

**Gulf Pharmaceutical Industries
JULPHAR CO Public JSC**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

31 MARCH 2026

Gulf Pharmaceutical Industries JUPHAR CO Public JSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2026

<i>Contents</i>	<i>Page</i>
Independent auditors' report on review of the condensed interim financial information	1-2
Interim Condensed Consolidated Statement of profit or loss	3
Interim Condensed Consolidated Statement of comprehensive income	4
Interim Condensed Consolidated Statement of financial position	5
Interim Condensed Consolidated Statement of changes in equity	6
Interim Condensed Consolidated Statement of cash flows	7
Notes to the Interim Condensed Consolidated financial statements	8-36



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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 31 March 2026 interim condensed consolidated financial statements of Gulf Pharmaceutical Industries JULPHAR CO Public JSC ("the Company") and its subsidiaries ("the Group"), consisting of:

- the interim condensed consolidated statement of profit or loss for the three-month period ended 31 March 2026;
- the interim condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2026;
- the interim condensed consolidated statement of financial position as at 31 March 2026;
- the interim condensed consolidated statement of changes in equity for the three-month period ended 31 March 2026;
- the interim condensed consolidated statement of cash flows for the three-month period ended 31 March 2026; 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.

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 31 March 2026 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 three-month period ended 31 March 2025, 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 May 2025.

KPMG Lower Gulf Limited

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

Date: 14 May 2026



KPMG Professional License No.: 113869

Gulf Pharmaceutical Industries JULPHAR CO Public JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For three months period ended 31 March 2026 (unaudited)

	Notes	<i>Three months ended 31 March</i>	
		<i>2026 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited) (Restated)*</i>
Continuing operations			
Revenue from contracts with customers	4	273.4	281.9
Cost of revenue		(153.7)	(173.4)
Gross profit		119.7	108.5
Other income		1.9	1.5
Selling and distribution expenses		(60.2)	(63.7)
General and administrative expenses		(24.5)	(27.0)
Research and development expenses		(5.2)	(6.4)
Operating profit		31.7	12.9
Finance income		0.9	2.5
Finance costs		(3.2)	(14.8)
Dividend income		2.5	2.5
Profit before tax for the period from continuing operations		31.9	3.1
Income tax and zakat expense	20	(3.5)	(1.6)
Profit for the period from continuing operations		28.4	1.5
Discontinued operations			
Profit for the period from discontinued operations, net of tax	6	6.7	5.6
Gain on disposal of a subsidiary, net of tax	6 (b)	-	118.7
		6.7	124.3
PROFIT FOR THE PERIOD		35.1	125.8
Profit attributable to:			
Equity holders of the Parent		35.0	125.8
Non-controlling interests		0.1	-
		35.1	125.8
Earnings per share:			
Basic and diluted			
Earnings per share attributable to the equity holders of the Parent (in UAE fils)	15	3.03	10.89
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	2.46	0.13

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

The attached notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries JULPHAR CO Public JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For three months period ended 31 March 2026 (unaudited)

	<i>Three months ended 31 March</i>	
	<i>2026 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited) (Restated)*</i>
Profit for the period	35.1	125.8
Other comprehensive loss		
Continued operations		
<i>Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Currency translation differences	(7.7)	0.6
Cash flow hedge-changes in fair value loss on hedging instrument-reclassified to profit or loss	0.7	0.4
Cash flow hedge- changes in fair value loss on hedging instrument	(0.5)	(4.0)
Total other comprehensive loss from continued operations	(7.5)	(3.0)
Discontinued operations		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Hyperinflation adjustment relating to discontinued operations	-	1.9
Currency translation differences	-	(0.9)
Total other comprehensive income from discontinued operations	-	1.0
TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(7.5)	(2.0)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27.6	123.8
Total comprehensive income attributable to:		
Equity holders of the Parent	27.5	123.3
Non-controlling interests	0.1	0.5
	27.6	123.8

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

The attached notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries JULPHAR CO Public JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026 (unaudited)

	<i>Notes</i>	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	5	241.6	243.3
Right of use assets		10.6	11.2
Intangible assets		35.8	36.1
Derivative financial instrument		4.1	3.7
Financial asset at fair value through other comprehensive income	9	0.2	0.2
		<u>292.3</u>	<u>294.5</u>
Current assets			
Inventories	7	398.3	400.9
Financial assets at fair value through profit or loss	8	23.2	23.2
Trade and other receivables	10	619.6	530.0
Restricted cash	22	20.0	20.0
Short term deposits	11	14.0	15.8
Cash and cash equivalents	11	224.5	229.6
		<u>1,299.6</u>	<u>1,219.5</u>
Assets held for sale	6(d)	270.2	265.8
		<u>1,569.8</u>	<u>1,485.3</u>
TOTAL ASSETS		<u><u>1,862.1</u></u>	<u><u>1,779.8</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,155.3	1,155.3
Statutory reserve	13	201.2	201.2
Foreign currency translation reserve		(246.9)	(239.2)
Cash flow hedge reserve		2.1	1.9
Fair value reserve		(7.1)	(7.1)
Accumulated losses		(128.0)	(163.0)
Equity attributable to shareholders of the Parent		<u>976.6</u>	<u>949.1</u>
Non-controlling interest		10.8	10.7
Total equity		<u>987.4</u>	<u>959.8</u>
Non-current liabilities			
Provision for employees' end of service benefits		67.0	68.6
Bank borrowings	14	248.4	263.8
Deferred tax liability		2.9	2.9
Lease liabilities		7.2	8.1
		<u>325.5</u>	<u>343.4</u>
Current liabilities			
Trade payables and accruals		401.6	352.9
Income tax and zakat payable		19.0	17.2
Bank borrowings	14	15.4	-
Lease liabilities		3.3	3.1
		<u>439.3</u>	<u>373.2</u>
Liabilities directly associated with the assets held for sale	6(d)	109.9	103.4
		<u>549.2</u>	<u>476.6</u>
Total liabilities		<u>874.7</u>	<u>820.0</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,862.1</u></u>	<u><u>1,779.8</u></u>

