

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2025**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Dar Al Dawa Development and Investment Company**  
**Amman - Jordan**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Dar Al Dawa Development and Investment Company (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in Jordan. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements . These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<b>1. Revenue Recognition</b>	
Disclosures that relate to the revenue recognition are included in note (25) to the consolidated financial statements and the disclosures related to revenue recognition material accounting policies information are included in note (3) to the consolidated financial statements.	
<b>Key audit matter</b>	<b>How the key audit matter was addressed in the audit</b>
The Group focuses on revenues as a key performance metric. Revenue recognition was considered a key audit matter due to the large number of sales transactions and its geographical diversity and the risk of revenue recognition before the sale was completed, which may result in overstating revenues. The Group's revenues amounted to JD 81,563,231 as at 31 December 2025.	<p>The audit procedures included evaluating the Group's revenue recognition accounting policies in accordance with International Financial Reporting Standard (15). We performed an understanding of the Group's internal control system over revenue recognition, including the main internal control elements within the revenue recognition cycle. We also selected a sample before and after the end of the fiscal year to assess whether revenue was recognized during the correct period.</p> <p>We have also performed detailed analytical procedures for the gross margin on a monthly basis. We also selected and tested a representative sample of journal entries from the revenue accounts.</p>

## 2. Recoverability of trade receivables

Disclosures that relate to the trade receivables are included in note (12) to the consolidated financial statements and the disclosures related to the trade receivables' material accounting policies information are included in note (3) to the consolidated financial statements.

Key audit matter	How the key audit matter was addressed in the audit
<p>At 31 December 2025, gross trade receivables balance amounted to JD 37,854,286 representing 26.8% of the Group's total assets.</p> <p>The Group has applied the simplified approach of International Financial Reporting Standard (9) (financial instruments) for the recognition of the expected credit losses on the accounts receivable and calculating the expected credit losses for the lifetime of the receivables.</p> <p>Due to the significance of trade receivables and due to the fact that the provision required a high level of uncertain judgment as required by IFRS (9), this was considered as key audit matter.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> <li>- Understanding the Group's policy in calculating the provision in comparison with the requirement of IFRS (9).</li> <li>- We verified the inputs and the information used in calculation of the expected credit losses.</li> <li>- We assessed the reasonableness of estimates and judgements used by management in calculating the provision for expected credit losses.</li> </ul>

### Other information included in the Group's 2025 annual report

Other information consists of the information included in the Group's 2025 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

The Group maintains proper books of accounts which are in agreement with the financial statements.

The partner in charge of the audit resulting in this auditor's report was Yasar Abdallah Al Zurayqat; license number 1154.

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS -</b>			
Property, plant and equipment	6	31,928,614	31,070,538
Projects in progress	7	1,551,237	324,299
Intangible assets	8	4,880,411	4,571,853
Investment in an associate	9	1,854,264	1,961,043
Right of use assets	10	248,814	331,676
Financial assets at fair value through other comprehensive income		4,376	4,177
Deferred tax assets	24	2,811,231	2,190,061
		<u>43,278,947</u>	<u>40,453,647</u>
<b>CURRENT ASSETS-</b>			
Inventories	11	20,662,082	25,780,184
Trade receivables and other current assets	12	44,247,196	37,999,305
Amounts due from related parties	13	2,738,049	2,124,357
Restricted bank balances	14	2,160,487	2,087,353
cash and bank balances	15	28,110,316	15,575,516
		<u>97,918,130</u>	<u>83,566,715</u>
Assets held for sale	16	105,057	95,057
		<u>98,023,187</u>	<u>83,661,772</u>
<b>Total Assets</b>		<u>141,302,134</u>	<u>124,115,419</u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>EQUITY</b>			
<b>Parent Company's Shareholders' Equity -</b>			
Paid-in capital	17	47,186,707	35,000,000
Advance payments on capital increase		335,484	-
Statutory reserve		10,507,970	10,000,000
Voluntary reserve		1,992,003	1,992,003
Special reserve		1,268,624	1,268,624
Other reserves		317,524	309,465
Foreign currencies translation differences		(7,755,972)	(8,033,785)
Fair value reserve		(257,865)	(257,865)
Retained earnings		14,759,127	8,852,095
		<u>68,353,602</u>	<u>49,130,537</u>
Non-controlling interest	5	687,417	571,414
<b>Net Equity</b>		<u>69,041,019</u>	<u>49,701,951</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES -</b>			
Bank loans – long term	18	1,321,102	-
Long-term lease contracts liabilities	10	181,912	230,790
End of service indemnity provision	19	295,492	467,474
		<u>1,798,506</u>	<u>698,264</u>
<b>CURRENT LIABILITIES -</b>			
Due to banks	20	15,733,403	16,622,544
Revolving loans	21	23,918,549	26,690,762
Bank loans instalments maturing within a year	18	5,389,075	1,769,944
Current portion of lease contracts liabilities	10	105,000	137,594
Trade payables and other current liabilities	22	19,336,354	23,302,576
Other provisions	23	5,378,933	4,444,774
Income tax provision	24	595,137	740,852
		<u>70,456,451</u>	<u>73,709,046</u>
Liabilities directly related to assets held for sale	16	6,158	6,158
		<u>70,462,609</u>	<u>73,715,204</u>
<b>Total liabilities</b>		<u>72,261,115</u>	<u>74,413,468</u>
<b>Total shareholders' equity and liabilities</b>		<u>141,302,134</u>	<u>124,115,419</u>

**The attached notes from 1 to 39 form part of these consolidated financial statements**

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
Revenue from contracts with customers	25	81,563,231	79,681,285
Cost of sales	26	(47,048,324)	(47,856,504)
<b>Gross profit</b>		<b>34,514,907</b>	<b>31,824,781</b>
Selling and marketing expenses	27	(14,793,519)	(15,249,193)
Administrative expenses	28	(7,544,103)	(6,459,323)
Research and development expenses	29	(1,466,567)	(1,057,456)
Provision for expected credit losses	12	(337,444)	(449,968)
Other expenses, net	30	(1,136,981)	(1,095,433)
Foreign currencies exchange		270,074	(254,420)
<b>Profit from operating activities</b>		<b>9,506,367</b>	<b>7,258,988</b>
Group's share of results from an associate	9	(73,139)	110,955
Employees termination compensation expenses	31	(225,585)	(69,528)
Finance costs		(3,914,515)	(3,948,595)
Interest income		797,693	754,863
<b>Profit for the year before income tax</b>		<b>6,090,821</b>	<b>4,106,683</b>
Income tax for the year	24	558,946	(393,133)
<b>Profit for the year</b>		<b>6,649,767</b>	<b>3,713,550</b>
<b>Attributable to:</b>			
Equity holders of the Parent		6,545,590	3,585,386
Non-controlling interest	5	104,177	128,164
		<b>6,649,767</b>	<b>3,713,550</b>
		JD/ Fils	JD/ Fils
<b>Basic and diluted earnings per share from the profit for the year attributable to the equity holders of the parent</b>	32	<b>0/172</b>	<b>0/102</b>

The attached notes from 1 to 39 form part of these consolidated financial statements



**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 JD	2024 JD
Profit for the year		6,649,767	3,713,550
<b>Add: Other comprehensive income that will be reclassified to income in subsequent periods:</b>			
Foreign currency translation differences		289,639	(364,186)
<b>Add: Other comprehensive income that will not be reclassified to income in subsequent periods:</b>			
Actuarial gain resulting from the reassessment of defined benefit plan	19	8,059	105,270
<b>Other comprehensive income items</b>		297,698	(258,916)
<b>Total comprehensive income for the year</b>		<u>6,947,465</u>	<u>3,454,634</u>
<b>Attributable to:</b>			
Equity holders of the Parent		6,831,462	3,319,779
Non-controlling interest		116,003	134,855
		<u>6,947,465</u>	<u>3,454,634</u>

