

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

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

For the three-month and six-month periods ended 30 June 2024
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 six-month periods ended 30 June 2024

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
Prince Sultan Street
P.O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص.ب 55078
جده 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 Jamjoom Pharmaceuticals Factory Company

Introduction

We have reviewed the accompanying 30 June 2024 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 June 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; 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 June 2024 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 on 07 August 2024
Corresponding to: 03 Safar 1446h

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مسجلة بقطعة، منسقة في المملكة العربية السعودية، رأس ماله (40,000,000) ريال سعودي مدفوع بالكامل المسماة سابقاً "شركة كي بي إم جي للفوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والخاضعة لـ كي 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 June 2024

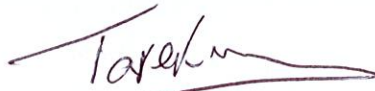
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
Property, plant and equipment	4	675,155,456	696,223,938
Right-of-use assets		1,947,164	2,075,338
Intangible assets		12,149,932	13,048,868
Equity-accounted investee	5	42,897,663	36,114,208
Non-current assets		732,150,215	747,462,352
Inventories	6	228,481,307	233,923,523
Trade receivables	7	628,947,746	332,125,964
Prepayments and other current assets		63,771,664	51,217,034
Investments		5,052,253	5,159,948
Cash and cash equivalents		156,255,193	284,276,766
Current assets		1,082,508,163	906,703,235
Total assets		1,814,658,378	1,654,165,587
EQUITY			
Share capital	8	700,000,000	700,000,000
Statutory reserve		67,131,416	67,131,416
Foreign currency translation reserve		(153,684,485)	(107,656,409)
Retained earnings		849,776,589	744,853,962
Total equity		1,463,223,520	1,404,328,969
LIABILITIES			
Lease liabilities		1,878,044	2,155,392
Employees' benefits		74,964,862	67,709,196
Non-current liabilities		76,842,906	69,864,588
Lease liabilities – current portion		256,465	245,801
Trade payables and other current liabilities		258,205,624	154,216,943
Zakat and income-tax payable	9	16,129,863	25,509,286
Current liabilities		274,591,952	179,972,030
Total liabilities		351,434,858	249,836,618
Total equity and liabilities		1,814,658,378	1,654,165,587

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



Anwer Mohiuddin
Chief Financial Officer



Tarek Youssef Hosni
Chief Executive Officer



Mahmoud Yousuf
Mohammed Salah Jamjoom
Chairman


JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

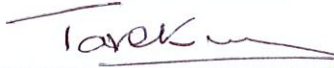
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)


For the three-month and six-month periods ended 30 June 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

		<u>Three-month period ended 30 June</u>		<u>Six-month period ended 30 June</u>	
	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue	10	345,735,704	298,397,386	731,197,344	599,246,900
Cost of revenue		(127,552,688)	(100,300,987)	(263,611,013)	(201,544,792)
Gross profit		218,183,016	198,096,399	467,586,331	397,702,108
Selling and distribution expenses		(87,641,158)	(74,596,090)	(182,404,960)	(154,888,414)
General and administrative expenses		(15,154,185)	(20,087,522)	(31,177,275)	(34,780,894)
Research and development expenses		(7,429,564)	(7,631,794)	(15,553,913)	(17,382,699)
Impairment loss on financial asset	(7 & 14.1)	(3,699,931)	(3,222,710)	(7,607,391)	(4,183,400)
Operating profit		104,258,178	92,558,283	230,842,792	186,466,701
Finance costs	11	1,481,996	605,766	(17,550,874)	(1,621,657)
Finance income	11	1,746,778	52,182	4,468,795	64,612
Share of results in equity-accounted investee, net of tax	5	2,012,653	(207,296)	3,774,793	(348,301)
Other expense		(2,302,134)	(640,304)	(4,651,589)	(1,015,304)
Other income		2,996,250	614,844	6,042,946	1,286,611
Profit before Zakat and income tax		110,193,721	92,983,475	222,926,863	184,832,662
Zakat and income tax	9	(3,240,490)	(6,714,850)	(13,004,236)	(14,164,098)
Net profit for the period		106,953,231	86,268,625	209,922,627	170,668,564
<u>Other comprehensive loss:</u>					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Foreign operations - foreign currency translation differences		(225,009)	(788,834)	(46,028,076)	(32,066,680)
Other comprehensive loss for the period		(225,009)	(788,834)	(46,028,076)	(32,066,680)
Total comprehensive income for the period		106,728,222	85,479,791	163,894,551	138,601,884
Earnings per share (Saudi Riyals):					
Basic and diluted earnings per share	13	1.53	1.23	3.00	2.44

