

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

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

For the three-month and nine-month periods ended 30 September 2023
with

INDEPENDENT AUDITOR'S REVIEW REPORT

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month and nine-month periods ended 30 September 2023

Index	Page
Independent auditor's review report	1
Condensed consolidated statement of financial position	2
Condensed consolidated statement of profit or loss and other comprehensive income	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated statement of cash flows	5
Notes to the condensed consolidated interim financial statements	6 - 23



KPMG Professional Services

Zahran Business Center
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Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جدة 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

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

To the Shareholders of the Jamjoom Pharmaceuticals Factory Company

Introduction

We have reviewed the accompanying 30 September 2023 condensed consolidated interim financial statements of Jamjoom Pharmaceuticals Factory Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 September 2023;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2023;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2023;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2023; and
- the notes to the condensed consolidated interim financial statements.

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


Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2023 condensed consolidated interim financial statements of Jamjoom Pharmaceuticals Factory Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services


Nasser Ahmed Al Shutairy
License No. 454



Jeddah, 7 November 2023

Corresponding to: 23 Rabi Al-Akhar 1445H

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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة منقطة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>Note</u>	30 September 2023 (Unaudited)	31 December 2022 (Audited)
<u>ASSETS</u>			
Property, plant and equipment	4	694,229,701	702,717,960
Right-of-use assets		2,139,425	2,331,686
Intangible assets		13,548,026	14,434,716
Equity-accounted investee	5	30,083,565	250,901
Non-current assets		740,000,717	719,735,263
Inventories	6	192,488,116	131,861,298
Trade receivables	7	570,912,422	352,361,492
Prepayments and other current assets		55,761,368	56,262,432
Investments	8	5,204,757	5,115,913
Cash and cash equivalents		93,190,821	141,181,833
Asset held for sale		1,298,894	1,298,894
Current assets		918,856,378	688,081,862
Total assets		1,658,857,095	1,407,817,125
<u>EQUITY</u>			
Share capital	9	700,000,000	700,000,000
Statutory reserve	10	67,131,416	67,131,416
Foreign currency translation reserve		(107,964,367)	(75,083,354)
Retained earnings		702,130,946	524,215,264
Total equity		1,361,297,995	1,216,263,326
<u>LIABILITIES</u>			
Lease liabilities		2,150,743	2,401,203
Employees' benefits		68,019,888	62,162,117
Non-current liabilities		70,170,631	64,563,320
Lease liabilities – current portion		223,098	235,167
Trade payables and other current liabilities		204,274,228	109,033,453
Zakat and income tax payable	11	22,891,143	17,721,859
Current liabilities		227,388,469	126,990,479
Total liabilities		297,559,100	191,553,799
Total equity and liabilities		1,658,857,095	1,407,817,125

The accompanying notes 1 to 20 form an integral part
of these condensed consolidated interim financial statements

Chairman

Chief Executive Officer

Chief Financial Officer

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2023	2022	2023	2022
Revenue	12	292,613,412	237,754,840	892,962,646	719,835,886
Costs of revenue		(105,388,322)	(86,629,024)	(308,035,448)	(251,325,625)
Gross profit		187,225,090	151,125,816	584,927,198	468,510,261
Selling and distribution expenses		(74,019,805)	(64,350,165)	(228,908,219)	(204,210,443)
General and administrative expenses		(15,707,360)	(15,174,710)	(50,488,254)	(40,591,674)
Research and development expenses		(8,615,078)	(9,229,074)	(25,997,777)	(25,810,529)
Impairment loss on financial asset		(4,208,938)	(2,341,712)	(8,392,338)	(2,834,528)
Operating profit		84,673,909	60,030,155	271,140,610	195,063,087
Finance costs	13	(636,082)	(8,193,881)	(2,257,739)	(41,617,078)
Finance income	13	43,798	--	108,410	91,253
Share of results in equity-accounted investee, net of tax		(570,669)	(34,194)	(918,970)	(162,479)
Other expense		(406,462)	(375,000)	(1,421,766)	(1,169,403)
Other income		753,392	622,761	2,040,003	2,291,809
Profit before Zakat and income tax		83,857,886	52,049,841	268,690,548	154,497,189
Zakat and income tax	11	(6,610,768)	(6,446,923)	(20,774,866)	(14,939,820)
Net profit for the period		77,247,118	45,602,918	247,915,682	139,557,369
Other comprehensive loss item:					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Foreign operations - foreign currency translation differences		(814,333)	(46,398)	(32,881,013)	(2,516,547)
Other comprehensive loss for the period		(814,333)	(46,398)	(32,881,013)	(2,516,547)
Total comprehensive income for the period		76,432,785	45,556,520	215,034,669	137,040,822
Earnings per share:					
Basic and diluted earnings per share	15	1.10	0.65	3.54	1.99