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34. These interim condensed consolidated financial statements were approved and signed on behalf of the Board of Directors on 14 May 2026 by:

Sh Saqer Humaid Al Qasimi
Chairman

Mr. Baseel Nimer Ali Ziyadeh
Chief Executive Officer

The attached notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries JULPHAR CO Public JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2026 (unaudited)

Attributable to the equity holders of the Parent

	<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>	<i>Non-controlling interest AED millions</i>	<i>Total equity AED millions</i>
As at 1 January 2026 (audited)	1,155.3	201.2	(239.2)	1.9	(7.1)	(163.0)	949.1	10.7	959.8
Profit for the period (unaudited)	-	-	-	-	-	35.0	35.0	0.1	35.1
Other comprehensive (loss)/income for the period	-	-	(7.7)	0.2	-	-	(7.5)	-	(7.5)
Total comprehensive (loss)/income for the period	-	-	(7.7)	0.2	-	35.0	27.5	0.1	27.6
As at 31 March 2026 (unaudited)	1,155.3	201.2	(246.9)	2.1	(7.1)	(128.0)	976.6	10.8	987.4
As at 1 January 2025 (audited)	1,155.3	192.5	(241.7)	12.1	(7.1)	(322.4)	788.7	10.5	799.2
Profit for the period as restated * (unaudited)	-	-	-	-	-	125.8	125.8	-	125.8
Other comprehensive income/(loss) for the period	-	-	1.1	(3.6)	-	-	(2.5)	0.5	(2.0)
Total comprehensive income/(loss) for the period	-	-	1.1	(3.6)	-	125.8	123.3	0.5	123.8
As at 31 March 2025, as restated (unaudited)	1,155.3	192.5	(240.6)	8.5	(7.1)	(196.6)	912.0	11.0	923.0

*Refer to Note 23.

The attached notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries JULPHAR CO Public JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2026 (unaudited)

	Notes	Three months ended 31 March	
		2026 AED millions	2025 AED millions (Restated)*
OPERATING ACTIVITIES			
Profit before tax for the period from continuing operations		31.9	3.1
Profit before tax for the period from discontinued operations	6	7.0	150.3
Profit before tax for the period		38.9	153.4
Adjustments for:			
Depreciation of property, plant and equipment	5	9.4	9.6
Depreciation of right of use assets		0.6	4.3
Amortisation of intangible assets		0.3	1.6
Allowance for slow moving and obsolete inventories	7(a)	6.6	12.8
Allowance for expected credit loss on receivables	10(a)	1.7	1.5
Provision for employees' end of service benefits		2.3	2.6
Hyperinflation adjustment		-	0.3
Gain on disposal of a subsidiary, excluding tax	6(c)	-	(144.4)
Finance income		(0.9)	(2.5)
Finance costs		3.2	15.2
		62.1	54.4
Changes in working capital			
Trade and other receivables		(92.2)	(83.8)
Inventories		(6.7)	9.8
Trade payables and accruals		50.1	22.7
Cash flows generated from operations		13.3	3.1
Employees' end of service benefits paid		(3.1)	(4.2)
Income tax and zakat paid		(1.7)	(1.9)
Net cash flows generated from / (used in) operating activities		8.5	(3.0)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5(a)	(8.2)	(7.2)
Proceeds from disposal of property, plant and equipment		-	0.1
Purchase of intangible assets		-	(1.7)
Proceeds from disposal of subsidiaries		-	774.0
Transaction cost on disposal of subsidiary		-	(33.9)
Tax paid on disposal of subsidiary -		-	(17.8)
Deposits having maturities after three months and less than one year		1.8	31.6
Finance income received		0.9	1.3
Net cash flows (used in) / from investing activities		(5.5)	746.4
FINANCING ACTIVITIES			
Repayment of bank overdraft and trust receipts facility, net	14(c)	-	(47.1)
Repayment of bank borrowings	14(c)	-	(336.1)
Repayment of lease liabilities		(4.9)	(3.9)
Repayment of interest on lease liabilities		(0.7)	(0.7)
Interest paid		(3.2)	(18.1)
Net cash flows used in financing activities		(8.8)	(405.9)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(5.8)	337.5
Currency translation differences		(0.4)	(0.8)
Cash and cash equivalents at the beginning of the period		235.8	122.7
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	11	229.6	459.4

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

The attached notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

Gulf Pharmaceutical Industries JULPHAR CO Public JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

1. ACTIVITIES

Gulf Pharmaceutical Industries JULPHAR CO Public JSC 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 three months ended 31 March 2026 was authorised for issue in accordance with the resolution of the Board of Directors on 14 May 2026.

These interim condensed consolidated financial statements reflect the operations of the Group as at 31 March 2026. By virtue of shareholders and other agreements, the Company holds directly or indirectly a controlling interest and has the power to govern the financial and operating policies in each of the subsidiaries listed below (collectively referred to as the "Group" and individually referred to as "Group Entities"):

<i>Serial No.</i>	<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>Percentage of ownership</i>		<i>Subsidiary activity</i>
			<i>31 March 2026 (unaudited)</i>	<i>31 December 2025 (audited)</i>	
<i>Direct subsidiaries</i>					
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%	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 JULPHAR CO Public JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