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


Anwer Mohiuddin
Chief Financial Officer


Tarek Youssef Hosni
Chief Executive Officer


Mahmoud Yousuf
Mohammed Salah Jamjoom
Chairman

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

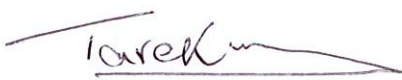
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>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 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	--	--	--	170,668,564	170,668,564
Other comprehensive loss	--	--	(32,066,680)	--	(32,066,680)
Total comprehensive income for the period	--	--	(32,066,680)	170,668,564	138,601,884
Balance at 30 June 2023 (Unaudited)	<u>700,000,000</u>	<u>67,131,416</u>	<u>(107,150,034)</u>	<u>694,883,828</u>	<u>1,354,865,210</u>
Balance at 1 January 2024 (Audited)	700,000,000	67,131,416	(107,656,409)	744,853,962	1,404,328,969
<u>Total comprehensive income:</u>					
Net profit for the period	--	--	--	209,922,627	209,922,627
Other comprehensive loss	--	--	(46,028,076)	--	(46,028,076)
Total comprehensive income for the period	--	--	(46,028,076)	209,922,627	163,894,551
Dividends (note 8.2)	--	--	--	(105,000,000)	(105,000,000)
Balance at 30 June 2024 (Unaudited)	<u>700,000,000</u>	<u>67,131,416</u>	<u>(153,684,485)</u>	<u>849,776,589</u>	<u>1,463,223,520</u>

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



Anwer Mohiuddin
Chief Financial Officer



Tarek Youssef Hosni
Chief Executive Officer



Mahmoud Yousuf
Mohammed Salah Jamjoom
Chairman

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

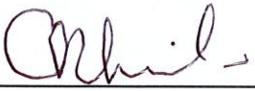
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)


For the six-month period ended 30 June


(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Note	2024	2023
Cash flows from operating activities:			
Profit before Zakat and income-tax		222,926,863	184,832,662
<i>Adjustments for:</i>			
Depreciation	4	16,203,904	11,587,709
Amortization		1,020,331	978,647
Depreciation on right to use assets		128,174	128,174
Finance costs (other than fair value change)	11	17,443,179	1,621,657
Change in fair value of investments at FVTPL	11	107,695	(64,612)
Share of results from equity-accounted investees	5	(3,774,793)	348,301
Impairment loss on financial asset	7 & 14.1	7,607,391	4,183,400
Provision for obsolescence / slow moving inventories	6	8,256,407	3,398,431
Provision for employees' benefits		8,459,944	9,574,197
Gain on disposal of property and equipment		(82,037)	(9,698)
		<u>278,297,058</u>	<u>216,578,868</u>
Changes in:			
Inventories		(2,814,191)	(36,977,351)
Trade receivables		(302,996,032)	(175,435,897)
Prepayments and other current assets		(14,008,823)	1,238,947
Trade payables and other current liabilities		106,209,553	70,150,916
Cash generated from operating activities		<u>64,687,565</u>	<u>75,555,483</u>
Employees' benefits paid		(1,204,278)	(3,798,641)
Finance costs paid		(19,642,999)	(1,166,107)
Zakat and income tax paid	9	(21,165,193)	(15,521,641)
Net cash generated from operating activities		<u>22,675,095</u>	<u>55,069,094</u>
Cash flows from investing activities:			
Additions to property, plant and equipment	4	(36,322,297)	(19,082,320)
Additions to intangible assets		(64,786)	--
Proceeds from disposal of property, plant and equipment		354,441	12,591
Additional capital injected in joint venture	5	(5,597,925)	(1,625,329)
Net cash used in investing activities		<u>(41,630,567)</u>	<u>(20,695,058)</u>
Cash flows from financing activities:			
Dividends paid	8.2	(105,000,000)	--
Payment of lease liabilities		(266,684)	(261,426)
Net cash used in financing activities		<u>(105,266,684)</u>	<u>(261,426)</u>
Net change in cash and cash equivalents		(124,222,156)	34,112,610
Net foreign exchange difference		(3,799,417)	(5,024,717)
Cash and cash equivalents at the beginning of the period		284,276,766	141,181,833
Cash and cash equivalents at the end of the period		<u>156,255,193</u>	<u>170,269,726</u>

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


Anwer Mohiuddin
Chief Financial Officer


Tarek Youssef Hosni
Chief Executive Officer


Mahmoud Yousuf
Mohammed Salah Jamjoom
Chairman

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(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 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.

