIVABLES

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
Trade receivables	719.7	718.5
Less: provision for expected credit losses (note (a))	(148.9)	(152.8)
	570.8	565.7
Advances to suppliers	23.7	25.8
Receivable from divestment of a subsidiary	-	330.5
Prepayments	5.7	14.1
Rebates, commission and discount receivable from suppliers	3.0	3.3
Value added tax receivable	12.4	17.9
Other receivables	20.7	16.9
	636.3	974.2
Less: trade and other receivables attributable to assets held for sale (note 6)	(0.5)	(49.1)
	635.8	925.1

a) Movement in the provision for expected credit losses during the period/year was as follows:

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
Balance at the beginning of the period/year	152.8	180.1
Charge for the period/year	2.9	9.4
Recognized on disposal of subsidiary	(5.1)	-
Written off during the period/year	(1.7)	(36.7)
Balance at the end of the period/year	148.9	152.8

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

11. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
Current accounts	238.0	120.1
Short term bank deposits	107.8	38.2
Cash in hand	1.4	2.6
	347.2	160.9
Less: term deposits with an original maturity between three months and one year	(9.0)	(38.2)
Cash and cash equivalents for the statement of cash flows	338.2	122.7
Less: cash and cash equivalents attributable to assets held for sale (note 6)	(3.5)	(13.6)
Cash and cash equivalents in the statement of financial position	334.7	109.1

12. SHARE CAPITAL

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
<i>Authorised, issued and fully paid</i>		
1,155,227,811 ordinary shares (31 December 2024: 1,155,227,811 ordinary shares) at par value of AED 1 each	1,155.3	1,155.3

13. STATUTORY RESERVE

In accordance with United Arab Emirates Federal Commercial Companies Law No. 32 of 2021, the Parent Company has established a statutory reserve by appropriation of 10% of profit for each year. As the Company had accumulated losses as at 30 June 2025, therefore, no additional appropriation has been made in the statutory reserve. This reserve is not available for distribution except in the circumstances stipulated by the law.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

14. BANK BORROWINGS

			30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
	<i>Interest rate(%)</i>	<i>Maturity</i>		
Current interest bearing loans and borrowings				
Bank overdraft and trust receipts	3m EIBOR+2.0%	On demand	21.9	148.1
Term loans – current portion	3m EIBOR+2.5%	Within 1 year	-	152.5
			21.9	300.6
Non-current interest bearing loans and borrowings				
Term loan	3m EIBOR+2.5%	28 April 2030	363.7	612.5
Total interest-bearing bank borrowings			385.6	913.1

During the six months ended 30 June 2025, the amount of AED 401.3 million has been prepaid to the banks as per the agreed terms following the collection of divestment proceeds in relation to Diabtec LLC and Zahrat. The early loan repayment did not qualify as a loan modification as per the requirements of IFRS 9 and no modification gain/loss was recorded as the amount was immaterial to the interim condensed consolidated financial statements.

The Group has obtained AED 1.16 billion banking facilities against the following securities:

- Negative pledge over all assets except or otherwise specified as permitted assets.
- Assignment of insurance policy over its business and assets (including Secured Assets and the assets that represent Ijara Assets from time to time).
- Assignment of receivables of key customers up to 75% and undertaking to route them annually through Obligor's collection account with the Bank.
- General Mortgage over property, plant and equipment and inventory.
- Corporate guarantee of a subsidiary

The Group's syndicated loan agreement is subject to covenant clauses, whereby the Company is required to meet certain key financial ratios on an annual basis. The Group was not in compliance with such covenants at 31 December 2024. However, the Group obtained the approval from the Financiers for the waiver of covenant compliance as at 31 December 2024. The Group is compliant of all the covenants as at 30 June 2025. Further, the Group expects to comply with the covenants within 12 months after the reporting date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

14. BANK BORROWINGS (continued)

- a) Bank overdraft and trust receipts are repayable on demand/agreed payment dates. In general, such banking facilities are renewable on a regular basis. Both of these facilities were obtained as part of the AED 1.16 billion facility. Interest on overdrafts are computed and added to the account on a monthly basis.

- b) Movement in bank borrowings was as follows:

	30 June 2025 AED millions (unaudited)	31 December 2024 AED millions (audited)
At the beginning of the period/year	913.1	980.4
Loans repaid during the period/year	(401.3)	(90.0)
(Repayment) / Utilization of bank overdraft and trust receipts facility, net	(126.2)	22.7
At the end of the period/year	385.6	913.1

15. BASIC PROFIT/(LOSS) PER SHARE (EPS)

- a) Basic EPS is calculated by dividing the profit/(loss) for the period attributable to equity holders of the Parent by the weighted average number of outstanding shares during the period.