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements

Chairman

Chief Executive Officer

Chief Financial Officer

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>Share capital</u>	<u>Proposed increase in share capital</u>	<u>Statutory reserve</u>	<u>Foreign currency translation reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at 1 January 2022 (Audited)	100,000,000	--	50,000,000	(37,875,273)	1,119,510,376	1,231,635,103
<u>Total comprehensive income:</u>						
Net profit for the period	--	--	--	--	139,557,369	139,557,369
Other comprehensive loss	--	--	--	(2,516,547)	--	(2,516,547)
Total comprehensive income for the period	--	--	--	(2,516,547)	139,557,369	137,040,822
Proposed increase in share capital	--	600,000,000	--	--	(600,000,000)	--
Increase in share capital	600,000,000	(600,000,000)	--	--	--	--
<u>Transaction with owners of the Company:</u>						
Dividends (note 9)	--	--	--	--	(84,999,999)	(84,999,999)
Balance at 30 September 2022 (Unaudited)	<u>700,000,000</u>	<u>--</u>	<u>50,000,000</u>	<u>(40,391,820)</u>	<u>574,067,746</u>	<u>1,283,675,926</u>
Balance at 1 January 2023 (Audited)	700,000,000	--	67,131,416	(75,083,354)	524,215,264	1,216,263,326
<u>Total comprehensive income:</u>						
Net profit for the period	--	--	--	--	247,915,682	247,915,682
Other comprehensive loss	--	--	--	(32,881,013)	--	(32,881,013)
Total comprehensive income for the period	--	--	--	(32,881,013)	247,915,682	215,034,669
<u>Transaction with owners of the Company:</u>						
Dividends (note 9)	--	--	--	--	(70,000,000)	(70,000,000)
Balance at 30 September 2023 (Unaudited)	<u>700,000,000</u>	<u>--</u>	<u>67,131,416</u>	<u>(107,964,367)</u>	<u>702,130,946</u>	<u>1,361,297,995</u>

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements


Chairman


Chief Executive Officer


Chief Financial Officer

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine-month period ended 30 September

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Note	2023	2022
Cash flows from operating activities:			
Profit before Zakat and income tax		268,690,548	154,497,189
<i>Adjustments for:</i>			
Depreciation	4	17,758,907	16,893,288
Amortization		1,467,937	1,365,937
Depreciation on right to use assets		192,261	176,251
Finance costs	13	2,257,739	41,617,078
Finance income	13	(108,410)	(91,253)
Share of results in equity-accounted investee	5	918,970	162,479
Impairment loss on financial asset		8,392,338	2,834,528
Provision for product replacement		4,059,796	6,077,033
Provision for obsolescence / slow-moving inventories	6	7,567,124	5,688,379
Provision for employees' benefits		12,208,983	11,259,749
Gain on disposal of property, plant and equipment		(8,310)	(27,759)
		<u>323,397,883</u>	<u>240,452,899</u>
Changes in:			
Inventories		(68,193,942)	(7,360,289)
Trade receivables		(226,942,103)	(115,350,152)
Prepayments and other current assets		501,064	(18,303,282)
Trade payables and other current liabilities		91,007,577	48,261,989
Cash generated from operating activities		<u>119,770,479</u>	<u>147,701,165</u>
Employees' benefits paid		(6,339,563)	(10,637,637)
Finance costs paid		(2,065,936)	(642,444)
Zakat and income tax paid	11	(15,521,641)	(16,728,989)
Net cash generated from operating activities		<u>95,843,339</u>	<u>119,692,095</u>
Cash flows from investing activities:			
Additions to property, plant and equipment	4	(36,389,073)	(71,901,504)
Additions to intangible assets		(590,625)	(384,226)
Proceeds from disposal of property, plant and equipment		12,591	59,564
Proceeds from investment		--	31,483,215
Acquisition of investment	5	(31,719,079)	--
Net cash used in investing activities		<u>(68,686,186)</u>	<u>(40,742,951)</u>
Cash flows from financing activities:			
Payment of lease liabilities		(262,529)	(226,578)
Dividends paid	9	(70,000,000)	(84,999,999)
Net cash used in financing activities		<u>(70,262,529)</u>	<u>(85,226,577)</u>
Net change in cash and cash equivalents		(43,105,376)	(6,277,433)
Net foreign exchange differences		(4,885,636)	(1,232,349)
Cash and cash equivalents at the beginning of the period		141,181,833	112,629,736
Cash and cash equivalents at the end of the period		<u>93,190,821</u>	<u>105,119,954</u>

The accompanying notes 1 to 20 form an integral part
of these condensed consolidated interim financial statements

Chairman

Chief Executive Officer

Chief Financial Officer

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

1. REPORTING ENTITY

Jamjoom Pharmaceuticals Factory Company (the "Company" or the "Parent Company") is a Saudi Joint Stock Company. The Company was initially registered as a Limited Liability Company registered in the Kingdom of Saudi Arabia under commercial registration number 4030154596 dated 18 Safar 1426 H (corresponding to 28 March 2005). During 2013, the Company's shareholders resolved to change the legal status of the Company from a limited liability company to a Saudi closed joint stock company. The Ministry of Commerce and Investment announced the conversion to closed joint stock company by Ministerial Resolution on 19 Shaban 1435H (corresponding to 17 June 2014).