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 its 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 its branch in Jeddah for the Sterile Manufacturing Facility on 13 Shawwal 1442H (corresponding to 25 May 2021), commercial registration number 4030416562.
- The Company registered its 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.
- The Company registered its branch in Qassim on 28 Safar 1444H (corresponding to 24 September 2022), commercial registration number 1131323678.
- 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 June 2024:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Effective shareholding</u>	
			<u>2024</u>	<u>2023</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 interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

1. REPORTING ENTITY (continued)

The registered address of the Company is as follows:

P.O. Box 6267,
Jeddah-21442,
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 financial statements as at and for the period ended 31 December 2023 (“last annual Financial Statements”).

These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards, 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 six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

b) Basis of measurement

These condensed consolidated 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.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

2. BASIS OF PREPARATION (continued)

d) Use of estimates and judgments (continued)

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. MATERIAL 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 2023. Except for the adoption of new standards disclosed in note (17) effective as of 1 January 2024, 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 six-month period ended 30 June 2024

(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 June 2024 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 2024 (Audited)	59,725,897	224,310,406	527,049,733	20,500,903	4,007,808	10,413,468	2,192,736	252,894,122	1,101,095,073
Additions during the period	--	--	2,351,427	129,661	478,606	837,049	--	32,525,554	36,322,297
Transferred from capital work in progress (4.1)	--	74,695,900	160,879,082	2,485,749	36,501	2,508,896	160,358	(240,766,486)	--
Transferred to intangibles	--	--	--	--	--	--	--	(86,126)	(86,126)
Disposals during the period	--	--	--	--	(2,066)	(240,866)	(782,365)	(130,556)	(1,155,853)
Foreign currency translation differences	(1,048,936)	(17,588,807)	(16,640,517)	(415,734)	(43,638)	(313,962)	(45,488)	(5,643,851)	(41,740,933)
Balance as at 30 June 2024 (Unaudited)	<u>58,676,961</u>	<u>281,417,499</u>	<u>673,639,725</u>	<u>22,700,579</u>	<u>4,477,211</u>	<u>13,204,585</u>	<u>1,525,241</u>	<u>38,792,657</u>	<u>1,094,434,458</u>
<u>Accumulated depreciation:</u>									
Balance as at 1 January 2024 (Audited)	--	53,968,657	323,991,631	14,727,680	3,092,458	7,395,457	1,695,252	--	404,871,135
Charge for the period	--	3,753,462	10,893,787	744,894	105,132	623,969	82,660	--	16,203,904
Disposals during the period	--	--	--	--	(1,965)	(232,965)	(648,519)	--	(883,449)
Foreign currency translation differences	--	(361,370)	(401,194)	(46,383)	(14,541)	(78,604)	(10,496)	--	(912,588)
Balance as at 30 June 2024 (Unaudited)	<u>--</u>	<u>57,360,749</u>	<u>334,484,224</u>	<u>15,426,191</u>	<u>3,181,084</u>	<u>7,707,857</u>	<u>1,118,897</u>	<u>--</u>	<u>419,279,002</u>
<u>Carrying value:</u>									
At 30 June 2024 (Unaudited)	<u>58,676,961</u>	<u>224,056,750</u>	<u>339,155,501</u>	<u>7,274,388</u>	<u>1,296,127</u>	<u>5,496,728</u>	<u>406,344</u>	<u>38,792,657</u>	<u>675,155,456</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

The movement in property, plant and equipment during the period ended 31 December 2023 is analyzed as under:

	<u>Lands</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	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 year	--	--	9,337,552	156,879	256,331	845,085	189,448	34,389,929	45,175,224
Transferred from capital work in progress	--	46,585,745	38,878,946	83,042	--	7,567	--	(85,555,300)	--
Disposals during the year	--	--	(297,299)	--	--	(22,244)	(224,600)	--	(544,143)
Foreign currency translation differences	(732,442)	(257,042)	(273,275)	(74,332)	(30,472)	(63,690)	(10,337)	(25,881,699)	(27,323,289)
Balance as at 31 December 2023	<u>59,725,897</u>	<u>224,310,406</u>	<u>527,049,733</u>	<u>20,500,903</u>	<u>4,007,808</u>	<u>10,413,468</u>	<u>2,192,736</u>	<u>252,894,122</u>	<u>1,101,095,073</u>
<u>Accumulated depreciation:</u>									
Balance as at 1 January 2023	--	47,892,833	308,715,729	13,357,623	2,886,993	6,495,636	1,720,507	--	381,069,321
Charge for the year	--	6,079,812	15,573,277	1,388,226	210,239	941,866	200,907	--	24,394,327
Disposals during the year	--	--	(292,839)	--	--	(11,567)	(224,597)	--	(529,003)
Foreign currency translation differences	--	(3,988)	(4,536)	(18,169)	(4,774)	(30,478)	(1,565)	--	(63,510)
Balance as at 31 December 2023	<u>--</u>	<u>53,968,657</u>	<u>323,991,631</u>	<u>14,727,680</u>	<u>3,092,458</u>	<u>7,395,457</u>	<u>1,695,252</u>	<u>--</u>	<u>404,871,135</u>
<u>Carrying value:</u>									
At 31 December 2023	<u>59,725,897</u>	<u>170,341,749</u>	<u>203,058,102</u>	<u>5,773,223</u>	<u>915,350</u>	<u>3,018,011</u>	<u>497,484</u>	<u>252,894,122</u>	<u>696,223,938</u>

- 4.1 Capital work in progress represents cost incurred on the construction of a manufacturing facility ('Egypt Main Facility') in Egypt and a sterile area facility ('Jeddah Sterile Facility') in Kingdom of Saudi Arabia ('KSA'). It also includes expansion in KSA represented in the form of new machinery. During the period ended 30 June 2024, SR 49.7 million related to Egypt Main Facility, SR 190.3 million related to Jeddah Sterile Facility and SR 1 million related to new machinery, respectively, were capitalized. As of 30 June 2024, the closing CWIP balance amounting to SR 32.6 pertains mainly to the expansion of KSA represented in the form of new machinery while SR 6.1 million (31 December 2023: SR 38.83 million) pertains to the Factory in Egypt.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

5. EQUITY-ACCOUNTED INVESTEE

As at 30 June 2024, the Group holds 49% equity interest in Jamjoom Algeria Lildawa ("Lildawa"), an entity operating in Algeria, with an amount of SR 42.9 million SR (31 December 2023: SR 36.1 million).

The movement of equity-accounted investees is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Opening balance	36,114,208	250,901
Additions	5,597,925	31,719,079
Share of results from equity accounted investee	3,774,793	4,406,228
Foreign currency translation	(2,589,263)	(262,000)
Closing balance	42,897,663	36,114,208

The following table summarizes the latest available financial information of Jamjoom Algeria Lildawa as of 30 June 2024 and 31 December 2023 for the period/year then ended:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Total assets	160,621,402	118,455,654
Total liabilities	73,075,152	44,753,189
Total equity	87,546,250	73,702,465
Results for the period / year	7,703,660	8,992,302

6. INVENTORIES

Inventories include the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Raw materials	103,494,426	92,818,163
Packing materials	44,347,006	43,884,671
Work in process	10,765,126	10,929,229
Finished goods	71,825,523	85,079,669
Goods in transit	4,108,250	5,596,565
Stores and spares (6.1)	13,655,229	12,732,593
	248,195,560	251,040,890
Provision for inventories (note 6.2)	(19,714,253)	(17,117,367)
	228,481,307	233,923,523

- 6.1 Stores and spares which are not expected to be used for more than one year are classified as inventory.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

6. INVENTORIES (continued)

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Opening balance	17,117,367	15,911,847
Provision during the period	8,256,407	12,367,430
Write off during the period	(5,757,076)	(11,085,306)
Foreign currency translation	97,555	(76,604)
Closing balance	<u>19,714,253</u>	<u>17,117,367</u>

7. TRADE RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables, net (note 7.1)	<u>628,947,746</u>	<u>332,125,964</u>