**The attached notes from 1 to 39 form part of these consolidated financial statements**

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Attributable to equity holders of the Parent											
	Paid-in capital	Advance payments on capital increase	Statutory reserve	Voluntary reserve	Special reserve	Other reserves	Foreign currencies translation differences	Fair value reserve	Retained earnings	Total	Non- controlling interest	Net equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2025 -</b>												
<b>Balance as at 1 January</b>	35,000,000	-	10,000,000	1,992,003	1,268,624	309,465	(8,033,785)	(257,865)	8,852,095	49,130,537	571,414	49,701,951
Profit for the year	-	-	-	-	-	-	-	-	6,545,590	6,545,590	104,177	6,649,767
Other comprehensive income items after tax	-	-	-	-	-	8,059	277,813	-	-	285,872	11,826	297,698
Total comprehensive income for the year	-	-	-	-	-	8,059	277,813	-	6,545,590	6,831,462	116,003	6,947,465
Capital increase	12,186,707	-	-	-	-	-	-	-	-	12,186,707	-	12,186,707
Advance payments on capital increase	-	335,484	-	-	-	-	-	-	-	335,484	-	335,484
Expenses related to capital increase	-	-	-	-	-	-	-	-	(130,588)	(130,588)	-	(130,588)
Transferred to Statutory reserve	-	-	507,970	-	-	-	-	-	(507,970)	-	-	-
<b>Balance as at 31 December</b>	<u>47,186,707</u>	<u>335,484</u>	<u>10,507,970</u>	<u>1,992,003</u>	<u>1,268,624</u>	<u>317,524</u>	<u>(7,755,972)</u>	<u>(257,865)</u>	<u>14,759,127</u>	<u>68,353,602</u>	<u>687,417</u>	<u>69,041,019</u>
<b>31 December 2024 -</b>												
<b>Balance as at 1 January</b>	35,000,000	-	10,000,000	1,992,003	1,268,624	204,195	(7,662,908)	(257,865)	5,266,709	45,810,758	436,559	46,247,317
Profit for the year	-	-	-	-	-	-	-	-	3,585,386	3,585,386	128,164	3,713,550
Other comprehensive income items after tax	-	-	-	-	-	105,270	(370,877)	-	-	(265,607)	6,691	(258,916)
Total comprehensive income for the year	-	-	-	-	-	105,270	(370,877)	-	3,585,386	3,319,779	134,855	3,454,634
<b>Balance as at 31 December</b>	<u>35,000,000</u>	<u>-</u>	<u>10,000,000</u>	<u>1,992,003</u>	<u>1,268,624</u>	<u>309,465</u>	<u>(8,033,785)</u>	<u>(257,865)</u>	<u>8,852,095</u>	<u>49,130,537</u>	<u>571,414</u>	<u>49,701,951</u>

**The attached notes from 1 to 39 form part of these consolidated financial statements**

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the year before income tax		6,090,821	4,106,683
<b>Adjustments for -</b>			
Depreciation and amortization	6,8,10	4,122,792	3,940,794
Provision for expected credit losses	12	337,444	449,968
Group's share of results from an associate	9	73,139	(110,955)
End of service indemnity provision	19	143,664	183,736
Provision for expired and near expiry goods	11,30	1,037,631	1,156,147
Other provisions	23	7,424,034	6,282,188
Finance cost		3,914,515	3,948,595
Interest income		(797,693)	(754,863)
<b>Working capital changes -</b>			
Inventories		4,080,471	(7,386,881)
Related parties		(580,052)	653,064
Trade payable and other current liabilities		(3,966,222)	4,609,882
Trade receivables and other current assets		(6,585,335)	(6,000,819)
Paid from end of service indemnity provision	19	(307,587)	(105,904)
Income tax paid	24	(207,939)	(37,606)
Other provisions paid	23	(6,489,875)	(6,133,629)
<b>Net cash flows from operating activities</b>		<b>8,289,808</b>	<b>4,800,400</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchases of property, plant and equipment	6	(3,652,633)	(3,701,425)
Additions to intangible assets	8	(816,822)	(478,716)
Projects in progress	7	(1,428,106)	(264,570)
Restricted bank balances		(73,134)	(74,248)
Interest income received		797,693	754,863
<b>Net cash flows used in investing activities</b>		<b>(5,173,002)</b>	<b>(3,764,096)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Capital increase	17	12,186,707	-
Advance payments on capital increase	17	335,484	-
Loans paid		(2,078,756)	(3,939,695)
Loans proceeds		7,018,989	3,309,519
Revolving loans		(2,772,213)	6,183,081
Paid from lease liabilities	10	(105,000)	(105,000)
Finance cost paid		(3,890,987)	(3,916,001)
<b>Net cash flows from financing activities</b>		<b>10,694,224</b>	<b>1,531,904</b>
<b>Net increase in cash and cash equivalents</b>		<b>13,811,030</b>	<b>2,568,208</b>
Effect of exchange rate changes on cash and cash equivalent		(377,089)	(240,816)
Cash and cash equivalents at the beginning of the year		(951,971)	(3,279,363)
<b>Cash and cash equivalents at the end of the year</b>	15	<b>12,481,970</b>	<b>(951,971)</b>

The attached notes from 1 to 39 form part of these consolidated financial statements

**(1) GENERAL**

Dar Al Dawa Development and Investment Company (the “Company”) was established as a public shareholding company on 17 August 1975 with a paid in capital of JD 500,000. The Company’s authorized capital has increased over the years to reach JD 50,000,000, subscribed and paid in capital JD 47,186,707 divided into 47,186,707 shares at a par value of JD 1 per share, as at 31 December 2025.

The General Assembly of the Company resolved in its extraordinary meeting held on 24 April 2025 to approve an increase of the Company's authorized capital by JD 15,000,000, divided into 15,000,000 shares with a par value of JD 1 per share, for the authorized capital of the Company to become JD 50,000,000 after the increase, through a public subscription for the Company's shareholders. The subscribed shares by shareholders amounted to 12,186,707 shares with a par value of 1 JD per share as at 31 December 2025. Subsequent to the date of consolidated financial statements, the shareholders subscribed to the remaining balance of the shares totaling 2,812,293 shares, to reach a total subscribed and paid-up capital to JD 50,000,000, with a par value of JD 1 per share.

The Company’s main objectives are the production of medical, chemical, and pharmaceutical products, and importing pharmaceutical products. The subsidiaries’ main objectives are marketing and distributing the Company’s products and producing some specialized medical products and investments activities.

The headquarters of the Company is located in Na’our – The Hashemite Kingdom of Jordan.

The consolidated financial statements were approved by the Board of Directors on 16 March 2026 and are subject to the approval of the General Assembly.

**(2) BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES**

**(2-1) BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income which have been measured at fair value as at the date of the consolidated financial statements.

The consolidated financial statements are presented in Jordanian Dinars (“JD”) which is the functional currency of the Company and the presentation currency for the Group.

## **(2) BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES**

### **(2-2) BASIS OF CONSOLIDATION**

The consolidated financial statements include the financial statements of the Company and its subsidiaries under its control, and control is achieved when the Company is exposed to the variable returns resulting from its investment in the subsidiaries or has rights in such returns, and is able to influence such returns through its authority over the subsidiaries, and transactions, balances, revenues and expenses between the Company and the subsidiaries are excluded. The subsidiaries included in the consolidated financial statements are as follows:

Company Name	Main activity	Country of establishment	Percentage of ownership 2025	Percentage of ownership 2024
Dar Al Dawa – Algeria	Marketing	Algeria	100%	100%
Dar Al Dawa – Tunis	Marketing	Tunis	100%	100%
Dar Al Dawa Pharma – Romania	Marketing	Romania	100%	100%
Al Dar Investment for Consulting*	Financial Investments	Jordan	100%	100%
Nutridar – Public Shareholding Company	Industrial	Jordan	90.42%	90.42%
Al Nahda for Financial Investments**	Financial investments	Jordan	40.2%	40.2%
Al Dar Jordan for Investment and its subsidiary:	Investment	Jordan	100%	100%
Medi Pharma International – Algeria	Industrial	Algeria	85%	85%
Dar Al Dawa Regional Headquarters Company***	Regional Headquarters	Saudi Arabia	100%	100%
Dar Al Dawa Advanced Company****	Industrial	Saudi Arabia	100%	100%

\* Al Dar Investment for Consulting Company is under liquidation.

\*\* Al Nahda for Financial Investments Company is under liquidation.

\*\*\* Dar Al-Dawa Regional Headquarters Company was established in the Kingdom of Saudi Arabia during 2024 as a Limited Liability Company.

\*\*\*\* Dar Al-Dawa Advanced Company was established in the Kingdom of Saudi Arabia in 2024 as a Limited Liability Company.

Control is achieved when a group has rights in variable returns resulting from its association with the investee group and has the ability to influence these returns through its ability to control the investee group. The investee group is controlled only when the following is achieved:

- The Group's control over the investee group (existing rights that give the Group the ability to direct the relevant activities of the investee company).
- Display of the group or its rights in the variable returns resulting from its association with the investee group.
- The ability to exercise control over the investee group and influence its returns.

**(2) BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES**

**(2-2) BASIS OF CONSOLIDATION (CONTINUED)**

Where the Group owns less than a majority of voting rights or similar rights in the investee company, the Group shall take into account all relevant facts and circumstances to determine whether it has control over the investee company, including:

- Contractual arrangements with other voting rights holders in the investee company.
- Rights resulting from other contractual arrangements.
- Current voting rights and possible voting rights of the group.

The Group reassesses whether it controls the investee company and if there are circumstances or facts indicating a change in one or more of the three elements of control.

The financial statements of the subsidiary shall be consolidated from the date of exercising control until such control ceases. The income and expenses of subsidiaries are consolidated in the consolidated comprehensive income statement from the date of the Group's control of the subsidiaries until such control ceases.

Profit and loss and every other item of comprehensive income is charged to the shareholders' equity in the parent company and the rights of non-controlling parties, even if this results in a deficit in the equity balance of the non-controlling parties. If necessary, the financial statements of subsidiaries are amended to align their accounting policies with the Group's accounting policies. Assets, liabilities, equity, income, expenses, profits and losses relating to transactions between the Group and its subsidiaries are excluded.