1. ACTIVITIES (continued)

Serial No.	Name of subsidiary	Country of incorporation	Percentage of ownership		Name of subsidiary
			31 March 2026 (unaudited)	31 December 2025 (audited)	
<i>Indirect subsidiaries</i>					
<i>Subsidiary of Mena Cool Machinery Trading</i>					
1.	Julphar General Trading L.L.C. (note (a))	United Arab Emirates	100%	100%	General trading
<i>Subsidiary of Julphar Company for Trading and Distribution L.L.C.</i>					
1.	Julphar Egypt Company L.L.C.	Egypt	100%	100%	Distributors of Julphar's products in Egypt
<i>Subsidiary of Julphar Egypt Company L.L.C.</i>					
1.	Julphar Plus (note (a))	Egypt	100%	100%	Manufacturing and distribution of medicines
<i>Subsidiaries of Planet Pharmacies L.L.C.</i>					
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 (note (c))	United Arab Emirates	100%	100%	Facilities management services, health treatment undertaking services and hospitals management
5.	Health First Investment LLC (note (c))	United Arab Emirates	100%	100%	Investment in commercial, industrial, and healthcare enterprises and their management.
6.	Health First Pharmacy LLC (Abu Dhabi) (note (c))	United Arab Emirates	100%	100%	Trading in medicines and medical equipment
7.	Kawakeb Al Saydaliyat Company LLC (note (a))	Kingdom of Saudi Arabia	100%	100%	Trading in medicines and medical equipment
8.	New Scientific Pharmacies LLC (note (c))	Sultanate of Oman	100%	100%	Trading in medicines and medical equipment
9.	Future Medical Co. Ltd (note (a))	Kingdom of Saudi Arabia	100%	100%	Trading in medicines and medical equipment
<i>Julphar Investment Limited</i>					
1.	Gulf Pharmaceutical industries Julphar KSA (note (a))	Kingdom of Saudi Arabia	100%	100%	Agent, sale of cosmetics, Export and import activities
<i>Subsidiaries of Julphar Healthy Services</i>					
1.	Scientific Pharmacy LLC (c)	Sultanate of Oman	100%	100%	Trading in medicines and medical equipment
<i>Subsidiary of Health First Investment LLC</i>					
1.	Health First Pharmacy (Sharjah) (c)	United Arab Emirates	100%	100%	Retail and wholesale trading in medicines and cosmetics

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

1. ACTIVITIES (continued)

- 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 period ended 31 March 2025, the Board of Directors of the Group renewed its intention to sell this subsidiary and thus as of 31 March 2026, 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 2026.
- c) During the year ended 31 December 2025, the Board of Directors of the Group had resolved to sell these subsidiaries. Accordingly, as of 31 March 2026, management assessed that the subsidiaries and their branches met criteria for classification as a disposal group held for sale in accordance with IFRS 5 and classified them as held for sale (note 6(c)).

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 three months ended 31 March 2026 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 2025.

In addition, results for the three months ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

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 2025.

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 2027 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing the interim condensed consolidated financial statements.

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

	Effective date
IFRS 18 Presentation and Disclosures 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	deferred indefinitely

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (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 (continued)

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 2026 and do not have a material impact on the Group's interim condensed consolidated 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

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 2025.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 Disaggregated revenue information

	<i>Three months ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
		<i>(restated)</i>
Gross sales	363.4	417.7
Less: commissions	(19.6)	(16.6)
Net sales	343.8	401.1
Less: net sales relating to discontinued operations (note 6)	(70.4)	(119.2)
	273.4	281.9

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

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>Three months ended 31 March</i>	
	<i>2026 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited) (restated)</i>
Geographic information		
UAE	156.7	154.3
Other GCC countries	120.3	162.2
Other countries	66.8	84.6
	343.8	401.1
Less: net sales relating to discontinued operations (note 6)	(70.4)	(119.2)
	273.4	281.9

4.2 Contract balances

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Contract assets*		
Trade receivables (note 10)	598.0	516.1
Contract liabilities*		
Refund liabilities	60.6	63.3
Accruals and other payables	82.3	64.8
Advances from customers	2.5	2.7
Commissions payable	14.5	16.9
	159.9	147.7

* Includes assets and liabilities held for sale.

4.3 Performance obligations

The performance obligation on sales of goods is satisfied upon delivery, and payment is generally due within 3 to 12 months from delivery distribution sales and immediately on delivery for retail sales.

The Group generally grants its customers the right of return within a period of 14 days from the date of purchase, only for non-medicine items in retail sales. However, the Group does not record a provision for sales returns in retail sales as these returns are insignificant to overall interim condensed consolidated financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

- a) Property, plant and equipment additions during the current period amounted to AED 8.2 million (31 March 2025: AED 6.4 million).
- b) Depreciation charges for the current period amounted to AED 9.4 million (31 March 2025: AED 9.6 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 2025: AED 3.7 million) which are owned by the Government of Ras Al Khaimah.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

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 2025, 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 net cash flows used in Julphar Ethiopia are as follows:

	<i>Three months ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating	(1.1)	(1.2)
Investing	-	(0.8)
Net cash outflow	<u>(1.1)</u>	<u>(2.0)</u>

Basic and diluted earnings per share

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

The results of the discontinued operation for the three months period ended 31 March 2026 and 31 March 2025 are presented below:

	<i>Three months ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue from contracts with customers	1.0	1.5
Cost of revenue	(0.6)	(0.9)
Gross profit	<u>0.4</u>	<u>0.6</u>
General and administrative expenses	(0.1)	(0.1)
Operating profit	<u>0.3</u>	<u>0.5</u>
Hyperinflation adjustment (note 21)	-	(0.3)
Profit before tax for the period from discontinued operations	<u>0.3</u>	<u>0.2</u>
Income tax expense	(0.1)	(0.1)
PROFIT FOR THE PERIOD	<u>0.2</u>	<u>0.1</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

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

	<i>Three months ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
PROFIT FOR THE PERIOD	0.2	0.1
Other comprehensive income		
Hyperinflation adjustment	-	1.9
Currency translation differences	-	(0.9)
	<u>0.2</u>	<u>1.0</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	0.2	1.1
	<u><u>0.2</u></u>	<u><u>1.1</u></u>
Profit for the period attributable to:		
Equity holders of the Parent	0.1	0.1
Non-controlling interests	0.1	-
	<u>0.2</u>	<u>0.1</u>
	<u><u>0.2</u></u>	<u><u>0.1</u></u>
Total comprehensive income attributable to:		
Equity holders of the Parent	0.1	0.6
Non-controlling interests	0.1	0.5
	<u>0.2</u>	<u>1.1</u>
	<u><u>0.2</u></u>	<u><u>1.1</u></u>