7.1 Trade receivables include the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables – others	303,170,073	190,565,727
Trade receivables – related parties (note 14)	342,890,306	152,692,940
	<u>646,060,379</u>	<u>343,258,667</u>
Less: Allowance for expected credit losses (note 7.2)	(17,112,633)	(11,132,703)
	<u>628,947,746</u>	<u>332,125,964</u>

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Opening balance	11,132,703	9,037,735
Provision during the period	6,153,198	2,095,285
Foreign currency translation differences	(173,268)	(317)
Closing balance	<u>17,112,633</u>	<u>11,132,703</u>

7.3 As at 30 June 2024, three largest customers account approximately for 72% (31 December 2023: 73%) of gross outstanding trade receivables. However, the Group assessed the concentration of risk with respect to accounts receivable and concluded it to be low.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

7. TRADE RECEIVABLES (continued)

7.4 The following table provides information about the exposure to credit risk and expected credit losses (ECLs) for trade receivables from customers as at 30 June 2024 and 31 December 2023.

		<i>Neither past due nor impaired</i>	<i>Past due but not impaired</i>			
			<i>0-90 days</i>	<i>90-180 days</i>	<i>180-360 days</i>	<i>361 days and above</i>
30 June 2024	<i>Total</i>					
Gross carrying amount	646,060,379	429,311,013	136,651,324	32,576,003	11,982,437	35,539,602
Loss allowance	17,112,633	1,912,640	1,317,621	1,029,805	842,346	12,010,221
Weighted average loss rate	2.65%	0.45%	0.96%	3.16%	7.03%	33.79%
		<i>Neither past due nor impaired</i>	<i>Past due but not impaired</i>			
			<i>0-90 days</i>	<i>90-180 days</i>	<i>180-360 days</i>	<i>361 days and above</i>
31 December 2023	<i>Total</i>					
Gross carrying amount	343,258,667	192,935,448	99,242,042	6,720,814	12,663,774	31,696,589
Loss allowance	11,132,703	741,071	871,341	136,336	864,054	8,519,901
Weighted average loss rate	3.24%	0.38%	0.88%	2.03%	6.82%	26.88%

8. SHARE CAPITAL

As at 30 June 2024 and 31 December 2023, the share capital is as follows:

<u>Number of shares, unless otherwise stated</u>	<u>Ordinary shares</u>	
	<u>30 June 2024</u>	<u>31 December 2023</u>
Shares in issue at start of the period / year	70,000,000	70,000,000
Shares in issue at end of the period / year, fully paid	70,000,000	70,000,000
Par value per share	SR 10	SR 10
Authorised shares amount	<u>SR 700,000,000</u>	<u>SR 700,000,000</u>

8.1 As at 30 June 2024 and 31 December 2023 the group main shareholders are Mr. Yousef Mohammed Saleh Jamjoom and Mr. Mahmood Yousef Mohammed Jamjoom and they hold 41.65% and 5.60% of the equity interest, respectively.

8.2 On 4 June 2024 (corresponding 27 Dhul Qadah 1445H) the shareholders approved in the Annual General Assembly Meeting, the Board of Directors' recommendation on the distribution of dividends to the shareholders of the Company for the year ended 31 December 2023 in the amount of SR 105 million corresponding to SR 1.5 per share, representing 15% of the nominal value per share.

9. ZAKAT AND INCOME TAX PAYABLE

During the six-month periods ended 30 June 2024, the Group has recorded Zakat and income tax charge of SR 12.8 million (30 June 2023: SR 14.2 million), the movement of Zakat and income tax payable are as follows:

	30 June 2024		
	<u>Zakat</u>	<u>Income tax</u>	<u>Total</u>
Balance at 1 January	23,016,806	2,492,480	25,509,286
Charge for the period			
- current	11,200,339	1,658,967	12,859,306
- prior	144,930	--	144,930
Paid during the year	(21,165,193)	--	(21,165,193)
Foreign currency translation	--	(1,218,466)	(1,218,466)
Balance at 30 June	<u>13,196,882</u>	<u>2,932,981</u>	<u>16,129,863</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

9. ZAKAT AND INCOME TAX PAYABLE (continued)

	31 December 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 year	21,081,395	2,317,632	23,399,027
Paid during the year	(15,521,641)	--	(15,521,641)
Foreign currency translation	--	(89,959)	(89,959)
Balance at 31 December	<u>23,016,806</u>	<u>2,492,480</u>	<u>25,509,286</u>

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 for the years ended 31 December 2021 and 2022. The Company has not received any assessments for the years ended 31 December 2019, 2020, and 2023.

b) Income tax

Income tax is calculated in accordance with the applicable tax laws of the foreign subsidiary. Income tax assessments have been agreed with the Egyptian Tax Authority up to 31 December 2018. The Company has not received any assessments for the years ended 31 December 2019 to 2023.