The effect of a change in ownership in the subsidiary that does not result in a loss of control is recorded. When you lose control of the affiliate, the group will:

- Derecognition of assets (including goodwill) and liabilities of the subsidiary
- Derecognition of the rights of non-controlling parties
- Derecognition of foreign currency translation reserves
- Recognition of the fair value of the amounts received
- Recognition of the fair value of the investment held in the subsidiary
- Recognition of profits or losses resulting from the loss of control
- Reclassification of the company's share previously recorded in other comprehensive income items to profit and loss

### **(2-3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024 except for the adoption of new standards effective as at 1 January 2025 as shown below:

#### **Lack of exchangeability - Amendments to IAS 21**

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates for annual reporting periods beginning on or after January 1, 2025 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the Group's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's consolidated financial statements.

### **(3) MATERIAL ACCOUNTING POLICIES**

#### **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment value, depreciation (except for land) is computed on a straight-line basis over the estimated useful lives of assets at the following annual rates:

	<u>Depreciation rate</u>
	%
Buildings	2-4
Tools, machinery, and equipment	10
Vehicles	15
Computers	20-25
Furniture and office equipment	10-15

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The carrying amount of property, plant and equipment is reviewed for impairment when there is a change in events or in circumstances which indicates that the carrying amount may not be recoverable. When such indicators exist and when the carrying values exceed the estimated recoverable amounts of the property, plant and equipment, the assets are written down to their recoverable amounts of the property, plant and equipment, and the impairment is recorded in the consolidated statement of income.

The profits or losses resulting from the disposal of the asset (calculated based on the difference between the cash proceeds and the carrying amount of the disposed asset) are recognized in the consolidated income statement upon disposal of the asset.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Projects in progress**

Projects in progress are stated at cost. This includes the cost of construction, equipments and other direct costs. Projects in progress are not depreciated until they are ready for use.

**Intangible assets**

The measurement of intangible assets at acquisition by cost or fair value if resulting from the acquisition of subsidiaries.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite intangible assets are amortized over their useful lives using the straight-line basis and recorded in the consolidated statement of income at the following annual rates:

	<u>Amortization rate</u> %
Registered medical files	20-33

Indefinite intangible assets are tested for impairment on an annual basis and recorded in the consolidated statement of income.

Research and development expenses are recorded in the consolidated statement of income. Development expenditures are capitalized and recorded within the intangible assets in the consolidated statement of financial position when the conditions stated in IAS 38 are met.

An intangible asset arising from development or from the development phase of an internal project should be recognized if, and only if, an entity can demonstrate all of the following:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale.
2. Its intention to complete the intangible asset and use or sell it.
3. It's ability to use or sell the intangible asset.
4. How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it's to be used internally.
5. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
6. It's availability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are reviewed for indications of impairment on the date of the consolidated financial statements. In addition, the useful lives of these assets are reviewed where the adjustments are made on the subsequent years.



**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Investments in an associate**

Associates are entities in which the Group has significant influence and which is neither a subsidiary nor a joint venture. The Group's investments in its associates are accounted for using the equity method.

The investments in associate are carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment account in associate company and is not amortized. The consolidated statement of income reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

**Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at acquisition date fair value and the amount of any non-controlling interests in the acquired company.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in consolidated statement of income. It is then considered in the determination of goodwill.

The non-controlling interests in the acquiree is recorded at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the consolidated statement of income.

Goodwill is measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed which is recorded after deducting any accumulated impairment losses.

The excess of the Group's share in the fair value of the net assets acquired over the acquisition cost represents negative goodwill and recorded in the consolidated statement of comprehensive income. The Group assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Impairment of non-financial assets**

The Group assesses, On the date of the consolidated financial statements, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recorded in the consolidated statement of income.

On the date of the consolidated financial statements an assessment is made to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. Such reversal is recognised in the consolidated statement of income.

The following non-financial assets has specific procedures for impairment testing:

- Goodwill: impairment test for the goodwill is performed on annual basis or when there is an indication of impairment. Losses related to goodwill impairment are not recoverable.
- Intangible assets with indefinite lives: impairment test on the intangible assets with indefinite lives are performed at minimum on an annual basis or when there is an indication of impairment.

**Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are recorded at fair value when purchased plus acquisition costs and subsequently measured at fair value. Changes in fair value are reported as a separate component in the consolidated statement of comprehensive income and in the consolidated statement of equity including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded at the consolidated statement of comprehensive income and in the consolidated statement of changes in equity and the valuation reserve balance for sold assets will be transferred directly to retained earnings or accumulated losses, not through the consolidated statement of income.

These assets are not subject to impairment testing. Dividends are recognized in the consolidated statement of income.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Trade receivables**

Trade receivables are stated at the original invoice amount less the provision for expected credit losses. The estimated credit losses are calculated using the simplified method of calculating the expected credit losses based on the historical experience of the credit loss taking into account the future factors of the debtors and the economic environment in accordance with the requirements of IFRS (9).

**Inventories**

Inventories are valued at the lower of cost and net realizable value. Costs represents all expenses incurred on each product until it reaches its current location or form as follows:

Raw materials and spare parts: purchase cost using the weighted average.

Finished goods and work in progress: cost of raw materials, direct cost and a proportion of manufacturing overheads using activity-based method.

Net realizable value represents the estimated selling price in normal circumstances after deducting the estimated cost to complete the production and to complete the sale transaction.

The Group's management prepares an annual study on the age of the inventory, and based on that, it is classified into slow-moving inventory, and a corresponding allocation is prepared in proportion to the age of this inventory from the date of purchase.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks and short term deposits which have a maturity dates of three months or less net of outstanding due to banks.

**Fair value**

The Group measures financial instruments at fair value at the date of the consolidated financial statements and discloses the fair value of financial instruments.

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Fair value (Continued)**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements, the Group determines, whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is considered essential to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Company classifies assets and liabilities based on their nature, financial assets and liabilities risk, and the level of fair value.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When determining fair value less costs to sell, recent market transactions are considered when available. If such transactions cannot be identified, an appropriate valuation model is used.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Loans**

After initial recognition, loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in consolidated statement of income when the liabilities are derecognised as well as through effective interest amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortisation is included in finance costs in the consolidated statement of income.

**Accounts payables and accruals**

Liabilities are recognized for amounts to be paid in the future for services or goods received whether billed by the supplier or not.

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Employees' end of service indemnity**

The Group provides end of service benefits for some of its employees working in some countries in conformity with the legal requirements in these countries. The obligation recognised in the consolidated statement of financial position concerning the benefits above represents the present value of the defined benefit obligation at the end of the reporting period.

The assumptions used to determine the costs of end of service benefits for employees include the discount rate, turnover rate, mortality rate and projected future salary increments, and any change in these assumptions will affect those provisions. The Group determines the appropriate discount rate value at the end of each year, and this discount rate should be used to determine the present value of estimated and projected future cash out flows for the settlement of the end of service liabilities.

Actuarial profit and loss resulting from settlements due to experience and changes in actuarial assumptions (remeasurement) are charged to equity within other comprehensive income items during the period in which they occur.

**Income tax**

Current income tax is calculated in accordance with income tax laws in Jordan and the countries where the subsidiaries operate in.

Tax expense comprises current tax and deferred taxes.

Current tax is calculated based on taxable profits, which may differ from accounting profits appearing in the consolidated financial statements. Accounting profits may include non-taxable profits or expenses which may not be tax deductible in the current but in subsequent applicable years or taxable accumulated losses or non taxable nor deductible items.

Deferred income tax is provided using the liability method on temporary differences at the consolidated financial statements date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is measured at the tax rates that are expected to apply to the year when the tax liability is settled, or deferred tax asset is realized.

The carrying amount of deferred income tax assets is reviewed at each consolidated financial statements date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Revenue and expense recognition**

*Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

*Variable consideration*

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with a right of return. The rights of return give rise to variable consideration.

*Rights of return*

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a contract liability.

*Contract liabilities*

A Contract liability is the obligation to refund some, or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Interest income is recognized using the effective interest rate method

Other revenues are recognized on accrual basis.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Right of use assets**

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

**lease contracts liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index, or a rate mentioned in accordance with the contract terms are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through Consolidated Statement of Comprehensive Income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).

**Contingencies**

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed when the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is possible.

**Offsetting**

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Foreign currencies**

The consolidated financial statements are presented in Jordanian Dinars, which is the parent's functional and presentation currency. Each subsidiary determines its own functional currency.

Transactions in foreign currencies are recorded in the functional currency rate ruling at the date transaction. Monetary assets and liabilities dominated in foreign currency are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. Profit or loss resulting from transactions in foreign currencies are recorded in the consolidated statement of comprehensive income.

Assets and liabilities of subsidiaries that have functional currencies different from the presentation currency of the Parent are translated at the rate of exchange ruling at the consolidated statement of financial position date. Revenues and expenses of those subsidiaries are translated using the average exchange rate for the year. All resulting exchange differences are recorded as a separate component of equity.

**(3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the date of the consolidated financial statements; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after date of the consolidated financial statements.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the date of the consolidated financial statements; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the date of the consolidated financial statements.