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 were completed on 16 February 2025 and control was lost after the legal formalities were completed. Accordingly, a gain of AED 118.7 million, net of transaction cost of AED 33.9 million and tax of AED 25.7 million, was recognised by the Group during the period ended 31 March 2025. Hence, Zahrat was classified as a disposal group held for sale and as a discontinued operation as at 31 December 2025. The proceeds from disposal were received during the year ended 31 December 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

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

The net cash flows used in Zahrat are as follows:

	<i>Three months ended 31 March</i>	
	<i>2026 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)*</i>
Operating	-	6.7
Investing	-	356.1
Financing	-	(3.7)
Net cash inflow	-	359.1

Basic and diluted earnings per share

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

The results of the discontinued operations of Zahrat for the three months ended 31 March are presented below:

	<i>Three months ended 31 March</i>	
	<i>2026 AED Millions (unaudited)</i>	<i>2025 AED Millions (unaudited)</i>
Revenue from contracts with customers	-	39.0
Cost of revenue	-	(29.4)
Gross profit	-	9.6
Other income	-	0.1
Selling and distribution expenses	-	(1.5)
General and administrative expenses	-	(6.7)
Operating profit	-	1.5
Finance income	-	-
Finance costs	-	(0.7)
Profit before tax for the period from discontinued operations	-	0.8
Income tax expense	-	(0.2)
PROFIT FOR THE PERIOD	-	0.6
Gain on sale of discontinued operation, net of tax	-	118.7
Profit from discontinued operation	-	119.3
Other comprehensive income	-	-
Total other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	119.3

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)**c) PLANET RETAIL AND DISTRIBUTION OPERATIONS**

During the year ended 31 December 2025, the Parent Company, received and accepted a binding offer from a third party to acquire certain retail and distribution operations of Planet Pharmacies LLC. The proposed transaction covers the following operations owned by the Group's wholly owned subsidiary (Planet Pharmacies LLC):

- The Health First Pharmacy chain in the United Arab Emirates ("UAE Operations") as disclosed in Note 2; and
- The Scientific Pharmacy chain and distribution channel in the Sultanate of Oman as disclosed in Note 2 ("Oman Operations").

The sale will exclude five pharmacies from the Health First Pharmacy chain in the United Arab Emirates, which will remain part of the Group and continue to be operated under Groups control after completion of the transaction. Further, there is a plan to sell the remaining five pharmacies.

As of 31 March 2026, the binding offer has been accepted by the Group, and the transaction is pending completion, subject to final regulatory approvals, customary closing conditions, and execution of the definitive agreements. Further, the control was not last at period end.

Accordingly, the related assets and liabilities of the operations to be sold have been classified as "assets and liabilities held for sale" in the interim condensed consolidated statement of financial position, in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

The disposal group is measured at the lower of its carrying amount and fair value less costs to sell as of the reporting date. No impairment loss has been recognized in relation to the classification as held for sale.

The financial performance of the Oman Operations to be disposed of for the three-month period ended 31 March 2026 and 31 March 2025 is presented below:

	<i>Three months ended 31 March</i>	
	<i>2026</i> <i>AED</i> <i>millions</i> <i>(unaudited)</i>	<i>2025</i> <i>AED</i> <i>millions</i> <i>(unaudited)</i>
Revenue from contracts with customers	26.6	29.7
Cost of revenue	(18.4)	(19.2)
Gross profit	8.2	10.5
Selling and distribution expenses	(4.5)	(5.7)
General and administrative expenses	(1.3)	(1.7)
Operating profit	2.4	3.1
Finance costs	(0.2)	-
Profit before tax for the period from discontinued operations	2.2	3.1
Income tax expense	(0.2)	(0.3)
Profit from discontinued operations	2.0	2.8
Other comprehensive income	-	-
Total other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2.0	2.8

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)**c) PLANET RETAIL AND DISTRIBUTION OPERATIONS**

	<i>Three months ended 31 March</i>	
	<i>2026</i> <i>AED</i> <i>millions</i> <i>(unaudited)</i>	<i>2025</i> <i>AED</i> <i>millions</i> <i>(unaudited)</i>
Operating	1.1	2.0
Investing	0.2	(1.6)
Financing	(1.3)	(0.1)
Net cash outflow	-	(0.3)

The financial performance of the UAE Operations to be disposed of for the three-months period ended 31 March 2026 and 31 March 2025 is presented below:

	<i>Three months ended 31 March</i>	
	<i>2026</i> <i>AED</i> <i>millions</i> <i>(unaudited)</i>	<i>2025</i> <i>AED</i> <i>millions</i> <i>(unaudited)</i>
Revenue from contracts with customers	42.8	49.0
Cost of revenue	(24.9)	(31.6)
Gross Profit	17.9	17.4
Other income	0.1	-
Selling and distribution expenses	(9.9)	(11.6)
General and administrative expenses	(3.1)	(3.3)
Operating profit	5.0	2.5
Finance costs	(0.5)	(0.4)
Profit before tax for the period from discontinued operations	4.5	2.1
Income tax expense	-	-
Profit from discontinued operations	4.5	2.1
Other comprehensive income	-	-
Total other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4.5	2.1

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

6. DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)**c) PLANET RETAIL AND DISTRIBUTION OPERATIONS**

	<i>Three months ended 31 March</i>	
	<i>2025</i> <i>AED</i> <i>millions</i> <i>(unaudited)</i>	<i>2024</i> <i>AED</i> <i>millions</i> <i>(unaudited)</i>
Operating	(0.6)	5.7
Investing	(0.3)	(2.9)
Financing	2.7	0.3
Net cash (outflow) / inflow	<u>(3.6)</u>	<u>3.1</u>

d) 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 have been 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 in 2025.