The Company and its subsidiaries (collectively referred to as the "Group") are collectively involved to produce human medicines, nutraceuticals, antibiotics, general analgesics, medicines for treatment of cough, allergy, asthma, heart diseases, blood pressure, diarrhea, vomiting, ulcer and acidity, treatment of various skin infections, cancer diseases, eye drops and ointments and cosmeceuticals.

On 17 July 2022, the shareholders of the Company passed a resolution to go for listing in Saudi Stock Exchange (Tadawul). On 28 December 2022, the Capital Market Authority (CMA) approved the Registration and the Initial Public Offering of the Company's shares. During the nine-month period ended 30 September 2023, the Company's shares became listed on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia. The initial public offering consisted of the sale of twenty-one million (21,000,000) shares representing thirty percent (30%) of the issued share capital of the Company. The legal formalities of updating the Company By-laws completed in July 2023, and for Commercial Registration Certificate completed in August 2023.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Companies Law and will amend its By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended By-Laws to the shareholders in their extraordinary General Assembly meeting for their ratification.

Further, the Company has registered the following branches and scientific support office:

- The Company registered its branch in Riyadh on 23 Rabi Al Awal 1431H (corresponding to 9 March 2010), commercial registration number 1010283686.
- The Company registered its branch in Jeddah on 25 Rabi Al Thani 1440H (corresponding to 3 November 2018), commercial registration number 4030318590.
- The Company registered a scientific support office in Egypt on 18 Ramadan 1430H (corresponding to 8 September 2010) based on a resolution number 481 issued by the Ministry of Health in Egypt.
- The Company registered a branch in Jeddah for the upcoming Sterile Manufacturing Facility on 13 Shawwal 1442H (corresponding to 25 May 2021), commercial registration number 4030416562.
- The Company registered a branch in U.A.E., Dubai on 1 Dhul Hijjah 1438H (corresponding to 23 August 2017), commercial license number 94284 issued by Dubai Development Authority in U.A.E.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

1. REPORTING ENTITY (continued)

- The Company registered its branch in Qassim on 28 Safar 1444H (corresponding to 24 September 2022), commercial registration number 113132367.
- The Company registered its branch in Jizan on 13 Rabi Al Thani 1444H (corresponding to 7 November 2022), commercial registration number 5900137576.
- The Company registered its branch in Hafouf on 14 Rabi Al Thani 1444H (corresponding to 8 November 2022), commercial registration number 2251502524.

The Company has the following subsidiaries up to 30 September 2023:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Effective shareholding</u>	
			<u>2023</u>	<u>2022</u>
Al Jamjoom Pharma for Pharmaceutical Industries	Egypt	Manufacture and distribution of pharmaceuticals	<u>100%</u>	<u>100%</u>
Jamjoom Pharmaceutical Industry and Commerce Company Limited*	Turkey	Manufacture and distribution of pharmaceuticals	<u>100%</u>	<u>100%</u>

*The subsidiary is immaterial both alone and in aggregate to the financial position, performance and cash flows of the group and therefore not consolidated in these condensed consolidated interim financial statements.

The registered address of the Company is as follows:

P.O. Box 6267,
Jeddah-23211,
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

a) Statement of compliance

The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2022 ("last annual Financial Statements").

These condensed consolidated interim financial statements do not include all of the information required for a complete set of IFRS financial statements, however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since last annual financial statements. In addition, results for the interim nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

2. BASIS OF PREPARATION (continued)

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except for employees' benefit, which are measured at the present value of future obligation using the Projected Unit Credit Method, and investments at fair value through profit and loss, which are measured at fair values. Certain figures for the prior period have been reclassified to conform to the presentation in the current period.

c) Functional and presentation currency

The accompanying condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (SR) which is also the Company's functional and presentational currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. All amounts have been rounded off to the nearest Riyals, unless otherwise stated.

d) Use of estimates and judgments

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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 described in the last annual financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's annual consolidated financial statement as at and for the year ended 31 December 2022. Except for the adoption of new standards disclosed in note 19 effective as of 1 January 2023, the Group has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment during the period ended 30 September 2023 is analyzed as under:

	<u>Land</u>	<u>Buildings</u>	<u>Plant and machinery</u>	<u>Furniture and fixtures</u>	<u>Office equipment</u>	<u>Computers</u>	<u>Motor vehicles</u>	<u>Capital work in progress</u>	<u>Total</u>
<u>Cost:</u>									
Balance as at 1 January 2023 (Audited)	60,458,339	177,981,703	479,403,809	20,335,314	3,781,949	9,646,750	2,238,225	329,941,192	1,083,787,281
Additions during the period	--	--	7,568,426	134,718	90,893	634,946	189,448	27,770,642	36,389,073
Transferred from capital work in progress	--	46,626,765	19,067,075	16,825	--	3,786	--	(65,714,451)	--
Disposals during the period	--	--	--	--	--	(7,347)	(224,600)	--	(231,947)
Foreign currency translation differences	(728,600)	(238,123)	(212,303)	(73,529)	(30,312)	(63,057)	(10,031)	(25,816,778)	(27,172,733)
Balance as at 30 September 2023 (Unaudited)	59,729,739	224,370,345	505,827,007	20,413,328	3,842,530	10,215,078	2,193,042	266,180,605	1,092,771,674
<u>Accumulated depreciation:</u>									
Balance as at 1 January 2023 (Audited)	--	47,892,833	308,715,729	13,357,623	2,886,993	6,495,636	1,720,507	--	381,069,321
Charge for the period	--	4,326,970	11,382,839	1,044,134	162,047	698,369	144,548	--	17,758,907
Disposals during the period	--	--	--	--	--	(3,069)	(224,597)	--	(227,666)
Foreign currency translation differences	--	(1,579)	(2,501)	(18,025)	(4,718)	(30,227)	(1,539)	--	(58,589)
Balance as at 30 September 2023 (Unaudited)	--	52,218,224	320,096,067	14,383,732	3,044,322	7,160,709	1,638,919	--	398,541,973
<u>Carrying value:</u>									
At 30 September 2023 (Unaudited)	59,729,739	172,152,121	185,730,940	6,029,596	798,208	3,054,369	554,123	266,180,605	694,229,701

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

The movement in property, plant and equipment during the year ended 31 December 2022 is analyzed as under:

	<u>Land</u>	<u>Buildings</u>	<u>Plant and machinery</u>	<u>Furniture and fixtures</u>	<u>Office equipment</u>	<u>Computers</u>	<u>Motor vehicles</u>	<u>Capital work in progress</u>	<u>Total</u>
<u>Cost:</u>									
Balance as at 1 January 2022	62,594,759	176,669,203	476,136,367	19,700,160	3,414,890	7,751,215	3,475,195	325,120,474	1,074,862,263
Additions during the year	--	1,312,500	5,151,361	787,444	469,275	1,381,847	276,980	76,744,279	86,123,686
Transferred from capital work in progress	--	--	915,547	--	--	954,950	--	(1,870,497)	--
Disposals during the year	--	--	(2,635,541)	(11,683)	(49,449)	(290,003)	(1,499,200)	--	(4,485,876)
Foreign currency translation differences	(2,136,420)	--	(163,925)	(140,607)	(52,767)	(151,259)	(14,750)	(70,053,064)	(72,712,792)
Balance as at 31 December 2022	<u>60,458,339</u>	<u>177,981,703</u>	<u>479,403,809</u>	<u>20,335,314</u>	<u>3,781,949</u>	<u>9,646,750</u>	<u>2,238,225</u>	<u>329,941,192</u>	<u>1,083,787,281</u>
<u>Accumulated depreciation:</u>									
Balance as at 1 January 2022	--	42,552,325	296,632,310	12,024,692	2,646,196	6,138,142	2,965,820	--	362,959,485
Charge for the year	--	5,340,508	14,693,825	1,392,297	299,517	712,839	176,027	--	22,615,013
Disposals during the year	--	--	(2,607,799)	(11,411)	(48,424)	(281,447)	(1,419,189)	--	(4,368,270)
Foreign currency translation differences	--	--	(2,607)	(47,955)	(10,296)	(73,898)	(2,151)	--	(136,907)
Balance as at 31 December 2022	<u>--</u>	<u>47,892,833</u>	<u>308,715,729</u>	<u>13,357,623</u>	<u>2,886,993</u>	<u>6,495,636</u>	<u>1,720,507</u>	<u>--</u>	<u>381,069,321</u>
<u>Carrying value:</u>									
At 31 December 2022	<u>60,458,339</u>	<u>130,088,870</u>	<u>170,688,080</u>	<u>6,977,691</u>	<u>894,956</u>	<u>3,151,114</u>	<u>517,718</u>	<u>329,941,192</u>	<u>702,717,960</u>

- 4.1 Capital work in progress represents cost incurred on the construction of a manufacturing facility ('Factory') in Egypt and a sterile area facility ('Sterile Area') in Kingdom of Saudi Arabia ('KSA'). It also includes expansion of area in KSA existing factory premises. As of 30 September 2023, the balance of Factory in Egypt amounted to SR 60.4 million (31 December 2022: SR 154.7 million). During the nine-month period ended 30 September 2023, the Subsidiary in Egypt capitalized the Factory building and Oral Solid Dosage (OSD) manufacturing line following receipt of the approval from the Egyptian Drug Authority ('EDA') to commercially sell products manufactured in this manufacturing line. The Factory and the Sterile Area is expected to be completed by the end of this year, while the expansion of existing premises in KSA is expected to complete by second quarter of 2024.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

5. EQUITY-ACCOUNTED INVESTEE

As at 30 September 2023, the Group holds 49% equity interest in Jamjoom Algeria Lildawa ("Lildawa"), an entity operating in Algeria, with an amount of SR 30,083,565 (31 December 2022: SR 250,901).