10. REVENUE

The Group’s revenue from contracts with customers is generated from the sale of products to customers. In the following table, revenue from contracts with customers is presented in net from discounts and related return impact and disaggregated by reportable segments. The table also includes revenue disaggregated by primary geographical market. The group recognized all the revenue at a point in time.

	Three-month period ended 30 June		Six-month period ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue by reportable segments				
Pharmaceutical Product	299,433,047	256,139,125	633,761,854	514,640,718
Consumer Health Products	46,302,657	42,258,261	97,435,490	84,606,182
Total	<u>345,735,704</u>	<u>298,397,386</u>	<u>731,197,344</u>	<u>599,246,900</u>

	Three-month period ended 30 June		Six-month period ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Primary geographical markets				
KSA	225,515,966	207,717,536	479,039,739	410,689,003
Gulf	44,942,502	37,961,772	90,741,503	75,208,707
Iraq	31,139,576	23,923,177	65,334,386	45,371,738
Egypt	16,889,127	11,911,820	42,303,061	23,663,947
North Africa and other export markets	27,248,533	16,883,081	53,778,655	44,313,505
Total	<u>345,735,704</u>	<u>298,397,386</u>	<u>731,197,344</u>	<u>599,246,900</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

11. NET FINANCE COST

Net finance cost for the period comprises of the following:

<u>Finance costs</u>	<u>Three-month period ended 30 June</u>		<u>Six-month period ended 30 June</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Foreign currency (gain) / loss - net	(1,735,211)	(729,768)	17,084,419	1,307,618
Bank charges	159,993	96,514	306,534	256,555
Finance charges on leases	24,844	27,488	52,226	57,484
Investments at FVTPL – net change in fair values	68,378	--	107,695	--
Total finance costs	<u>(1,481,996)</u>	<u>(605,766)</u>	<u>17,550,874</u>	<u>1,621,657</u>
<u>Finance income</u>	<u>Three-month period ended 30 June</u>		<u>Six-month period ended 30 June</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Investment at FVTPL - net changes in fair values	--	52,182	--	64,612
Profit from call accounts	1,746,778	--	4,468,795	--
Total finance income	<u>1,746,778</u>	<u>52,182</u>	<u>4,468,795</u>	<u>64,612</u>

12. COMMITMENTS AND CONTINGENCIES

The Group has the following contingencies and commitments:

	<u>30 June</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>
	(Unaudited)	(Audited)
Letter of credit	--	14,126,429
Letters of guarantee	10,183,429	12,586,014
Corporate guarantee (12.1)	36,200,000	18,598,939
Contractual commitments (12.2)	6,824,118	7,533,008

- 12.1 This includes an amount of SR 18.5 million corporate guarantee provided by the Group to a local bank in Algeria to support an acquisition made by its equity accounted investee. Additionally, further guarantee of SR 17.7 million has been extended to support the working capital requirements of the equity accounted investee.

Subsequent to the period ended 30 June 2024, a corporate guarantee of SR 21.75 million has been extended to a local bank in Algeria to support financing for additional production lines at the equity accounted investee's existing facility.

The guarantees have been advanced in ratio of Company's ownership interest in the equity accounted investees.

- 12.2 The contractual commitments represent the Group's commitments related to construction and electromechanical contracts related to works in progress not yet completed (note 4).

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

13. 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.

	For the six-month period ended 30 June	
	<u>2024</u>	<u>2023</u>
	(Unaudited)	(Unaudited)
Net profit for the period	<u>209,922,627</u>	<u>170,668,564</u>
Number of ordinary shares	<u>70,000,000</u>	<u>70,000,000</u>
Weighted average number of ordinary shares in issue	<u>70,000,000</u>	<u>70,000,000</u>
Basic and diluted earnings per share	<u>3.00</u>	<u>2.44</u>

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

14. 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. Transactions with related parties mainly relate to sales distributed 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 an arms' length basis.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

14. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

The following table states the relationship with related parties with whom transactions have been carried out by the Company.