All other liabilities are classified as non-current.

**(4) USE OF ESTIMATES**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required in the future. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Judgments, estimates and assumptions in the consolidated financial statements are detailed below:

- The provision for expected credit losses on accounts receivables is reviewed according to the simplified approach and within the principles and assumptions approved by the Group's management to estimate the provision to be formed in accordance with the requirements of international financial reporting standards.
- The Group's management periodically re-evaluates the useful lives of the property, plant and equipment for the purpose of calculating the annual depreciation based on the general condition of the asset and estimated future useful lives. The impairment loss is recognized as an expense in the consolidated statement of income.
- Income tax expense is calculated and charged for the year in accordance with laws and regulation and IFRSs. Deferred tax assets and liabilities and income tax provision is calculated accordingly.
- Certain contracts for the sale of goods include a right of return that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics.

- The management of the Group estimates the provision for slow moving goods, and the goods are expected to expire in accordance with its internal policies.
- As per the requirements of IAS 36 intangible assets with indefinite lives are tested for impairment at each reporting period. The recoverable amount of these assets is determined based on the "Value in Use" (VIU) calculations, which require the use of assumptions. Some of the impairment indicators that management takes into consideration are changes in prices, existence of new technology that would make the production more efficient, significant decrease in produced quantities or demand, instability of the political situation of the country and others.

The calculations use cash flow projections based on financial budgets approved by the respective entity's management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports in which each entity of the Group's operates.

- End-of-services indemnity is calculated based on the Group's internal policies and actuarial studies.
- A provision is established against litigations where the Group is the defendant based on a legal study provided by the Group's legal advisor which will determine the risk that may occur. These studies are reviewed periodically, and the provision is adjusted accordingly.

**(5) MATERIAL PARTIALLY OWNED SUBSIDIARIES BY THE GROUP**

The following represents financial information for the subsidiaries in which the non-controlling interests is material:

	Country of establishment	Main activity	Ownership	
			2025	2024
Nutridar – Public shareholding Company	Jordan	Industrial	9.58%	9.58%
Medi Pharma International	Algeria	Industrial	15%	15%
Al Nahda for Financial Investments	Jordan	Financial investments	59.8%	59.8%

Accumulated balance of non-controlling interests was as follows:

	2025	2024
	JD	JD
Nutridar – Public shareholding Company	974,248	897,084
Medi Pharma International	284,351	245,512
Al - Nahda for Financial Investment	(571,182)	(571,182)
<b>Total</b>	<b>687,417</b>	<b>571,414</b>

The share of non-controlling interests in the results of the year was as follows:

	2025	2024
	JD	JD
Nutridar – Public shareholding Company	77,164	63,220
Medi Pharma International	27,013	64,944
<b>Total</b>	<b>104,177</b>	<b>128,164</b>

**(5) MATERIAL PARTIALLY OWNED SUBSIDIARIES BY THE GROUP (CONTINUED)**

Below is a summary of the financial information for the subsidiaries (before the elimination of the intercompany transactions and balances with subsidiaries) where the non-controlling interest is material:

Summarized statement of income for 2025:

	Nutridar – Public Shareholding Company	Medi Pharma International	Total
	JD	JD	JD
Net sales	16,066,962	3,032,841	19,099,803
Cost of sales	(12,258,111)	(2,517,233)	(14,775,344)
Selling and distribution expense	(1,275,905)	-	(1,275,905)
Administrative expense	(930,541)	(335,356)	(1,265,897)
Research and development expense	(74,114)	-	(74,114)
Provision for expected credit losses	(235,018)	-	(235,018)
Other income , net	3,931	9,207	13,138
Foreign currency exchange	(61,050)	47,491	(13,559)
Finance costs	(134,068)	(56,863)	(190,931)
Income tax	(296,510)	-	(296,510)
<b>Profit for the year</b>	<b>805,576</b>	<b>180,087</b>	<b>985,663</b>
<b>Non-controlling interests</b>	<b>77,164</b>	<b>27,013</b>	<b>104,177</b>

Summarized statement of income for 2024:

	Nutridar – Public Shareholding Company	Medi Pharma International	Total
	JD	JD	JD
Net sales	15,009,291	3,149,410	18,158,701
Cost of sales	(11,571,084)	(2,248,649)	(13,819,733)
Selling and distribution expense	(1,304,826)	-	(1,304,826)
Administrative expense	(900,645)	(295,348)	(1,195,993)
Research and development expense	(75,756)	-	(75,756)
Provision for expected credit losses	(114,166)	-	(114,166)
Other income (expenses), net	12,400	(100,808)	(88,408)
Foreign currency exchange	25,230	1,568	26,798
Finance costs	(259,117)	(73,213)	(332,330)
Income tax	(162,784)	-	(162,784)
<b>Profit for the year</b>	<b>658,543</b>	<b>432,960</b>	<b>1,091,503</b>
<b>Non-controlling interests</b>	<b>63,220</b>	<b>64,944</b>	<b>128,164</b>

**(5) MATERIAL PARTIALLY OWNED SUBSIDIARIES BY THE GROUP (CONTINUED)**

Summarized statement of financial position as at 31 December 2025:

	Nutridar – Public Shareholding Company	Medi Pharma International	Al Nahda for Financial Investments	Total
	JD	JD	JD	JD
Current assets	10,612,368	2,844,645	95,057	13,552,070
Non-current assets	2,672,456	13,653,158	-	16,325,614
Current liabilities	(5,097,589)	(19,123,786)	(6,158)	(24,227,533)
<b>Total equity</b>	<b>8,187,235</b>	<b>(2,625,983)</b>	<b>88,899</b>	<b>5,650,151</b>
<b>Attributable to:</b>				
Shareholders of the Parent Company	7,212,987	(2,910,334)	660,081	4,962,734
Non-controlling interests	974,248	284,351	(571,182)	687,417

Summarized statement of financial position as at 31 December 2024:

	Nutridar – Public Shareholding Company	Medi Pharma International	Al Nahda for Financial Investments	Total
	JD	JD	JD	JD
Current assets	10,842,225	3,221,031	95,057	14,158,313
Non-current assets	3,061,151	12,708,639	-	15,769,790
Current liabilities	(6,521,717)	(18,780,145)	(6,158)	(25,308,020)
<b>Total equity</b>	<b>7,381,659</b>	<b>(2,850,475)</b>	<b>88,899</b>	<b>4,620,083</b>
<b>Attributable to:</b>				
Shareholders of the Parent Company	6,484,575	(3,095,987)	660,081	4,048,669
Non-controlling interests	897,084	245,512	(571,182)	571,414

**(5) MATERIAL PARTIALLY OWNED SUBSIDIARIES BY THE GROUP (CONTINUED)**

Summarized statement of cash flows for the year ended 31 December 2025:

	Nutridar – Public Shareholding Company	Medi Pharma International
	JD	JD
Operating activities	259,780	2,236,442
Investing activities	(165,800)	(1,243,023)
Financing activities	(592,340)	(620,824)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(498,360)</b>	<b>372,595</b>

Summarized statement of cash flows for the year ended 31 December 2024:

	Nutridar – Public Shareholding Company	Medi Pharma International
	JD	JD
Operating activities	2,399,984	1,941,469
Investing activities	(285,952)	(1,073,043)
Financing activities	(1,180,695)	(553,044)
<b>Net increase in cash and cash equivalents</b>	<b>933,337</b>	<b>315,382</b>

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**(6) PROPERTY, PLANT AND EQUIPMENT**

	Land*	Buildings	Tools machinery and Equipment**	Vehicles	Computers	Furniture and office equipment	Total
	JD	JD	JD	JD	JD	JD	JD
<b>2025 -</b>							
<b>Cost-</b>							
As at 1 January 2025	2,308,706	28,961,199	50,162,010	1,890,146	2,817,016	3,556,452	89,695,529
Additions	-	466,446	2,773,693	53,239	150,763	208,492	3,652,633
Transferred from project in progress (Note 7)	-	27,705	173,698	-	-	-	201,403
Foreign currency translation differences	25,541	422,274	256,050	2,682	5,639	3,741	715,927
As at 31 December 2025	<u>2,334,247</u>	<u>29,877,624</u>	<u>53,365,451</u>	<u>1,946,067</u>	<u>2,973,418</u>	<u>3,768,685</u>	<u>94,265,492</u>
<b>Accumulated Depreciation -</b>							
As at 1 January 2025	-	11,983,876	38,786,687	1,748,498	2,576,843	3,529,087	58,624,991
Deprecation charge for the year	-	604,457	2,714,411	56,472	112,264	39,074	3,526,678
Foreign currency translation differences	-	31,846	93,989	3,286	2,507	53,581	185,209
As at 31 December 2025	<u>-</u>	<u>12,620,179</u>	<u>41,595,087</u>	<u>1,808,256</u>	<u>2,691,614</u>	<u>3,621,742</u>	<u>62,336,878</u>
<b>Net book value -</b>							
<b>As at 31 December 2025</b>	<u>2,334,247</u>	<u>17,257,445</u>	<u>11,770,364</u>	<u>137,811</u>	<u>281,804</u>	<u>146,943</u>	<u>31,928,614</u>

Depreciation expense was allocated in the consolidated statement of income as follow:

	2025	2024
	JD	JD
Cost of sales (Note 26)	3,060,224	3,115,790
Selling and marketing expenses (Note 27)	77,601	167,500
Administrative expenses (Note 28)	211,184	159,644
Research and development expenses (Note 29)	177,669	173,976
	<u>3,526,678</u>	<u>3,616,910</u>

\* The Group's subsidiary (Medi Pharma – Algeria) mortgaged the plant's land, measuring 9.8 dunams against a bank loan granted from Societe Generale Bank. The loan was fully settled during 2025, and the Company is currently undertaking the process to release the mortgage on the plant's land.