During the period, the Company participated in the capital increase of Lildawa to partially finance the acquisition of a fully operational pharmaceutical manufacturing facility in Algeria and its operating expenses. Following the capital increase, Lildawa's share capital increased to be DZD 2.35 billion through the creation and issue of 2,192,000 new shares (total share in issuance as at the period end: 2,350,000), with the Group holding DZD 1.15 billion of the share capital and continuing to hold 49% of the total paid-up capital.

The movement occurred during the period / year is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Opening balance	250,901	3,941,232
Additions during the period	31,719,079	--
Share of loss for the period / year	(918,970)	(318,657)
Other adjustments	(967,445)	(820,282)
Transferred to asset held for sale	--	(2,551,392)
Closing balance	<u>30,083,565</u>	<u>250,901</u>

6. INVENTORIES

Inventories include the following:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Raw materials	81,359,404	55,819,068
Packing materials	38,811,006	34,284,786
Work in process	7,859,346	10,312,898
Finished goods	54,256,704	32,747,223
Goods in transit	13,001,585	2,820,530
Stores and spares	12,614,687	11,788,640
	<u>207,902,732</u>	<u>147,773,145</u>
Provision for inventories (note 6.1)	<u>(15,414,616)</u>	<u>(15,911,847)</u>
	<u>192,488,116</u>	<u>131,861,298</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

6. INVENTORIES (continued)

6.1 Movement of provision for slow moving and obsolete inventories is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Opening balance	15,911,847	18,031,660
Provision during the period / year	7,567,124	10,820,079
Write off during the period / year	(8,049,673)	(12,918,374)
Foreign currency translation	(14,682)	(21,518)
Closing balance	<u>15,414,616</u>	<u>15,911,847</u>

7. TRADE RECEIVABLES

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Trade receivables, net (note 7.1)	<u>570,912,422</u>	<u>352,361,492</u>

7.1 Trade receivables include the following:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Trade receivables – others	268,721,910	166,469,672
Trade receivables – related parties (note 16)	<u>319,601,019</u>	<u>194,929,555</u>
	588,322,929	361,399,227
Less: Allowance for expected credit losses (note 7.2)	<u>(17,410,507)</u>	<u>(9,037,735)</u>
	<u>570,912,422</u>	<u>352,361,492</u>

As at 30 September 2023, related parties comprised approximately 54 percent of trade receivables (31 December 2022: approximately 54 percent).

7.2 The movement in allowance for expected credit losses is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Opening balance	9,037,735	19,852,883
Provision during the period / year	8,372,772	2,348,195
Write off during the period / year	--	(13,163,343)
Closing balance	<u>17,410,507</u>	<u>9,037,735</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

8. INVESTMENTS

Investment as at 30 September comprised of the following:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Investments at amortised cost (note 8.1)	4,411,521	4,411,521
Investments at fair value through profit or loss (note 8.2)	793,236	704,392
	5,204,757	5,115,913

8.1 This represents Murabaha investments made with an Investment Company at prevailing market rates.

8.2 Investments at fair value through profit or loss

		<u>Country of incorporation</u>		<u>Number of shares</u>		<u>Amount (SR)</u>	
				30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Biothera (common units held)	United States of America			2,173,913	2,173,913	--	19,566
Al Nahdi Medical Company (Nahdi)	Kingdom of Saudi Arabia			499	499	71,956	83,433
Saudi Arabian Oil Company (Aramco)	Kingdom of Saudi Arabia			20,608	18,735	721,280	601,393
						793,236	704,392

9. SHARE CAPITAL

As at 30 September 2023 and 31 December 2022, the share capital is divided into 70,000,000 shares of SR 10 each held and owned by:

<u>30 September 2023</u>	<u>Percentage of ownership</u>	<u>No. of shares</u>	<u>Amount</u>
Mr. Yousef Mohammad Salah Jamjoom	41.65%	29,155,000	291,550,000
Mr. Mahmood Yousef Mohammed Salah Jamjoom	5.60%	3,920,000	39,200,000
Mr. Walid Yousef Mohammed Salah Jamjoom	4.55%	3,185,000	31,850,000
Mr. Mohammed Yousef Mohammed Salah Jamjoom	4.55%	3,185,000	31,850,000
Mr. Ahmed Yousef Mohammed Salah Jamjoom	4.55%	3,185,000	31,850,000
Ms. Sana Yousef Mohammed Salah Jamjoom	4.55%	3,185,000	31,850,000
Ms. Ala'a Yousef Mohammed Salah Jamjoom	4.55%	3,185,000	31,850,000
Public (note 1)	30.00%	21,000,000	210,000,000
	100%	70,000,000	700,000,000