<u>Name of Related Party</u>	<u>Relationship</u>
Jamjoom Printing Press Est.	Common shareholding of Jamjoom family
Jamjoom General Agencies	Common shareholding of Jamjoom family
Jamjoom Medicine Store	Common shareholding of Jamjoom family
Tegan Al Fateh Factory Company Limited	Common shareholding of Jamjoom family
Dream Sky Travel & Tourism Agency	Common indirect shareholding of Jamjoom family
Jamjoom Algeria Lildawa	Joint venture
Jamjoom HUPP Pharma LLC	Joint venture

Significant related party balances arising from transactions are described as under:

Name	Nature of transactions	Amount of transactions		Closing balance	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
<u>Due from related parties under trade receivables:</u>					
Jamjoom Medicine Store	Sale of products ¹	454,456,608	609,295,532		
	Distribution commission	1,384,612	3,146,333	342,890,306 ³	152,692,940 ³
<u>Due from related parties under prepayment and other current assets:</u>					
Jamjoom HUPP Pharma LLC	Loan receivable ²	--	--	17,452,028	17,452,028
Dream Sky Travel & Tourism Agency	Advance to supplier	--	4,553,644	--	509,602
Jamjoom Algeria Lildawa	Sale of raw material	5,784,178	821,147	6,260,004	475,826
				23,712,032	18,437,456
Less: Provision for impairment loss on due from related party (note 14.1)				(13,089,448)	(11,635,255)
				10,622,584	6,802,201

¹ This represents gross sales amount.

² The balance represents an interest free loan provided by the Company to Jamjoom HUPP Pharma.

³ This represents gross receivable amount. Expected credit loss has been provided against this balance as per the applicable financial reporting framework. Refer to note 7 for information about the exposure to credit risk.

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

14. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

<u>Name</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>		<u>Closing balance</u>	
		<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u><i>Due to related parties under trade payables and other current liabilities:</i></u>					
Jamjoom General Agencies	Purchases and services rendered	357,020	444,515	240,732	158,010
Jamjoom Printing Press	Purchases and services rendered	4,837,033	7,424,023	3,310,814	1,182,202
Dream Sky Travel & Tourism Agency	Services rendered	7,763,338	11,244,436	1,179,579	136,953
Tegan Al Fateh Factory Company Limited	Purchases – Packing material	9,764,658	20,529,024	3,802,299	3,397,834
				<u>8,533,424</u>	<u>4,874,999</u>

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Opening balance	11,635,255	9,135,255
Provision during the period/year	1,454,193	2,500,000
Closing balance	<u>13,089,448</u>	<u>11,635,255</u>

14.2 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 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Short-term employee benefits	8,719,407	6,411,953
Long-term employee benefits	320,934	158,479

14.3 Board of Directors' and Other Committees' Remuneration

Board of Directors' and other committees' remuneration and compensation comprised of the following:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Board of Directors' and Other Committees' Remuneration	2,333,432	2,612,228

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

15. 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 Chief Executive Officer (CEO) monitors the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment. The CEO is solely, the Chief Operating Decision Maker (CODM) for the Group.

For each of the strategic business units, the CODM reviews internal management reports on a monthly 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.
- Consumer health products – represents products used to support personal well-being, maintain health, or address specific health-related needs. These products are available over the counter (OTC) without the need for a prescription.

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 June:

<u>Particulars</u>	<u>Pharmaceutical Products</u>		<u>Consumer Health Products</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Revenue	633,761,854	514,640,718	97,435,490	84,606,182	731,197,344	599,246,900
Cost of revenue	(228,840,691)	(173,417,782)	(34,770,322)	(28,127,010)	(263,611,013)	(201,544,792)
Segment gross profit	<u>404,921,163</u>	<u>341,222,936</u>	<u>62,665,168</u>	<u>56,479,172</u>	<u>467,586,331</u>	<u>397,702,108</u>

JAMJOOM PHARMACEUTICALS FACTORY COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

15. OPERATING SEGMENTS (continued)

Unallocated income / (expenses)