\*\* During the year 2025, the Group's subsidiary (Dar Al Dawa – Algeria) mortgaged machinery and equipment, amounted to JD 1,299,238 against a bank loan granted from Arab Bank – Algeria.

Fully depreciated property, plant and equipment amounted to JD 32,983,377 as of 31 December 2025 (2024: JD 32,138,800).



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**(6) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Land	Buildings	Tools machinery and equipment	Vehicles	Computers	Furniture and office equipment	Total
2024 -	JD	JD	JD	JD	JD	JD	JD
<b>Cost-</b>							
As at 1 January 2024	2,294,772	28,000,465	47,295,089	1,851,316	2,685,160	3,441,035	85,567,837
Additions	19,850	703,475	2,684,971	40,002	133,617	119,510	3,701,425
Transferred from project in progress (Note 7)	-	354,703	235,974	-	-	-	590,677
Foreign currency translation differences	(5,916)	(97,444)	(54,024)	(1,172)	(1,761)	(4,093)	(164,410)
As at 31 December 2024	<u>2,308,706</u>	<u>28,961,199</u>	<u>50,162,010</u>	<u>1,890,146</u>	<u>2,817,016</u>	<u>3,556,452</u>	<u>89,695,529</u>
<b>Accumulated Depreciation -</b>							
As at 1 January 2024	-	11,360,567	36,365,690	1,704,380	2,478,151	3,141,943	55,050,731
Deprecation charge for the year	-	641,186	2,441,961	45,099	99,126	389,538	3,616,910
Foreign currency translation differences	-	(17,877)	(20,964)	(981)	(434)	(2,394)	(42,650)
As at 31 December 2024	<u>-</u>	<u>11,983,876</u>	<u>38,786,687</u>	<u>1,748,498</u>	<u>2,576,843</u>	<u>3,529,087</u>	<u>58,624,991</u>
<b>Net book value -</b>							
<b>As at 31 December 2024</b>	<u>2,308,706</u>	<u>16,977,323</u>	<u>11,375,323</u>	<u>141,648</u>	<u>240,173</u>	<u>27,365</u>	<u>31,070,538</u>

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**(7) PROJECTS IN PROGRESS**

Movement on projects in progress was as follows:

	2025	2024
	JD	JD
As at 1 January	324,299	650,815
Additions	1,428,106	264,570
Transferred to property, plant and equipment (Note 6)	(201,403)	(590,677)
Foreign currency translation differences	235	(409)
As at 31 December	<u>1,551,237</u>	<u>324,299</u>

This item mainly represents the cost related to the implementation of SAP system project, that the Group is currently executing as part of its projects in progress. These projects are expected to be completed during the year 2026.

**(8) INTANGIBLE ASSETS**

Intangible assets in the consolidated statement of financial position represent the following:

	Goodwill*	Trademark*	Franchise**	Registered medical files	Medical development expenses	Total
2025 -	JD	JD	JD	JD	JD	JD
<b>Cost-</b>						
As at 1 January 2025	56,824	2,174,003	1,617,436	1,267,746	160,624	5,276,633
Additions	-	-	-	527,905	288,917	816,822
Disposals	-	-	-	(389,252)	-	(389,252)
Foreign currency translation differences	-	-	4,988	-	-	4,988
As at 31 December 2025	<u>56,824</u>	<u>2,174,003</u>	<u>1,622,424</u>	<u>1,406,399</u>	<u>449,541</u>	<u>5,709,191</u>
<b>Accumulated Amortization-</b>						
As at 1 January 2025	-	-	-	704,780	-	704,780
Amortization charge for the year	-	-	-	513,252	-	513,252
Disposals	-	-	-	(389,252)	-	(389,252)
As at 31 December 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>828,780</u>	<u>-</u>	<u>828,780</u>
<b>Net book value -</b>						
<b>As at 31 December 2025</b>	<u>56,824</u>	<u>2,174,003</u>	<u>1,622,424</u>	<u>577,619</u>	<u>449,541</u>	<u>4,880,411</u>

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	Goodwill*	Trademark*	Franchise**	Registered medical files	Medical development expenses	Total
2024 -	JD	JD	JD	JD	JD	JD
<b>Cost-</b>						
As at 1 January 2024	56,824	2,174,003	1,618,592	949,654	-	4,799,073
Additions	-	-	-	318,092	160,624	478,716
Foreign currency translation differences	-	-	(1,156)	-	-	(1,156)
As at 31 December 2024	<u>56,824</u>	<u>2,174,003</u>	<u>1,617,436</u>	<u>1,267,746</u>	<u>160,624</u>	<u>5,276,633</u>
<b>Accumulated Amortization-</b>						
As at 1 January 2024	-	-	-	463,758	-	463,758
Amortization charge for the year	-	-	-	241,022	-	241,022
As at 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>704,780</u>	<u>-</u>	<u>704,780</u>
<b>Net book value -</b>						
<b>As at 31 December 2024</b>	<u>56,824</u>	<u>2,174,003</u>	<u>1,617,436</u>	<u>562,966</u>	<u>160,624</u>	<u>4,571,853</u>

\* The goodwill and trademark had initially resulted from the price allocation of the acquisition of Nutridar Public Shareholding Company. The Group's management believes that the useful life of the trademark is indefinite. The Group's management performs an impairment testing for the goodwill and the trademark annually or when there is an indication of impairment.

\*\* The franchise resulted from the contract signed with the Group's partner in Medi Pharma International – Algeria which allows him to acquire 15% of the Company's capital which is funded by Al Dar Jordan for Investment Limited Liability Company (a subsidiary).

On 31 December 2025, the group performed an impairment test on the above intangibles. The recoverable amount has been determined based on a value in use, which was derived from the expected cash flows of the cash-generating units based on the five-year forecasted budget, using a growth rate of 2.5%

As a result of the impairment test, no impairment loss was recorded.

The calculation of recoverable amount is most sensitive to the following assumptions:

- Gross margin
- Discount rate
- Growth rate used to estimate cash flows

**(9) INVESTMENT IN AN ASSOCIATE**

				2025	2024
	Main activity	Country of establishment	Ownership %	JD	JD
Dar Al Dawa Veterinary Industries Company – Limited Liability Company	Industrial	Jordan	33.64	1,854,264	1,961,043

Movement on investment in associate was as follows:

	2025	2024
	JD	JD
As at 1 January	1,961,043	1,850,088
Group's share of results from an associate	(73,139)	110,955
Accrued dividends distribution from an associate	(33,640)	-
As at 31 December	1,854,264	1,961,043

The Group's share of associate's assets and liabilities are as follows:

	Dar Al Dawa Veterinary Industries Company	
	2025	2024
	JD	JD
Current assets	5,991,797	4,676,098
Non- current assets	2,575,200	2,126,413
Current liabilities	(3,054,916)	(973,013)
<b>Total equity</b>	<b>5,512,081</b>	<b>5,829,498</b>
Group's ownership percentage	33.64%	33.64%
<b>Investment carrying value</b>	<b>1,854,264</b>	<b>1,961,043</b>

**(9) INVESTMENT IN AN ASSOCIATE (CONTINUED)**

The Group's share of associate's results is as follows:

	Dar Al Dawa Veterinary Industries Company	
	2025	2024
	JD	JD
Net sales	4,708,435	4,955,734
Cost of sales	(3,835,680)	(3,621,209)
Other expenses, net	(1,090,171)	(960,221)
(Loss) profit for the year before Income tax	(217,416)	374,304
Income tax	-	(44,473)
(Loss) profit for the year	(217,416)	329,831
<b>Group's share of results from an associate</b>	<b>(73,139)</b>	<b>110,955</b>

**(10) RIGHT OF USE ASSETS AND LEASE CONTRACTS LIABILITIES**

Set out below are the carrying amounts of right of use assets and lease contracts liabilities recognized and the movements as of 31 December 2025 and 2024:

	Right of use assets	Lease liabilities*
	JD	JD
<b>At 1 January 2025</b>	331,676	368,384
Depreciation	(82,862)	-
Finance costs	-	23,528
Lease payments	-	(105,000)
<b>At 31 December 2025</b>	<b>248,814</b>	<b>286,912</b>
	Right of use assets	Lease liabilities*
	JD	JD
<b>At 1 January 2024</b>	414,538	440,790
Depreciation	(82,862)	-
Finance costs	-	32,594
Lease payments	-	(105,000)
<b>At 31 December 2024</b>	<b>331,676</b>	<b>368,384</b>