	Six months ended 30 June		Three months ended 30 June	
	2025 AED millions (unaudited)	2024 AED millions (unaudited)	2025 AED millions (unaudited)	2024 AED millions (unaudited)
Profit/(loss) for the period attributable to the equity shareholders of the Parent:				
Continuing operations	38.4	7.3	16.90	(7.2)
Discontinued operations	119.5	(8.7)	0.10	3.9
Profit/(loss) for the period attributable to the equity holders of the Parent	157.9	(1.4)	17.0	(3.3)
Weighted average number of shares	1,155.3	1,155.3	1,155.3	1,155.3

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

15. BASIC LOSS PER SHARE (EPS) (continued)

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Basic loss per share attributable to the equity holders of the Parent (in UAE fils)	13.7	(0.1)	1.5	(0.3)
Basic loss per share from continuing operations attributable to the equity holders of the Parent (in UAE fils)	3.3	0.6	1.5	(0.6)

- b) To calculate EPS for discontinued operations, the weighted average number of shares is as per the table above. The following table provides the loss amount used:

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Profit/(loss) Loss for the period attributable to the equity shareholders of the Parent from discontinued operations (in AED millions)	119.5	(8.7)	0.1	3.9
Basic profit/(loss) per share from discontinued operations attributable to the equity holders of the Parent (in UAE fils)	10.3	(0.8)	-	0.3

- c) The Group does not have any potential equity shares and accordingly the basic and diluted earnings per share is the same.

16. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise the Company's major shareholders, key management personnel, subsidiaries, associates, directors, and other businesses which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence (hereinafter referred as "affiliates"). In the normal course of business, the Group has various transactions with its related parties. Pricing policies and terms of these transactions are approved by the Group's management, or its Board of Directors.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

16. RELATED PARTY BALANCES AND TRANSACTIONS (continued)*a) Compensation of key management personnel of the Group*

The remuneration of the key management personnel of the Group is as follows:

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Short-term benefits	7.4	4.4	6.1	2.1
Post employment and other long-term benefits	0.6	1.2	-	0.6
Directors' remuneration	3.2	1.8	1.8	-
	11.2	7.4	7.9	2.7

17. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and the following reportable segments:

- a. Manufacturing
- b. Trading
- c. Investments
- d. Others

The sales from the manufacturing segment to the trading segment and inter-company profit elimination effect are excluded from the manufacturing segment. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements.

The Board of Directors is also provided with multiple levels of information which comprise of revenue, gross profit and net profit, aggregated for higher level components (i.e. combination of all products and services) by distribution and by region.

The financial accounting system of the Group is currently configured in this manner and this information is readily available. However, for decision making purposes, the Board of Directors rely mainly on the revenue and net profit information that contains lower-level components. Hence, the segment information provided is primarily to the net profit level of the Group.

Gulf Pharmaceutical Industries P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

17. SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2025 (unaudited)						For the six months ended 30 June 2024 (unaudited)					
	Manufacturing AED millions	Trading AED millions	Investments AED millions	Other segments AED millions	Eliminations AED millions	Total AED millions	Manufacturing AED millions	Trading AED millions	Investments AED millions	Other segments AED millions	Eliminations AED millions	Total AED millions
Segment revenue	482.7	370.9	-	-	(146.3)	707.3	680.2	82.4	-	-	(86.8)	675.8
Segment result	41.5	18.3	2.5	(17.5)	(6.2)	38.6	44.0	1.7	2.5	(32.0)	(8.9)	7.3
Depreciation of property, plant and equipment	17.6	1.8	-	-	-	19.4	16.5	1.2	-	-	-	17.7
Depreciation of right of use assets	-	8.7	-	-	-	8.7	-	4.1	-	-	-	4.1
Amortization expense	0.4	2.6	-	-	-	3.0	0.4	1.3	-	-	-	1.7
30 June 2025 (unaudited)						31 December 2024 (audited)						
	Manufacturing AED millions	Trading AED millions	Investments AED millions	Other segments AED millions	Eliminations AED millions	Total AED millions	Manufacturing AED millions	Trading AED millions	Investments AED millions	Other segments AED millions	Eliminations AED millions	Total AED millions
Segment current assets	79.3	828.5	0.2	343.7	(850.4)	401.3	975.3	434.9	0.2	147.3	(1,148.7)	409.0
Segment non-current assets	1,217.5	440.5	21.3	-	(176.8)	1,502.5	1,103.9	689.8	21.3	-	(231.4)	1,583.6
Segment current liabilities	251.9	333.7	-	21.9	(140.9)	466.6	235.0	317.4	-	300.6	(132.8)	720.2
Segment non-current liabilities	60.0	87.3	-	363.7	(17.2)	493.8	136.8	54.7	-	612.5	(64.7)	739.3

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

17. SEGMENT INFORMATION (continued)

Information by geographical region

In accordance with IFRS 8, non-current assets below are based on the geographical location in which the Group holds assets. In accordance with IFRS 8, the non-current assets reported below exclude financial instruments.