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

9. SHARE CAPITAL (continued)

<u>31 December 2022</u>	<u>Percentage of ownership</u>	<u>No. of shares</u>	<u>Amount</u>
Mr. Yousef Mohammad Salah Jamjoom	59.5%	41,650,000	416,500,000
Mr. Mahmood Yousef Mohammed Salah Jamjoom	8.0%	5,600,000	56,000,000
Mr. Walid Yousef Mohammed Salah Jamjoom	6.5%	4,550,000	45,500,000
Mr. Mohammed Yousef Mohammed Salah Jamjoom	6.5%	4,550,000	45,500,000
Mr. Ahmed Yousef Mohammed Salah Jamjoom	6.5%	4,550,000	45,500,000
Ms. Sana Yousef Mohammed Salah Jamjoom	6.5%	4,550,000	45,500,000
Ms. Ala'a Yousef Mohammed Salah Jamjoom	6.5%	4,550,000	45,500,000
	<u>100%</u>	<u>70,000,000</u>	<u>700,000,000</u>

- 9.1 On 9 August 2023 (corresponding to 22 Muharram 1445H) the Company's Board of Directors approved an interim dividend of SR 70 million i.e., SR 1 per share for a total number of 70,000,000 shares (30 September 2022: SR 84,999,999).

10. STATUTORY RESERVE

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company's By-Laws may provide for setting aside a certain percentage of the net profit to create a reserve allocated for purposes specified in the By-Laws. The Competent Authority may set rules for creating such reserves.

11. ZAKAT AND INCOME TAX PAYABLE

During the nine-month period ended 30 September 2023, the Group has recorded Zakat and income tax charge of SR 20.8 million (30 September 2022: SR 14.9 million), the movement of Zakat and income tax payable are as follows:

	30 September 2023		
	<u>Zakat</u>	<u>Income tax</u>	<u>Total</u>
Balance at 1 January	17,457,052	264,807	17,721,859
Charge for the period	19,401,623	1,373,243	20,774,866
Paid during the period	(15,521,641)	--	(15,521,641)
Foreign currency translation	--	(83,941)	(83,941)
Balance at 30 September	<u>21,337,034</u>	<u>1,554,109</u>	<u>22,891,143</u>
	31 December 2022		
	<u>Zakat</u>	<u>Income tax</u>	<u>Total</u>
Balance at 1 January	18,662,603	1,081,749	19,744,352
Charge for the year	15,523,438	(522,812)	15,000,626
Paid during the year	(16,728,989)	(17,699)	(16,746,688)
Foreign currency translation	--	(276,431)	(276,431)
Balance at 31 December	<u>17,457,052</u>	<u>264,807</u>	<u>17,721,859</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

11. ZAKAT AND INCOME TAX PAYABLE (continued)

a) Status of assessments

The Zakat assessments have been agreed with the Zakat, Tax and Customs Authority ("ZATCA") for the years up to 31 December 2018 and the Company has not received any assessments for the years ended 31 December 2019, 2020, 2021 and 2022.

b) Income tax

Income tax is calculated in accordance with the applicable tax laws of the foreign subsidiary.

12. REVENUE

The Group generates revenue from the sale products to its customers. In the following table, revenue from customers is disaggregated by major products and primary geographical market. The Group recognized all the revenue at a point in time.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Major Products				
Pharmaceutical Product	251,494,233	206,646,276	767,237,285	617,330,316
Consumer Health Products	41,119,179	31,108,564	125,725,361	102,505,570
	<u>292,613,412</u>	<u>237,754,840</u>	<u>892,962,646</u>	<u>719,835,886</u>
	Three-month period ended 30 September		Nine-month period ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Primary geographical markets				
KSA	185,815,577	145,048,753	597,606,914	469,248,547
Gulf	37,779,368	31,619,808	112,988,075	82,751,510
Iraq	31,466,525	23,075,822	76,838,263	67,496,014
Egypt	21,244,915	20,954,636	44,908,862	52,419,300
North Africa and other export markets	16,307,027	17,055,821	60,620,532	47,920,515
	<u>292,613,412</u>	<u>237,754,840</u>	<u>892,962,646</u>	<u>719,835,886</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

13. FINANCE COSTS AND FINANCE INCOME

<u>Finance costs</u>	<u>Three-month period ended</u> <u>30 September</u>		<u>Nine-month period ended</u> <u>30 September</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Foreign currency loss	467,207	7,959,410	1,774,825	40,974,632
Bank charges	141,623	163,374	398,178	550,122
Finance charges on leases	27,252	29,808	84,736	92,324
Investment at FVTPL - net changes in fair values	--	41,289	--	--
Total finance costs	<u>636,082</u>	<u>8,193,881</u>	<u>2,257,739</u>	<u>41,617,078</u>

<u>Finance income</u>	<u>Three-month period ended</u> <u>30 September</u>		<u>Nine-month period ended</u> <u>30 September</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Investment at FVTPL - net changes in fair values	43,798	--	108,410	91,253
Total finance income	<u>43,798</u>	<u>--</u>	<u>108,410</u>	<u>91,253</u>