**(10) RIGHT OF USE ASSETS AND LEASE CONTRACTS LIABILITIES (CONTINUED)**

\* Lease liabilities details as at 31 December are as follows:

	Short-term	Long-term	Total
	JD	JD	JD
2025	105,000	181,912	286,912
2024	137,594	230,790	368,384

**(11) INVENTORIES**

	2025	2024
	JD	JD
Raw materials	10,944,597	14,045,400
Finished goods	9,449,634	10,645,376
Work in progress	464,399	683,246
Laboratory materials	831,140	1,160,123
Spare parts	545,090	450,474
Goods in transit	314,935	368,108
Others	51,035	147,678
	22,600,830	27,500,405
Provision for expired and near expiry goods	(1,938,748)	(1,720,221)
	<u>20,662,082</u>	<u>25,780,184</u>

Movement on the provision for near expiry goods and slow moving items is as follows:

	2025	2024
	JD	JD
As at 1 January	1,720,221	2,663,660
Charge for the year (Note 30)	1,037,631	1,156,147
Inventories written-off during the year	(824,652)	(2,103,621)
Foreign currency translation differences	5,548	4,035
As at 31 December	<u>1,938,748</u>	<u>1,720,221</u>

**(12) TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

	<u>2025</u>	<u>2024</u>
	JD	JD
Trade receivables*	37,854,286	34,474,925
Checks under collection	7,324,976	6,778,790
Income and Sales Tax deposits	4,019,087	3,256,201
Advances to suppliers	1,946,655	1,120,559
Refundable deposits	615,572	190,759
Prepaid expenses	1,011,362	598,877
Staff receivables	72,263	216,768
Others	775,233	346,339
Less: provision for expected credit losses	<u>(9,372,238)</u>	<u>(8,983,913)</u>
	<u>44,247,196</u>	<u>37,999,305</u>

\* Details of trade receivables were as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Local trade receivables	13,757,192	14,004,417
Foreign trade receivables	<u>24,097,094</u>	<u>20,470,508</u>
	37,854,286	34,474,925
Provision for expected credit losses	<u>(9,372,238)</u>	<u>(8,983,913)</u>
	<u>28,482,048</u>	<u>25,491,012</u>

Movement on the provision for expected credit losses was as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	8,983,913	8,909,804
Provision for the year	337,444	449,968
Amounts written off	-	(364,720)
Foreign currency translation differences	<u>50,881</u>	<u>(11,139)</u>
Balance as at 31 December	<u>9,372,238</u>	<u>8,983,913</u>

**(12) TRADE RECEIVABLES AND OTHER CURRENT ASSETS (CONTINUED)**

The aging of trade receivables as at 31 December as follows:

	Not due receivables	1 – 90 days	91 – 180 days	181 – 270 Days	More than 271 days	Total
	JD	JD	JD	JD	JD	JD
<b>2025:</b>						
Percentage of expected credit losses	1%	1.5%	16.8%	32.1%	69.6%	24.8%
Total receivables	18,362,572	3,806,229	2,749,947	902,276	12,033,262	37,854,286
Provision of expected credit losses	(182,547)	(58,124)	(461,930)	(289,347)	(8,380,290)	(9,372,238)
Net receivables	<u>18,180,025</u>	<u>3,748,105</u>	<u>2,288,017</u>	<u>612,929</u>	<u>3,652,972</u>	<u>28,482,048</u>
<b>2024:</b>						
Percentage of expected credit losses	1%	1.6%	17.6%	33.7%	73.1%	26.1%
Total receivables	16,673,068	3,477,005	2,512,088	824,233	10,988,531	34,474,925
Provision of expected credit losses	(174,983)	(55,716)	(442,791)	(277,358)	(8,033,065)	(8,983,913)
Net receivables	<u>16,498,085</u>	<u>3,421,289</u>	<u>2,069,297</u>	<u>546,875</u>	<u>2,955,466</u>	<u>25,491,012</u>

Trade receivables payment terms are due within maximum of 180 days for local and foreign sales.

Some of the receivables are covered by letters of credit in which the Group is the beneficiary, the Group does not obtain any guarantees against the rest of the receivables and therefore they are not guaranteed.

**(13) RELATED PARTY TRANSACTIONS**

Related parties represent major shareholders, associate company, board of directors and entities in which they are principal shareholders. Pricing policies and terms of the transactions are approved by the Group's management.

Balances with related parties as shown in the consolidated statement of financial position as follows:

	2025	2024
	JD	JD
<b>Amounts due from related parties:</b>		
Zakaria Hawash (Partner in Medi Pharma International)	1,879,005	1,879,005
Al Mufeed Trading – United Arab Emirates (Company owned by a board member)	742,907	126,359
Dar Al Dawa Veterinary Industries Limited Liability Company (Associate company)	116,137	118,993
	<u>2,738,049</u>	<u>2,124,357</u>



**(13) RELATED PARTY TRANSACTIONS (CONTINUED)**

**Advance payments from customers:**

	<u>2025</u>	<u>2024</u>
	JD	JD
Dara Group for Health (Company Owned by a shareholder with a significant influence)	<u>6,816,407</u>	<u>8,244,223</u>

Transactions with related parties included in the consolidated statement of income are as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Sales to agents - Dara Group for Health (Company owned by a shareholder with a significant influence)	<u>12,106,254</u>	<u>14,105,469</u>
Sales to agents - Al Mufeed Trading (Company owned by a Board Member)	<u>6,629,713</u>	<u>6,339,774</u>
Service revenue - Dar Al Dawa Veterinary Industries Limited Liability Company (Associate company)	<u>4,800</u>	<u>4,800</u>
Pharmaceutical studies expenses – Arab for pharmaceutical researches (Company owned by a Board Member).	<u>7,050</u>	<u>-</u>
Transportation and remunerations of Board of Directors	<u>162,468</u>	<u>119,800</u>

The following is a summary of the benefits (salaries, bonuses and other benefits) of the Group's senior executive management:

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries and other benefits	<u>1,316,287</u>	<u>1,221,547</u>

**(14) RESTRICTED BANK BALANCES**

This item represents cash deposited at Housing bank for Trade and Finance – Jordan as a guarantee against increasing the overdraft facility ceiling of Dar Al Dawa – Algeria at Housing Bank for Trade and Finance - Algeria.

**(15) CASH AND BANK BALANCES**

	<u>2025</u>	<u>2024</u>
	JD	JD
Cash on hand	66,847	132,169
Bank balances	4,894,436	4,414,992
Short-term deposits*	23,149,033	11,028,355
	<u>28,110,316</u>	<u>15,575,516</u>

\* This item represents deposits with Arab Bank and Arab Banking Corporation Bank, the average interest rate on these deposits during 2025 was 5% - 6% per annum (31 December 2024: 5.75% - 6.25%).

For the purpose of preparing the consolidated statement of cash flows, cash and cash equivalents consist of the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Cash and bank balances	28,110,316	15,575,516
Cash and bank balances – subsidiaries under liquidation (Note 16)	105,057	95,057
Due to banks (Note 20)	(15,733,403)	(16,622,544)
	<u>12,481,970</u>	<u>(951,971)</u>

**(16) DISCONTINUED OPERATIONS**

**Al Nahda for Financial Investments**

During 2016, the Group's management issued a resolution to liquidate Al Nahda for Financial Investments (Subsidiary), thus the operational transactions for company has been classified as discontinued operations in accordance with the IFRS (5).

Net book value for assets and liabilities of the disposed subsidiary as of 31 December 2025 and 2024 are as follows:

	<u>Al Nahda for Financial Investments</u>	
	<u>2025</u>	<u>2024</u>
	JD	JD
<b>ASSETS</b>		
Cash and bank balances (Note 15)	95,057	95,057
	<u>95,057</u>	<u>95,057</u>
<b>LIABILITIES</b>		
Accounts payable other current liabilities	6,158	6,158
<b>NET ASSETS</b>	<u>88,899</u>	<u>88,899</u>

**(16) DISCONTINUED OPERATIONS (CONTINUED)**

**Al Dar Investment for Consulting**

During 2025, the Group's management issued a resolution to liquidate Al Dar Investment for Consulting –(Subsidiary), thus the operational transactions for company were classified as discontinued operations in accordance with the IFRS (5).

Net book value for assets and liabilities of the disposed subsidiary as of 31 December 2025 are as follows:

	Al Dar Investment for Consulting 2025 JD
<b>ASSETS</b>	
Cash and bank balances (Note 15)	10,000
	<u>10,000</u>
<b>NET ASSETS</b>	<u>10,000</u>

**(17) EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY**

**Paid in capital -**

The Company's authorized capital is JD 50,000,000, subscribed and paid in capital is JD 47,186,707 with a par value of JD 1 per share as at 31 December 2025. The General Assembly of the Company resolved in its extraordinary meeting held on 24 April 2025 to approve an increase of the Company's authorized capital by JD 15,000,000, divided into 15,000,000 shares with a par value of JD 1 per share, for the authorized capital of the Company to become JD 50,000,000 after the increase, through a public subscription for the Company's shareholders. The subscribed shares by shareholders amounted to 12,186,707 shares with a par value of 1 JD per share as at 31 December 2025. Subsequent to the date of consolidated financial statements, the shareholders subscribed to the remaining balance of the shares totaling 2,812,293 shares, to reach a total subscribed and paid-up capital to JD 50,000,000, with a par value of JD 1 per share.