<i>30 June 2025 (unaudited)</i>					
	<i>Total AED millions</i>	<i>UAE AED millions</i>	<i>Oman AED millions</i>	<i>Saudi Arabia AED millions</i>	<i>Others AED millions</i>
Non-current assets					
Property, plant and equipment	250.3	245.9	4.2	-	0.2
Right of use assets	62.9	47.4	15.4	-	0.1
Intangible assets	80.1	71.4	8.7	-	-
<i>Six months ended 30 June 2025 (unaudited)</i>					
	<i>Total AED millions</i>	<i>UAE AED millions</i>	<i>Oman AED millions</i>	<i>Saudi Arabia AED millions</i>	<i>Others AED millions</i>
Revenue	707.3	284.5	79.4	131.4	212.0
<i>31 December 2024 (audited)</i>					
	<i>Total AED millions</i>	<i>UAE AED millions</i>	<i>Oman AED millions</i>	<i>Saudi Arabia AED millions</i>	<i>Others AED millions</i>
Non-current assets					
Property, plant and equipment	255.6	251.5	3.9	-	0.2
Right of use assets	58.4	43.9	14.4	-	0.1
Intangible assets	81.3	69.9	8.8	-	2.6
<i>Six months ended 30 June 2024 (unaudited)</i>					
	<i>Total AED millions</i>	<i>UAE AED millions</i>	<i>Oman AED millions</i>	<i>Saudi Arabia AED millions</i>	<i>Others AED millions</i>
Revenue	675.8	289.2	76.6	103.1	206.9

The Group has sales to one customer whose sales individually are more than 10% of the total external sales. Total amount of sales for the six months ended 30 June 2025 to this one customer amounts to AED 159 million (30 June 2024: Top 1 customer AED 125.2 million). These revenues are included under manufacturing segment. There are no other non-current assets or revenue included in "Others" which are more than 10% of the total segment non-current assets or total revenue.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

18. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the interim condensed consolidated financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2024.

Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

	<i>Fair value as at</i>			<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	
	<i>30 June 2025</i> <i>AED millions</i>	<i>31 December 2024</i> <i>AED millions</i>	<i>Fair Value hierarchy</i>		<i>30 June 2025</i>	<i>31 December 2024</i>
<i>Financial assets</i>						
Unquoted equity investments						
– FVTPL	21.3	21.3	Level 3	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)	- Cost of equity - Growth rate - Discount for lack of marketability	- Discount rate - Growth rate - Discount for lack of marketability
Quoted equity investments						
– FVOCI	0.2	0.2	Level 1	Quoted prices (unadjusted in active) markets for identical assets or liabilities	- None	- None
	21.5	21.5				
<i>Derivative financial instrument</i>						
Interest rate						
Cap	7.0	12.7	Level 2	N/A	N/A	N/A

Fair value hierarchy

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

18. FAIR VALUE MEASUREMENTS (continued)

The following table shows the valuation techniques used in measuring level 2 and level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Financial assets Unquoted equity investments – FVTPL	Gordon's growth model	<ul style="list-style-type: none"> Cost of equity (R) (31 December 2024 :11%) Expected maintainable dividend next year (31 December 2024 AED 2.5 million) Growth rate (G) (31 December 2024 2.5%) 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> An increase in the cost of equity (R) will reduce the fair value. An increase in long-term growth rate (g) will increase the fair value. The relationship between R and g is inverse and critical — if R is close to g, small changes in either input cause large changes in fair value. Expected maintainable dividend has a direct relationship with fair value — higher dividends increase fair value proportionately.

	<i>AED millions Increase</i>	<i>AED millions Decrease</i>
30 June 2025		
Cost of equity (R) (1% Movement)	(2.5)	2.5
Long-term growth rate (g) (0.5% Movement)	1.4	(1.4)
31 December 2024	<i>AED millions Increase</i>	<i>AED millions Decrease</i>
Cost of equity (R) (1% Movement)	(2.1)	2.1
Long-term growth rate (g) (0.5% Movement)	1.3	(1.3)

19. COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 June 2025 AED millions (unaudited)</i>	<i>31 December 2024 AED millions (audited)</i>
Capital commitments	15.8	23.6
Letters of credit	1.3	11.3
Letters of guarantee	23.2	26.0

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

20. CORPORATE INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>	<i>2024 AED millions (unaudited)</i>
Current income tax				
Current period charge	31.3	3.1	3.1	1.5
Deferred tax credit				
Current period credit	(0.7)	(0.6)	(0.4)	(0.3)
Total income tax charge reported in the interim condensed consolidated statement of profit or loss	30.6	2.5	2.7	1.2
Less: income tax relating to disposal of subsidiary	(25.7)	-	-	-
Less: income tax and zakat expense relating to discontinued operations (note 6)	(0.5)	(1.1)	(0.2)	(0.6)
	4.4	1.4	2.5	0.6

For the period ended 30 June 2025, the Group has recorded a provision of income tax of AED 4.3 million in relation to the UAE Corporate Tax (30 June 2024: AED 1.5 million).