	<i>2024</i> <i>AED</i> <i>millions</i>	<i>2025</i> <i>AED</i> <i>millions</i>
Operating	-	-
Investing	-	330.5
Financing	-	-
Net cash inflow	<u>-</u>	<u>330.5</u>

Gulf Pharmaceutical Industries JULPHAR CO Public JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

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

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

	31 March 2026				31 December 2025			
	<i>Julphar Pharmaceutic als P.L.C AED millions</i>	<i>Oman operations millions</i>	<i>UAE Transaction companies millions</i>	<i>Total AED millions</i>	<i>Julphar Pharmaceutic als P.L.C AED millions</i>	<i>Oman operations millions</i>	<i>UAE Transaction companies millions</i>	<i>Total AED millions</i>
ASSETS								
Property, plant and equipment	10.5	4.3	4.0	18.8	10.6	4.2	3.7	18.5
Right of use assets	-	16.1	45.3	61.4	-	14.8	40.2	55.0
Intangible assets	-	8.6	39.5	48.1	-	8.6	39.5	48.1
Inventories	11.2	41.2	34.8	87.2	9.6	43.4	32.3	85.3
Deferred tax asset	-	0.5	-	0.5	-	0.5	-	0.5
Trade and other receivables	0.3	31.0	17.8	49.1	0.8	31.5	19.9	52.2
Bank balances and cash	5.1	-	-	5.1	6.2	-	-	6.2
Assets held for sale	27.1	101.7	141.4	270.2	27.2	103.0	135.6	265.8
LIABILITIES								
Provision for employees' end of service benefits	-	4.4	6.3	10.7	-	4.3	5.6	9.9
Deferred tax liability	-	-	3.6	3.6	-	-	3.6	3.6
Lease liabilities	-	13.2	39.9	53.1	-	13.3	37.5	50.8
Trade payables and accruals	2.7	32.4	5.6	40.7	3.0	31.4	3.2	37.6
Current tax liabilities	0.6	1.2	-	1.8	0.5	1.0	-	1.5
Liabilities directly associated with assets held for sale	3.3	51.2	55.4	109.9	3.5	50.0	49.9	103.4
Net assets directly associated with assets held for sale	23.8	50.5	86.0	160.3	23.7	53.0	85.7	162.4
Less: net assets attributable to non-controlling interest	(10.8)	-	-	(10.8)	(10.7)	-	-	(10.7)
Group's share of net assets directly associated with disposal group	13.0	50.5	86.0	149.5	13.0	53.0	85.7	151.7

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

7. INVENTORIES

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Finished goods	366.6	350.3
Raw materials	74.7	84.8
Packing materials	49.3	46.6
Spare parts	35.9	35.1
Consumables	19.7	18.9
Work-in-progress	10.2	14.3
Goods in transit	3.1	4.2
	<u>559.5</u>	<u>554.2</u>
Less: allowance for net realizable value (note (a))	(74.0)	(68.0)
	<u>485.5</u>	<u>486.2</u>
Less: inventories attributable to assets held for sale (note 6(e))	(87.2)	(85.3)
	<u><u>398.3</u></u>	<u><u>400.9</u></u>

a) The movement in the Group's allowance for net realisable value of inventories is as follows:

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Balance at the beginning of the period / year	68.0	101.4
Charge during the period / year	6.6	25.9
Derecognized on disposal of subsidiary	-	(23.1)
Written-off during the period / year	(0.6)	(36.2)
	<u>74.0</u>	<u>68.0</u>

*Allowance for net realisable value of inventories include AED 3.1 million (31 December 2025: AED 3.0 million) against inventories attributable to assets held for sale.

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 23.2 (31 December 2025: AED 23.2 million).

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

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Balance at the beginning and end of the period/year	23.2	21.3
Unrealized gain on revaluation for the period/year	-	1.9
	<u>23.2</u>	<u>23.2</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

8. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

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 2025: 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)

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Fair value of financial assets at FVTOCI	<u>0.2</u>	<u>0.2</u>

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

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Balance at the beginning and end of the period/year	<u>0.2</u>	<u>0.2</u>

As at 31 March 2026, the Group has a negative fair value reserve of AED 7.1 million (31 December 2025: 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).

Gulf Pharmaceutical Industries JULPHAR CO Public JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

10. TRADE AND OTHER RECEIVABLES

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Trade receivables	741.7	661.4
Less: provision for expected credit losses (note (a))	(143.7)	(145.3)
	598.0	516.1
Advances to suppliers	19.7	20.1
Value added tax receivable	11.1	10.4
Prepayments	9.0	9.0
Rebates, commission and discount receivable from suppliers	2.9	0.7
Other receivables	28.0	25.9
	668.7	582.2
Less: trade and other receivables attributable to assets held for sale (note 6(e))	(49.1)	(52.2)
	619.6	530.0

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

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Balance at the beginning of the period/year	145.3	152.8
Charge for the period/year	1.7	4.7
Written off during the period/year	(3.3)	(7.1)
Derecognized on disposal of subsidiary	-	(5.1)
	143.7	145.3
Less: provision for expected credit losses attributable to assets held for sale	(12.9)	(14.1)
	130.8	131.2

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

11. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	31 March 2026 AED millions (unaudited)	31 December 2025 AED millions (audited)
Current accounts	140.4	164.4
Short term bank deposits	102.0	85.8
Cash in hand	1.2	1.4
	243.6	251.6
Less: term deposits having maturities after three months and less than one year	(14.0)	(15.8)
Cash and cash equivalents for the statement of cash flows	229.6	235.8
Less: bank balances and cash attributable to assets held for sale (note 6(e))	(5.1)	(6.2)
Cash and cash equivalent in the statement of financial position	224.5	229.6

12. SHARE CAPITAL

	31 March 2026 AED millions (unaudited)	31 December 2025 AED millions (audited)
<i>Authorised, issued and fully paid</i>		
1,155,227,811 ordinary shares (31 December 2025:1,155,227,811 ordinary shares) at par value of AED 1 each (31 December 2025 : AED 1 each)	1,155.3	1,155.3