	For the six-month period ended 30 June	
	<u>2024</u>	<u>2023</u>
	(Unaudited)	(Unaudited)
Gross profit before Zakat and tax for reportable segments	467,586,331	397,702,108
Selling and distribution expenses	(182,404,960)	(154,888,414)
General and administrative expenses	(31,177,275)	(34,780,894)
Research and development expenses	(15,553,913)	(17,382,699)
Impairment loss on financial asset	(7,607,391)	(4,183,400)
Finance costs	(17,550,874)	(1,621,657)
Finance income	4,468,795	64,612
Share of results in equity-accounted investee, net of tax	3,774,793	(348,301)
Other expense	(4,651,589)	(1,015,304)
Other income	6,042,946	1,286,611
Profit before Zakat and tax	<u>222,926,863</u>	<u>184,832,662</u>

Detail of segment assets and liabilities is given below:

<u>Particulars</u>	<u>Allocated</u>		<u>Unallocated</u>	
	<u>Pharmaceutical</u>	<u>Consumer</u>		
	<u>Products</u>	<u>Health Products</u>	<u>Others</u>	<u>Total</u>
	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>
30 June 2024 (Unaudited)				
Segment assets	--	--	1,814,658,378	1,814,658,378
Segment liabilities	--	--	351,434,858	351,434,858
31 December 2023 (Audited)				
Segment assets	--	--	1,654,165,587	1,654,165,587
Segment liabilities	--	--	249,836,618	249,836,618

Pharmaceutical and consumer health segment are managed on a worldwide basis, but sales are primarily in Saudi Arabia, Egypt, Iraq, Gulf countries and North African countries. Refer to note (10) for geographical disclosure.

16. 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 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

16. FINANCIAL RISK MANAGEMENT (continued)

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.
- 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 June 2024 and 31 December 2023, financial assets of the Group are classified under level 1 and level 2 of the fair value hierarchy including financial investments at fair value through profit or loss made in public listed companies amounting to SR 640,732 (31 December 2023: SR 748,427) and investments in a discretionary portfolio amounting to SR 4,411,521 (31 December 2023: SR 4,411,521), respectively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

17. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

a) Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these standards, interpretations and amendments if applicable, when they become effective. Management do not anticipate material impact on the condensed consolidated interim financial statements on adopting the standards, interpretations and amendments if applicable.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IAS 21	Lack of exchangeability (amendments to IAS 21)	1 January 2025
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

b) Standards, interpretations and amendments that became effective during the period

Following amendments to IFRS and International Accounting Standards were effective on or after 1 January 2024, but they did not have a material effect on the Group's condensed consolidated interim financial statements:

<u>Effective date</u>	<u>New Standards or amendments</u>
1 January 2024	Classification of liabilities as current or non-current (amendments to IAS 1)
1 January 2024	Non-current Liabilities with Covenants (amendments to IAS 1)
1 January 2024	Lease Liability in a Sale and Leaseback – (amendments to IFRS 16)
1 January 2024	Supplier finance arrangements (amendments to IAS 7 and IFRS 7)

Following are the new IFRS sustainability disclosure standards effective for annual periods beginning on or after 1 January 2024 subject to endorsement of the standards by SOCPA.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS S1	General requirements for disclosure of sustainability-related financial information	1 January 2024
IFRS S2	Climate-related disclosures	1 January 2024

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

18. SUBSEQUENT EVENTS

In addition to the matters disclosed in note 12.1, subsequent to the reporting period, on 5 August 2024 (corresponding to 1 Safar 1446H) the Board of Directors of the Company approved the distribution of cash dividends for the six-month period ended 30 June 2024 to the shareholders of the Company in the amount of SR 112 million corresponding to SR 1.6 per share, representing 16% of the nominal value per share.

19. DEVALUATION OF EGYPTIAN CURRENCY

On 6 March 2024, the Central Bank of Egypt announced the devaluation of Egyptian Pound (EGP) leading to a significant drop in exchange rates and hike in interest rates. Given the prior cumulative 3-year inflation rates and with the current devaluation in March 2024, a review of the hyperinflationary accounting for EGP in accordance with IAS 29 “Financial Reporting in Hyperinflationary Economies”, may be triggered. The Group is closely monitoring the possible impacts of the hyperinflation on its operations in Egypt.

During the six months period ended 30 June 2024, the Egyptian Pound recorded an average 54.6% devaluation in rate against the Saudi Riyal (30 June 2023: 20%). As a result, currency translation adjustment has been recorded in relation to the translation of foreign operations in Egypt.

20. DATE OF AUTHORIZATION FOR ISSUE

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 05 August 2024, corresponding to 01 Safar 1446h.