14. COMMITMENTS AND CONTINGENCIES

The Group has the following contingencies and commitments:

	<u>30 September</u> <u>2023</u> (Unaudited)	<u>31 December</u> <u>2022</u> (Audited)
Letter of credit	7,704,503	5,398,163
Letters of guarantee	12,986,711	7,612,107
Contractual commitments	7,533,008	9,425,502

The contractual commitments represent the Group's commitments related to construction and electromechanical contracts related to works in progress not yet complete.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

15. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue outstanding during the period.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period	77,247,118	45,602,918	247,915,682	139,557,369
Weighted average number of ordinary shares in issue	70,000,000	70,000,000	70,000,000	70,000,000
Basic and diluted earnings per share	1.10	0.65	3.54	1.99

The diluted EPS is same as the basic EPS as the Group does not have any dilutive instruments in issue.

16. RELATED PARTIES TRANSACTIONS AND BALANCES

The Group in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in IAS-24. Transaction with related parties mainly relate to expenses incurred by the related parties on behalf of the Group and sales processed through affiliated companies (parties related to the Group or shareholders of the Company) in accordance with the agreement mutually entered into. Transactions with related parties are undertaken at mutually agreed prices. Significant related party balances arising from transactions are described as under:

Name	Relationship	Nature of transactions	Amount of transactions		Closing balance	
			30 September	30 September	30 September	31 December
			2023	2022	2023	2022
			(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<u>Due from related parties under trade and other receivables:</u>						
Jamjoom Medicine Stores	Affiliate	*Sale of products	503,134,169	378,268,773		
		Distribution commission	2,961,597	17,286,270		
					319,601,019	194,929,555
<u>Due from related parties under prepayment and other current assets:</u>						
Jamjoom HUPP Pharma	Joint venture	**Loan receivable	--	--	17,452,028	17,452,028
Jamjoom Algeria Lildawa	Joint venture	Expenses paid	817,650	--	472,329	196,704
					17,924,357	17,648,732
					(9,135,255)	(9,135,255)
Less: Provision for impairment loss on due from related party (note 16.1)					8,789,102	8,513,477

*This represents gross sales amount.

**The balance represents an interest free loan provided by the Company to Jamjoom HUPP Pharma.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

16. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>		<u>Closing balance</u>	
			<u>30 September</u> <u>2023</u> (Unaudited)	<u>2022</u> (Unaudited)	<u>30 September</u> <u>2023</u> (Unaudited)	<u>31 December</u> <u>2022</u> (Audited)
<u>Advances to related parties under prepayment and other receivables:</u>						
Dream Sky Travel & Tourism Agency	Affiliate	Advance against services rendered	3,581,677	1,021,546	2,009,072	206,975
Jafaar Mohammed Salah Jamjoom and Partner for Engineering Consulting	Affiliate	Advance against services rendered	75,000	5,000	75,000	--
					2,084,072	206,975
<u>Due to related parties under trade payables and other current liabilities:</u>						
Jamjoom General Agencies	Affiliate	Purchases	238,579	357,974	--	480,768
Jamjoom Printing Press	Affiliate	Services rendered	5,341,408	1,884,327	1,187,129	1,076,482
Jeddah Trident Hotel	Affiliate	Services rendered	--	56,129	--	--
Dream Sky Travel & Tourism Agency	Affiliate	Services rendered	7,067,685	4,354,141	817,071	46,241
Tegan Al Fateh Factory Company Limited	Affiliate	Purchases – Packing material	14,528,348	11,498,701	2,418,896	3,560,552
Jafaar Mohammed Salah Jamjoom and Partner for Engineering Consulting	Affiliate	Services rendered	5,750	901,600	--	216,950
Hamza Mahmoud Yousuf Jamjoom Contracting Corporation	Affiliate	Retention Money	--	155,590	33,760	33,760
					4,456,856	5,414,753

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

16. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

16.1 The movement in provision for impairment loss on due from related party is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Opening balance	9,135,255	--
Provision during the period / year	--	9,135,255
Closing balance	<u>9,135,255</u>	<u>9,135,255</u>

Key management personnel remuneration and compensation

Compensation to Group's key management personnel includes salaries, non-cash benefits, and contributions to post-employment defined benefit plan. The following table illustrates details of remuneration and compensation paid to key management personnel:

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Short-term employee benefits	12,241,403	11,184,414
Long-term employee benefits	<u>767,684</u>	<u>455,000</u>

Board of Directors / Committee members' remuneration

Board of Directors remuneration and compensation comprised of the following:

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Meeting attendance fees	<u>3,161,113</u>	<u>903,250</u>

17. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and are managed separately because they require different marketing strategies. The Group's Chairman, Group Chief Executive Officer, and Group Chief Financial Officer monitor the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the Chief Operating Decision Makers (CODM) for the Group.