13. STATUTORY RESERVE

In accordance with the Articles of Association of the Company and certain subsidiaries (“the entities”) of the Group and the provisions of UAE Federal Law No. (32) of 2021, 10% of the net profit for the year, has been transferred to a statutory reserve. Such transfers may be discontinued when the reserve equals 50% of the paid-up share capital of these entities. This reserve is non-distributable except in certain circumstances as permitted by the above-mentioned Law.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

14. BANK BORROWINGS

	<i>Interest rate(%)</i>	<i>Maturity</i>	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Current interest bearing loans and borrowings				
Term loans – current portion	3m EIBOR+2.5%	Within 1 year	<u>15.4</u>	-
Non-current interest bearing loans and borrowings				
Term loan- non current portion	3m EIBOR+2.5%	28 April 2030	<u>248.4</u>	<u>263.8</u>
Total interest-bearing bank borrowings			<u><u>263.8</u></u>	<u><u>263.8</u></u>

During the year 2021, the Parent Company entered into a syndicated loan arrangement with a consortium of local banks for a syndicated facility which comprises of Ijarah Term Loan Facility of AED 180 million, Conventional Working Capital Finance Facility of AED 260 million and Conventional Term Loan Facility of AED 720 million with total facility size of AED 1.16 billion.

The drawdown term loan of AED 900 million (AED 180 million from Ijarah Facility and AED 720 million from Conventional Facility) is payable in quarterly instalments which started from 30 July 2023. Further on 29 April 2024, an approved deferment of loan repayment was received from the local banks regarding the Company's syndicated loan wherein 2024 quarterly loan repayments of April, July and October 2024 were deferred and were paid on 31 December 2024.

During the year ended 31 December 2025, AED 501 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.

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 Ijarah 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 entire property, plant and equipment and inventory.
- Corporate guarantee of a subsidiary

The Group's syndicated loan agreement is subject to covenant clauses, whereby the Group is required to meet certain key financial ratios on an annual basis as below:

- Finance service ratio of less than 1.40
- Minimum equity of AED 850 million
- Debt to equity ratio of less than 1.75

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

14. BANK BORROWINGS

Movement in bank borrowings was as follows:

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
At the beginning of the period/year	263.8	913.1
Add: utilisation overdraft and trust receipts facility	-	859.3
Loans repaid during the period/year	-	(501.2)
Repayment of bank overdraft and trust receipts facility	-	(1,007.4)
At the end of the period/year	<u>263.8</u>	<u>263.8</u>

15. BASIC EARNING PER SHARE (EPS)

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

	<i>Three months ended 31 March</i>	
	<i>2026 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>
Profit for the period attributable to the equity shareholders of the Parent:		
Continuing operations	28.4	1.5
Discontinued operations (note 6)	6.6	124.3
Profit for the period attributable to the equity holders of the Parent	<u>35.0</u>	<u>125.8</u>
Weighted average number of shares	<u>1,155.3</u>	<u>1,155.3</u>
Basic earnings per share attributable to the equity holders of the Parent (in UAE fils)	<u>3.03</u>	<u>10.89</u>
Basic earnings per share from continuing operations attributable to the equity holders of the Parent (in UAE fils)	<u>2.46</u>	<u>0.13</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

15. BASIC EARNINGS PER SHARE (EPS)

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

	<i>Three months ended 31 March</i>	
	<i>2026 (unaudited)</i>	<i>2025 (unaudited)</i>
Profit for the period attributable to the equity holders of the Parent from discontinued operations (in AED millions)	<u>6.70</u>	<u>124.3</u>
Basic earnings per share from discontinued operations attributable to the equity holders of the Parent (in UAE fils)	<u>0.58</u>	<u>10.76</u>

- 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.

- a) *Compensation of key management personnel of the Group*

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

	<i>Three months ended 31 March</i>	
	<i>2026 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>
Short-term benefits	<u>3.0</u>	<u>1.3</u>
Post employment and other long-term benefits	<u>1.0</u>	<u>0.6</u>
Director's remuneration	<u>0.7</u>	<u>1.4</u>
	<u>4.7</u>	<u>3.3</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

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

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 JULPHAR CO Public JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

17. SEGMENT INFORMATION (continued)

	<i>For the three months ended 31 March 2026 (unaudited)</i>						<i>For the three months ended 31 March 2025 (unaudited)</i>					
	<i>Manufacturing</i>	<i>Trading</i>	<i>Investments</i>	<i>Other segments</i>	<i>Inter segment revenue**</i>	<i>Total</i>	<i>Manufacturing</i>	<i>Trading</i>	<i>Investments</i>	<i>Other segments</i>	<i>Inter segment revenue**</i>	<i>Total</i>
	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>	<i>AED millions</i>
Segment revenue	<u>227.4</u>	<u>112.4</u>	<u>-</u>	<u>-</u>	<u>(66.4)</u>	<u>273.4</u>	<u>264.2</u>	<u>104.6</u>	<u>-</u>	<u>-</u>	<u>(86.9)</u>	<u>281.9</u>
Segment result*	<u>23.4</u>	<u>4.8</u>	<u>2.5</u>	<u>(2.3)</u>	<u>-</u>	<u>28.4</u>	<u>6.5</u>	<u>4.8</u>	<u>2.5</u>	<u>(12.3)</u>	<u>-</u>	<u>1.5</u>
Depreciation expense of property, plant and equipment	<u>9.2</u>	<u>0.2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9.4</u>	<u>8.7</u>	<u>5.2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13.9</u>
Amortization expense	<u>-</u>	<u>0.3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.3</u>	<u>0.2</u>	<u>1.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.6</u>
	<i>2026</i>						<i>2025</i>					
	<i>Manufacturing AED millions</i>	<i>Trading AED millions</i>	<i>Investments AED millions</i>	<i>Other segments AED millions</i>	<i>Total AED millions</i>	<i>Manufacturing AED millions</i>	<i>Trading AED millions</i>	<i>Investments AED millions</i>	<i>Other segments AED millions</i>	<i>Total AED millions</i>		
Segment current assets	<u>512.2</u>	<u>505.7</u>	<u>23.2</u>	<u>258.5</u>	<u>1,299.6</u>	<u>427.3</u>	<u>503.6</u>	<u>23.2</u>	<u>265.4</u>	<u>1,219.5</u>		
Segment non-current assets	<u>270.3</u>	<u>21.8</u>	<u>0.2</u>	<u>-</u>	<u>292.3</u>	<u>271.5</u>	<u>22.8</u>	<u>0.2</u>	<u>-</u>	<u>294.5</u>		
Segment current liabilities	<u>294.9</u>	<u>125.8</u>	<u>-</u>	<u>15.4</u>	<u>436.1</u>	<u>275.5</u>	<u>97.7</u>	<u>-</u>	<u>-</u>	<u>373.2</u>		
Segment non-current liabilities	<u>60.2</u>	<u>16.9</u>	<u>-</u>	<u>248.4</u>	<u>325.5</u>	<u>61.5</u>	<u>18.1</u>	<u>-</u>	<u>263.8</u>	<u>343.4</u>		