Movement on the capital was as follows:

	2025 JD	2024 JD
Balance as at 1 January	35,000,000	35,000,000
Capital increase	12,186,707	-
Balance as at 31 December	<u>47,186,707</u>	<u>35,000,000</u>

**(17) EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (CONTINUED)**

**Advance payments on capital increase -**

The accumulated amounts in this account of JD 335,484 as of 31 December 2025 represent payments made by the shareholders for the purpose of subscribing to the company's capital, the registration procedures of which were completed subsequent to the date of the consolidated financial statements.

**Statutory reserve -**

The accumulated amounts of JD 10,507,970 as of 31 December 2025 represent 10% of the annual net profit before income tax transferred during the years in accordance with the Companies Law, and it is not distributable to shareholders. The Group may stop transferring amounts to the statutory reserve when the reserve balance reaches 25% of the authorized capital.

**Voluntary reserve -**

The accumulated amounts in this balance represent the annual net profit before income tax transferred by no more than 20% during the years, and it is distributable to shareholders.

**Special reserve -**

The accumulated amounts in this balance represent the annual net profit before income tax transferred by no more than 5% during the years, and it is distributable to shareholders, the special reserve is to be used for the purposes determined by the Board of Directors.

**Other reserves -**

The accumulated amounts of JD 317,524 in this account represent actuarial gains resulting from the revaluation of defined benefit plans through other comprehensive income from prior years.

**Foreign currency translation differences -**

The accumulated amounts of JD 7,755,972 in this account represent the foreign currency differences resulting from the translation of the financial statements of foreign subsidiaries.

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**(18) BANK LOANS**

			2025			2024	
			Loans installment			Loans installment	
Company name	Currency		Short-term	Long-term	Total	Short-term	Total
			JD	JD	JD	JD	JD
Arab Bank (1)	Dar Al Dawa Jordan	US Dollar	1,650,000	137,500	1,787,500	-	-
Arab Bank (2)	Dar Al Dawa Jordan	Jordanian Dinar	900,000	75,000	975,000	-	-
Arab Bank (3)	Dar Al Dawa Algeria	Algerian Dinar	1,299,238	-	1,299,238	-	-
Housing Bank (1)	Dar Al Dawa Jordan	US Dollar	60,788	-	60,788	222,825	222,825
Housing Bank (2)	Dar Al Dawa Jordan	Jordanian Dinar	651,788	1,028,986	1,680,774	451,726	451,726
Jordan Ahli Bank	Dar Al Dawa Jordan	US Dollar	827,261	79,616	906,877	-	-
Arab Bank (4)	Dar Al Dawa Jordan	Jordanian Dinar	-	-	-	672,000	672,000
Arab Bank (5)	Dar Al Dawa Jordan	Jordanian Dinar	-	-	-	345,000	345,000
Société Générale Bank	Medi Pharma International	Algerian Dinar	-	-	-	78,393	78,393
			<u>5,389,075</u>	<u>1,321,102</u>	<u>6,710,177</u>	<u>1,769,944</u>	<u>1,769,944</u>

**Arab Bank (1)**

The Company signed a loan agreement during 2025 with Arab Bank with a ceiling of JD 2,750,000. The loan will be repaid in monthly installments amounting to JD 137,500. The first installment was due on 30 June 2025 and the last installment is due on 30 January 2027.

**Arab Bank (2)**

The Company signed a loan agreement during 2025 with Arab Bank with a ceiling of JD 1,500,000. The loan will be repaid in monthly installments amounting to JD 75,000. The first installment was due on 30 June 2025 and the last installment is due on 30 January 2027.

**Arab Bank (3) – Dar Al Dawa Algeria**

During 2025, Dar Al Dawa Algeria signed a loan agreement with Arab Bank – Algeria with a ceiling of DZD 400,000,000, equivalent to JD 2,190,254, to finance the purchase of machinery and equipment. The Company utilized an amount of DZD 237,276,226, equivalent to JD 1,299,238, from the approved ceiling as of 31 December 2025. The loan will be repaid in 10 quarterly installments amounting to DZD 25,000,000, equivalent to JD 136,891, except for the last installment which amounted to DZD 12,276,226, equivalent to JD 67,220. The first installment was due on 31 March 2027 and the last installment is due on 30 June 2029. The Company mortgaged the machinery and equipment amounting to JD 1,299,238 that was purchased in favor of the Bank.

The loan agreement granted by the Arab Bank - Algeria requires the Group to comply with certain financial covenants. The Group breached these covenants as of 31 December 2025; consequently, the non-current loan installments amounting to JD 1,299,238, have been reclassified as current liabilities.

**(18) BANK LOANS (CONTINUED)**

**Housing Bank (1)**

The Company signed a loan agreement during 2024 with Housing Bank with a ceiling of USD 905,714, equivalent to JD 642,151, to finance the acquisition of machinery and equipment. The loan will be repaid in quarterly installments amounting to USD 111,830, equivalent to JD 79,287 except for the first installment which amounted to USD 260,826, equivalent to 184,926, and the last installment which amounted to USD 85,737, equivalent to JD 60,788. The first installment was due on 1 September 2024 and the last installment from the utilized amount is due on 1 March 2026.

**Housing Bank (2)**

The Company signed a loan agreement during 2024 with Housing Bank with a ceiling of JD 2,000,000 to finance the purchase of machinery and equipment. The Company utilized an amount of JD 565,409 from the approved ceiling. The loan will be repaid in quarterly installments amounting to JD 117,647. The last installment was due on 1 December 2025. The loan ceiling was increase during 2025, to reach JD 1,680,774. The loan will be repaid in quarterly installments amounting to JD 162,947, except for the last installment which amounted to JD 51,304. The first installment was due on 1 March 2026 and the last installment is due on 1 September 2028.

**Jordan Ahli Bank**

The Company signed a loan agreement during 2025 with Jordan Ahli Bank with a ceiling of USD 7,000,000, equivalent to JD 4,962,998, to finance the purchase of machinery and equipment. The Company utilized an amount of USD 1,279,000, equivalent to JD 906,811, from the approved ceiling. The loan will be repaid in quarterly installments amounting to USD 291,700, equivalent to JD 206,815, except for the last installment which amounted to USD 112,293, equivalent to JD 79,616. The first installment was due on 31 March 2026 and the last installment from the utilized amount is due on 31 March 2027.

**Arab Bank (4)**

The Company signed a loan agreement during 2024 with Arab Bank with a ceiling of JD 2,000,000 to finance raw materials and packaging purchases and other operating expenses. The loan will be repaid in monthly installments. The loan was settled in full during the year 2025.

**Arab Bank (5)**

The Company signed a loan agreement during 2024 with Arab Bank with a ceiling of JD 1,250,000 to finance raw materials and packaging purchases and other operating expenses. The loan will be repaid in monthly installments. The loan was settled in full during the year 2025.

**Societe Generale Bank – Medi Pharma International**

The Group's subsidiary, Medi Pharma International – Algeria, signed a loan agreement during 2017 with Societe Generale Bank – Algeria with a ceiling of DZD 845,000,000. The ceiling was increased during 2018 by DZD 100,000,000 to become DZD 945,000,000, equivalent to JD 4,938,759, to finance the construction of Medi Pharma plant in Algeria. The loan will be repaid in 26 equal quarterly installments. The first installment was due on 31 December 2018 and the last installment is due on 31 March 2025. The Company mortgaged the plant of Medi Pharma – Algeria in favor of the Bank. The loan was settled in full during the year 2025.

**(18) BANK LOANS (CONTINUED)**

The Company has initiated procedures to release the mortgage on the factor; however, these procedures had not been completed as of the date of preparation of these consolidated financial statements.

\* The interest rate on bank loans ranges between 3.5% - 8.5% (31 December 2024: 3.5% - 8.1%).

**(19) PROVISION FOR END OF SERVICE INDEMNITY**

Movement on the provision for end of service indemnity was as follows:

	2025	2024
	JD	JD
As at 1 January	467,474	494,912
Charge on the consolidated statement of income	143,664	183,736
Actuarial gain resulting from the reassessment of defined benefit plans	(8,059)	(105,270)
Paid during the year	(307,587)	(105,904)
As at 31 December	295,492	467,474

The principal actuarial assumptions used to determine the end-of-service indemnity provision for employees were as follows:

	2025	2024
	JD	JD
Discount rate	6.2%	6.5%
Resignation rate	8%	8%
Annual increase in salaries rate	4%	4.2%

The following schedule illustrates the possible changes in the current end-of-service indemnity value as of 31 December, due to changes by 1% in the discount rate and the salaries increase rate:

	Effect on the current value of the employees' end of service indemnity provision	
Increase by 1% in the rate	2025	2024
	JD	JD
Discount	(15,451)	(39,150)
Salaries	19,261	27,259
	Effect on the current value of the employees' end of service indemnity provision	
Decrease by 1% in the rate	2025	2024
	JD	JD
Discount	16,576	24,379
Salaries	(18,257)	(42,151)

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**(20) DUE TO BANKS**

This item represents bank overdrafts facilities granted to the Group by several banks with a ceiling of JD 23,834,904 and an average interest rate of 5% - 8.5% (2024: ceiling of JD 21,181,086 and an average interest rate of 5.5% - 8.25%).