21. IAS 29 FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES ('IAS 29')

As at 30 June 2025, Ethiopia ceased to meet the criteria of a hyperinflationary economy. As a result, Julphar Ethiopia discontinued applying IAS 29 from this date. In line with IAS 29, the balances at 31 March 2025 have been treated as the opening balances or new deemed cost for subsequent periods, and no further inflation adjustments have been made after this date.

During the six months period ended 30 June 2025, the profit for the Group was AED 158.2 million (30 June 2024: loss 2.4 million) Overall, the hyperinflation adjustment results in a loss of AED 0.3 million (30 June 2024: AED 1.5 million).

22. RESTRICTED CASH

- Includes AED 26.1 million (31 December 2024: AED 36.0 million) restricted from being exchanged and to be used to settle a quarterly installment of Term Loan and its related interests.
- Includes AED nil (31 December 2024: AED 40.2 million) restricted from being exchanged and received against the divestment of Zahrat (note 6(c)).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified / regrouped to confirm to the presentation adopted in these interim condensed consolidated financial statements.

Based on management's assessment, certain reclassifications have been adopted:

- a) As at December 2024, Lease liabilities amounting to AED 33.7 million were reclassified from current to non-current lease liabilities
- b) As at December 2024, Bank deposits having original maturity of more than 3 months amounting to AED 38.2 million were reclassified from cash and cash equivalents to short term deposits. Further, for the six months period ended 30 June 2024, Depreciation on right of use assets amounting to AED 8.3 million (three months period ended 30 June 2024: AED 4.4 million) were reclassified from general and administrative expenses to selling and distribution expenses and Provision for net realizable value of inventory amounting to AED 9 million (three months period ended 30 June 2024: AED 4.5 million) were reclassified from selling and distribution expenses to cost of revenue.

Moreover, currency translation reserve amounting AED 15.7 million for the six month period ended 30 June 2024 has been reclassified to financing activities which was earlier disclosed as a part of currency translation reserve under the movement of cash and cash equivalents.

These adjustments reflect changes in presentation and classification to ensure alignment with applicable accounting standards and provide more accurate and relevant financial information.

i. Interim condensed consolidated statement of financial position

31 December 2024	<u>Impact of reclassification</u>		
	As previously reported <i>AED millions</i>	reclassification <i>AED millions</i>	As reclassified <i>AED millions</i>
Lease liabilities – Current	49.4	(33.7)	15.7
Lease liabilities - Non-Current	8.5	33.7	42.2
Cash and cash equivalents	147.3	(38.2)	109.1
Short term deposits	-	38.2	38.2

ii. Interim condensed consolidated statement of profit or loss

For the six months period ended 30 June 2024*	<u>Impact of reclassification</u>		
	As previously reported <i>AED millions</i>	reclassification <i>AED millions</i>	As reclassified <i>AED millions</i>
Cost of revenue	(402.5)	9.0	(411.5)
Selling and distribution expenses	(163.2)	(0.7)	(162.5)
General and administrative expenses	(76.3)	(8.3)	(68.0)
Others	639.6	-	639.6
Loss for the period	(2.4)	-	(2.4)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025 (unaudited)

23. COMPARATIVE FIGURES (continued)

For the three months period ended 30 June 2024*	<u>Impact of reclassification</u>		
	As previously reported <i>AED millions</i>	reclassification <i>AED millions</i>	As reclassified <i>AED millions</i>
Cost of revenue	(225.4)	(4.5)	(229.9)
Selling and distribution expenses	(80.5)	0.1	(80.4)
General and administrative expenses	(26.7)	4.4	(22.3)
Others	328.6	-	328.6
Loss for the period	(4.0)	-	(4.0)

* For the six-month and three-month periods ended 30 June 2024, the previously reported information has also been re-presented due to discontinued operations.

There is no impact on the Group's basic or diluted EPS for the three-month and six-month periods ended 30 June 2024.

iii. Interim condensed consolidated statement of equity

The above reclassifications did not have any impact on the interim condensed statement of changes in equity of the Group for the six months period ended 30 June 2024.