* Represents profit for the period from continuing operations.

** Represents inter-segment revenue from manufacturing to trading.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (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>31 March 2026 (unaudited)</i>			
	<i>Total AED millions</i>	<i>UAE AED millions</i>	<i>Saudi Arabia AED millions</i>	<i>Others AED millions</i>
Non-current assets				
Property, plant and equipment	241.6	239.9	1.5	0.2
Right of use assets	10.6	7.5	3.1	-
Intangible assets	35.8	35.8	-	-

	<i>31 December 2025 (audited)</i>			
	<i>Total AED millions</i>	<i>UAE AED millions</i>	<i>Saudi Arabia AED millions</i>	<i>Others AED millions</i>
Non-current assets				
Property, plant and equipment	243.3	243.1	-	0.2
Right of use assets	11.2	8.1	3.1	-
Intangible assets	36.1	36.1	-	-

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 three months ended 31 March 2026 to this one customer amounts to AED 95.4 million (31 March 2025: Top 1 customer AED 76.1 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

For the three months ended 31 March 2026 (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 fair value of financial assets and financial liabilities are not materially different from their carrying values at reporting date since assets and liabilities not already measured at fair value have either short term maturities or in the case of borrowings are frequently repriced and the prevalent interest rates reflect risks associated with the borrowings.

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 2025.

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>Fair Value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	
	<i>31 March 2026</i>	<i>31 December 2025</i>			<i>31 March 2026</i>	<i>31 December 2025</i>
	<i>AED millions (unaudited)</i>	<i>AED millions (audited)</i>				
Financial assets						
Unquoted equity investments						
– FVTPL	23.2	23.2	Level 3	Inputs other than quoted prices included within level 3 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)	- Weighted average cost of capital - Growth rate	- Weighted average cost of capital - Growth rate
Quoted equity investments						
– FVOCI	0.2	0.2	Level 1	Quoted prices (unadjusted in active) markets for identical assets or liabilities	- None	- None
	23.4	21.4				
Derivative financial instrument						
Interest rate						
Cap	4.1	3.7	Level 2	Discounted cash flow Key inputs- Notional amount Fixed rates, forward curve rates	N/A	N/A

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

18. FAIR VALUE MEASUREMENTS

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).

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"> • Weighted average cost of capital (unaudited) (13%) (31 December 2025 (audited): 13%) • Expected maintainable dividend (unaudited) AED 2.5 million (31 March 2025: AED 2.5 million) • Growth rate (unaudited): 2% (31 December 2025 (audited) : 2%) 	<ul style="list-style-type: none"> • An increase in the weighted cost of capital (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 (unaudited)</i>	<i>AED millions decrease (unaudited)</i>
31 March 2026		
Weighted average cost of capital (1% Movement)	(2.3)	2.3
Long-term growth rate (0.5% Movement)	1.2	(1.2)
Dividend income (5% movement)	1.1	(1.1)
	<i>AED millions Increase (audited)</i>	<i>AED millions decrease (audited)</i>
31 December 2025		
Weighted average cost of capital (1% Movement)	(2.3)	2.3
Long-term growth rate (0.5% Movement)	1.2	(1.2)
Dividend income (5% movement)	1.1	(1.1)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

19. COMMITMENTS AND CONTINGENT LIABILITIES

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Capital commitments	<u>6.6</u>	<u>15.6</u>
Letters of credit	<u>4.1</u>	<u>7.8</u>
Letters of guarantee	<u>19.6</u>	<u>22.8</u>

20. INCOME TAX AND ZAKAT

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>Three months ended 31 March</i>	
	<i>2026 AED millions (unaudited)</i>	<i>2025 AED millions (unaudited)</i>
Current income tax/zakat		
In respect of corporate charge	<u>3.8</u>	<u>28.2</u>
Deferred tax credit		
Current period charge/(credit)	<u>-</u>	<u>(0.3)</u>
Total income tax charge reported in the interim condensed consolidated statement of profit or loss	3.8	27.9
Less: income tax relating to disposal of subsidiary	-	(25.7)
Less: income tax and zakat expense relating to discontinued operations (note 6)	(0.3)	(0.6)
Income tax expense relating to continuing operations	3.5	1.6
Tax assets/liabilities:		
Provision for current tax	19.0	17.2
Deferred tax liabilities	2.9	2.9
Deferred tax assets	-	-

Reconciliation of effective tax rate

	Tax rate	2026	Tax rate	2025
Profit before tax from continued operations		31.9		3.1
Tax using the Company's domestic tax rate	9%	2.9	9%	0.3
Others		0.6		1.3
Tax expense for continued operations		3.5		1.6
Effective tax rate	11.0%		51.6%	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

20. INCOME TAX AND ZAKAT (continued)

	<i>31 March 2026 AED millions (unaudited)</i>	<i>31 December 2025 AED millions (audited)</i>
Movement of net deferred tax		
Net deferred tax liability balance at beginning of the period/year	2.9	7.5
Reversal for the period / year	-	(1.5)
Less: Related to assets held for sale	-	(3.1)
	<hr/>	<hr/>
Net deferred tax liability balance at the end of the period/year	<u>2.9</u>	<u>2.9</u>

The Group's operations in countries including UAE, Egypt, Kingdom of Saudi Arabia, Sultanate of Oman and Ethiopia are subject to taxation at the rates applicable in the respective countries.