For each of the strategic business units, the CODM reviews internal management reports on at least quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Pharmaceutical Products – represents medicines or drugs and they are essential for the prevention and treatment of diseases, and protection of public health.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

17. OPERATING SEGEMENT (continued)

- Consumer Health Products – represents the products sold directly to consumers. Unlike prescription drugs, selection and use of consumer health products does not require the oversight of a health care practitioner.

No operating segments have been aggregated to form the above reportable operating segments.

Segment results that are reported to CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenues, as included in the internal management reports that are reviewed by the CODM. There are no inter segment revenue reported during the period. The following table presents segment information for the period ended 30 September:

<u>Particulars</u>	<u>Pharmaceutical Products</u>		<u>Consumer Health Products</u>		<u>Total</u>	
	30 September <u>2023</u> (Unaudited)	30 September <u>2022</u>	30 September <u>2023</u> (Unaudited)	30 September <u>2022</u>	30 September <u>2023</u> (Unaudited)	30 September <u>2022</u>
Revenue - external customers	767,237,285	617,330,316	125,725,361	102,505,570	892,962,646	719,835,886
Costs of revenue	(266,366,865)	(221,576,884)	(41,668,583)	(29,748,741)	(308,035,448)	(251,325,625)
Segment profit	<u>500,870,420</u>	<u>395,753,432</u>	<u>84,056,778</u>	<u>72,756,829</u>	<u>584,927,198</u>	<u>468,510,261</u>

Unallocated income / (expenses)

	30 September <u>2023</u> (Unaudited)	30 September <u>2022</u> (Unaudited)
Gross profit before Zakat and tax for reportable segments	584,927,198	468,510,261
Selling and distribution expenses	(228,908,219)	(204,210,443)
General and administrative expenses	(50,488,254)	(40,591,674)
Research and development expenses	(25,997,777)	(25,810,529)
Impairment loss on financial asset	(8,392,338)	(2,834,528)
Finance costs	(2,257,739)	(41,617,078)
Finance income	108,410	91,253
Share of results in equity-accounted investee, net of tax	(918,970)	(162,479)
Other expense	(1,421,766)	(1,169,403)
Other income	2,040,003	2,291,809
Profit before Zakat and tax	<u>268,690,548</u>	<u>154,497,189</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

17. OPERATING SEGEMENT (continued)

Detail of segment assets and liabilities is given below:

<u>Particulars</u>	<u>Allocated</u>		<u>Unallocated</u>	
	<u>Pharmaceutical Products</u>	<u>Consumer Health Products</u>	<u>Others</u>	<u>Total</u>
	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>
30 September 2023 (Unaudited)				
Segment assets	--	--	1,658,857,095	1,658,857,095
Segment liabilities	--	--	297,559,100	297,559,100
31 December 2022 (Audited)				
Segment assets	--	--	1,407,817,125	1,407,817,125
Segment liabilities	--	--	191,553,799	191,553,799

Pharmaceutical and consumer health segment are managed on a worldwide basis, but sales are primarily in Saudi Arabia, Egypt, Iraq, Gulf countries, North Africa and other countries.

18. FINANCIAL RISK MANAGEMENT

The Group generally has exposure to the financial risks, credit risk, liquidity risk, market risk and capital management. Generally, the Group's objectives, policies and processes for managing risk are the same as those disclosed in its consolidated financial statements for the year ended 31 December 2022.

Fair Value

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

18. FINANCIAL RISK MANAGEMENT (continued)

- Level 2: inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

As the Group's financial instruments are compiled under the historical cost convention, except for investments, differences can arise between the book values and fair value estimates. Management believes that the carrying value of the Group's financial assets and liabilities approximate its respective fair values.

As of 30 September 2023, and 31 December 2022, financial assets of the Group are classified under level 1 of the fair value hierarchy including financial investments at fair value through profit or loss made in public listed companies amounting to SR 793,236 (31 December 2022: SR 684,826). Other financial investments at fair value through profit or loss amounting to SR nil (31 December 2022: SR 19,566) are classified under level 3.

19. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

Standards, interpretations, and amendments issued

The following table lists the recent changes to the Standards that are required to be applied for annual period beginning on or after 1 January 2023. The adoption of the following amendments to the existing standards had no significant impact on the condensed consolidated interim financial statements of the Group on the current period or prior periods and is expected to have no significant effect in the future periods.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective from periods beginning on or after the following date</u></i>
IAS 8	Definition to accounting estimates	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 12	International Tax Reform—Pillar Two Model Rules	23 May 2023

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

19. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

Standards, interpretations, and amendments issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective from periods beginning on or after the following date</u></i>
IFRS 16	Lease Liability in a Sales and Leaseback	1 January 2024
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1); and Non- current liabilities with covenants (amendments to IAS 1)	1 January 2024
IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2	Climate-related Disclosures	1 January 2024
IAS 21	Lack of Exchangeability	1 January 2025
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

Management does not expect that there will be a material impact from applying the above standards upon implementation.

20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Company's Board of Directors on 6 November 2023, corresponding to 22 Rabi Al-Akhar 1445H.