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.

The hyperinflation accounting was not applicable during the period ended 31 March 2026. (2025: loss of AED 0.3 million).

22. RESTRICTED CASH

Includes AED 20.0 million (31 December 2025: AED 20.0 million) restricted from being exchanged and to be used to settle a quarterly installment of term loan and its related interests.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

23. PRIOR YEAR ADJUSTMENTS

- a) Management identified a prior period error in the calculation of unrealised profit relating to unsold finished goods inventory and incorrect determination of cost per unit as at 31 March 2025 excluding the impact mentioned in error (b). This error resulted in an overstatement of inventory and a corresponding net understatement of cost of revenue and overstatement of gross profit.

The total impact of this error amounted to AED 11.6 million, comprising an understatement of AED 13.5 million in continued operations and an overstatement of AED 1.9 million in discontinued operations of cost of revenue. The error has been corrected by reducing the inventory balance as at 31 March 2025 by AED 11.6 million, with a corresponding increase in cost of revenue.

- b) Management identified a prior period error relating to inventory costing. As at 31 March 2025, the Group measured finished goods using standard costs without appropriately adjusting them to approximate actual costs, contrary to the requirements of IAS 2. Accordingly, inventory as at 31 March 2025 has been decreased by AED 5.1 million, with a corresponding increase in cost of revenue for the period then ended.
- c) Management identified that the refund liability recorded by the Company was not reversed for inventory that remained unsold and held by its subsidiary as at 31 March 2025. This resulted in an overstatement of the refund liability amounting to AED 1.4 million and a corresponding understatement of revenue. Accordingly, refund liability has been decreased by AED 1.4 million and revenue for the period was increased by AED 1.4 million.
- d) For the period ended 31 March 2025:
- depreciation on right of use assets amounting to AED 0.6 million were reclassified from general and administrative expenses to selling and distribution expenses;
 - provision for net realizable value of inventory amounting to AED 1.3 million were reclassified from selling and distribution expenses to cost of revenue;
 - transportation expense amounting to AED 1.4 million were reclassified from cost of revenue to selling and distribution expenses;
 - amortization of intangible assets amounting to AED 1.6 million were reclassified from general and administration expenses to selling and distribution expenses.
 - Marketing expenses related to inter-company elimination amounting to AED 1.3 million were reclassified from selling and distribution expenses to cost of revenue.
 - research and development expenses (including related depreciation) included in selling and distribution expenses amounting to AED 6.4 million have been presented as separate expense item on the face of interim condensed consolidated statement of profit or loss.
- e) Currency translation differences pertaining to operating activities amounting to AED 0.5 million were reclassified to operating activities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

23. PRIOR YEAR ADJUSTMENTS

Consolidated statement of profit or loss

	Reference	As previously reported AED Millions	Re-presented to discontinued operations AED Millions	Adjustments to discontinued operations AED Millions	Adjustment and reclassifications AED Millions	As adjusted AED Millions
For the period ended 31 March 2025						
Revenue	(c)	359.2	(78.7)	-	1.4	281.9
Cost of revenue	(a), (b), (d)	(206.3)	52.7	(1.9)	(17.9)	(173.4)
Selling and distribution expenses	(d)	(86.4)	17.3	-	5.4	(63.7)
Research and development expenses	(d)	-	-	-	(6.4)	(6.4)
General and administrative expenses	(d)	(34.2)	5.0	-	2.2	(27.0)
Finance costs	(d)	(15.2)	0.4	-	-	(14.8)
Income tax and Zakat	(d)	(1.9)	0.3	-	-	(1.6)
Others		6.5	-	-	-	6.5
Profit for the period from discontinued operations	(a)	119.4	3.0	1.9	-	124.3
Profit for the period		141.1	-	-	(15.3)	125.8

Consolidated statement of cash flows

31 March 2025	Reference	As previously reported AED Millions	Adjustments AED Millions	As adjusted AED Millions
Net cash used in operating activities	(e)	(2.5)	(0.5)	(3.0)
Net cash flows from investing activities	(e)	746.4	-	746.4
Net cash used in financing activities		(405.9)	-	(405.9)
Currency translation differences	(e)	(1.3)	0.5	(0.8)

24. EVENTS AFTER REPORTING DATE

At the Annual General Meeting (AGM) held on 25 April 2026, the shareholders approved the Directors' remuneration amounting to AED 3.1 million for the year ended 31 December 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (unaudited)

25. Impact of Geo-political tension

The Group has performed an assessment of the potential impact of the ongoing conflict on its operations, financial position, and cash flows. The Group's exposure primarily relates to:

- sales to certain regional markets,
- sourcing of raw materials, and
- logistics and distribution channels.

Based on the information available at the date of approval of these interim condensed consolidated financial statements:

- certain export markets may experience temporary demand disruption,
- supply chain constraints may lead to increased procurement and freight costs, and
- there may be delays in collections from customers in affected regions.

However, as of the reporting date and up to the date of approval of these interim condensed consolidated financial statements, the Group has not experienced any significant disruptions to its operations or financial performance that would require adjustments to the carrying amounts of assets and liabilities.

Due to the evolving nature of the situation, the financial impact cannot be reliably estimated at this stage. Management continues to closely monitor developments and will take appropriate actions to mitigate potential risks.