**(21) REVOLVING LOANS:**

			31 December 2025		31 December 2024	
				Utilized		Utilized
	Company name	Currency	Ceiling	amount	Ceiling	amount
			JD	JD	JD	JD
Arab Banking Corporation	Dar Al Dawa Jordan	USD	5,033,900	3,628,292	12,053,000	12,045,617
Housing Bank	Dar Al Dawa Jordan	USD	7,799,000	4,509,098	7,799,000	7,718,051
Arab Bank	Dar Al Dawa Jordan	USD	9,926,000	6,696,714	3,261,400	3,234,184
Arab Jordan Investment Bank	Dar Al Dawa Jordan	USD	2,836,000	587,416	3,013,250	2,334,003
Jordan Ahli Bank	Dar Al Dawa Jordan	USD	3,545,000	2,781,469	2,836,000	1,358,907
Bank of Jordan	Dar Al Dawa Jordan	USD	3,545,000	3,544,427	-	-
Safwa Islamic Bank	Dar Al Dawa Jordan	USD	3,545,000	295,402	-	-
Arab Bank	Nutridar	USD	1,063,500	-	-	-
Arab Banking Corporation	Nutridar	USD	3,013,250	1,875,731	1,063,500	-
			<u>40,306,650</u>	<u>23,918,549</u>	<u>30,026,150</u>	<u>26,690,762</u>

\* The interest rates on revolving loans range between 5.4% - 6% (31 December 2024: 7.3% - 7.6%).

**(22) TRADE PAYABLES AND OTHER CURRENT LIABILITIES**

	2025	2024
	JD	JD
Trade payables	6,733,673	9,950,173
Advances from customers	7,067,653	8,560,033
Accrued expenses	3,113,051	2,484,751
Due to shareholders	846,442	881,263
Post-dated cheques	493,825	594,549
Board of directors' remunerations and transportation	89,900	66,532
Due to social security	70,050	63,841
Others	921,760	701,434
	<u>19,336,354</u>	<u>23,302,576</u>



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**(23) OTHER PROVISIONS**

Item	Balances as at 1 January 2025 JD	Additions JD	Utilized/paid/ reversed JD	Balances as at 31 December 2025 JD
Provision for bonus and returned goods*	3,228,932	4,623,102	(4,189,775)	3,662,259
Employees' bonus provision	686,104	1,375,082	(1,033,444)	1,027,742
Provision for employees' vacations	397,820	1,293,326	(1,266,656)	384,491
Provision for contingent liabilities	131,918	-	-	131,918
	<u>4,444,774</u>	<u>7,424,034</u>	<u>(6,489,875)</u>	<u>5,378,933</u>

  

Item	Balances as at 1 January 2024 JD	Additions JD	Utilized/paid/ reversed JD	Balances as at 31 December 2024 JD
Provision for bonus and returned goods*	2,454,434	4,454,068	(3,679,570)	3,228,932
Employees' bonus provision	1,208,633	686,104	(1,208,633)	686,104
Provision for employees' vacations	269,555	1,142,016	(1,013,751)	397,820
Provision for contingent liabilities	363,593	-	(231,675)	131,918
	<u>4,296,215</u>	<u>6,282,188</u>	<u>(6,133,629)</u>	<u>4,444,774</u>

\* This item represents the right of returns which resulted from the adoption of IFRS (15).

**(24) INCOME TAX PROVISION**

The Company calculated the income tax for the results of operations for the years ended 31 December 2025 and 2024 in accordance with income tax law No. (34) of 2014 and its amendments.

**Dar Al Dawa Development and Investment Company - Parent Company**

The Company submitted its tax declarations for the years 2023 and 2024. The Income and Sales Tax Department did not review the Company's records up until the date of the consolidated financial statements.

The Income and Sales Tax Department reviewed the Company's records for the years 2022 and 2021. However, its final report has not yet been issued.

The Income and Sales Tax Department reviewed the Company's records for the year 2017, the Company did not accept the approved amount of accumulated losses by the Income and Sales Tax Department in the amount of JD 960,547, therefore the Company registered a lawsuit for objection with the Tax Appeal Court, and the court issued a final decision on 23 June 2025, that approved an accumulated losses amount of JD 10,207,813, which represents the entire amount of the Company's tax loss for the year 2017.

The Company obtained a final clearance from the Income and Sales Tax Department until the year 2020.

**(24) INCOME TAX PROVISION (CONTINUED)**

**Nutridar Public Shareholding Company**

The Company submitted its tax declarations for the years 2022 until 2024, and the Income and Sales Tax Department did not review the Company's records until the date of the consolidated financial statements.

The Company obtained a final clearance from the Income and Sales Tax Department up to 2021.

**Al Dar Jordan for Investment**

The Company submitted its tax declarations for the year 2024, and the Income and Sales Tax Department did not review the Company's records until the date of the consolidated financial statements.

The Company obtained a final clearance from the Income and Sales Tax Department up to 2023.

**Dar al Dawa – Romania**

The Company submitted its tax declaration for the years 2022 and 2024, and the Tax Authority in Romania did not review the Company's records until the date of the consolidated financial statements.

The Company obtained a final clearance from the Tax Authority up to 2021.

**Dar al Dawa Algeria**

The Company submitted its tax declaration for the years from 2021 to 2024, and the Directorate General of Taxes did not review the Company's records until the date of the consolidated financial statements.

During the past years, the Company recorded a provision in the amount of JD 180,524 to cover potential risks for the years from 2021 until 2025. In the opinion of the Company's management and its legal counsel, the provision taken is sufficient to meet the liabilities that may arise from such claims.

The Company obtained a final tax clearance from the Directorate General of Taxes in Algeria until 2020.

**(24) INCOME TAX PROVISION (CONTINUED)**

The income tax for the year shown in the consolidated statement of income consists of the following:

	2025	2024
	JD	JD
Income tax for the year	62,224	399,737
Prior years Income tax	-	31,419
Change in deferred tax assets	(621,170)	(38,023)
	<u>(558,946)</u>	<u>393,133</u>

The movement on the income tax provision is as follows:

	2025	2024
	JD	JD
Balances as at the beginning of the year	740,852	347,302
Income tax for the year	62,224	399,737
Prior years Income tax	-	31,419
Paid during the year	(207,939)	(37,606)
Balances as at the end of the year	<u>595,137</u>	<u>740,852</u>

**Deferred tax assets**

The deferred tax assets recorded in the consolidated statement of financial position were as follows:

	2025	2024
	JD	JD
Deferred tax assets resulting from accumulated losses of Nutridar	40,514	337,024
Deferred tax assets resulting from accumulated losses of the Parent Company	381,178	-
Deferred tax assets resulting from temporary tax differences	2,389,539	1,853,037
	<u>2,811,231</u>	<u>2,190,061</u>

The movement on deferred tax assets was as follows:

	2025	2024
	JD	JD
Balances as at the beginning of the year	2,190,061	2,152,038
Additions during the year	1,557,283	560,877
Less: utilized during the year	(936,113)	(522,854)
Balances as at the end of the year	<u>2,811,231</u>	<u>2,190,061</u>

**(24) INCOME TAX PROVISION (CONTINUED)**

The summary the reconciliation between the accounting profit and taxable profit:

	2025 JD	2024 JD
Accounting profit before income tax	6,090,821	4,106,683
Statutory income tax 11% - 26%	767,601	862,403
Non-taxable revenues	(1,738)	(10,770)
Non-deductible expenses	232,474	70,958
Prior years Income tax	-	31,419
Deferred tax assets resulting from temporary tax differences	(936,113)	(522,854)
Effective income tax 1% (2024: 10.5%)	62,224	431,156

**(25) SEGMENT INFORMATION**

For management purposes, the Group is organized based on the reports which are used by the Chief Executive Officer and the Decision Maker of the Group through the geographical distribution of revenues and the geographical distribution of assets and liabilities. The geographical distribution of revenues, cost of revenues, gross profit and type of sold items was as follows:

<b>For the year ended 31 December 2025:</b>	Levant and Iraq JD	Gulf and Yemen JD	Africa JD	Europe and Asia JD	Total JD
Net sales	44,543,509	18,541,043	18,465,918	12,761	81,563,231
Cost of sales	(26,410,944)	(9,680,671)	(10,950,662)	(6,047)	(47,048,324)
Gross profit	18,132,565	8,860,372	7,515,256	6,714	34,514,907

	Medicine JD	Infants' cereals and milk formula JD	Elimination entries JD	Total JD
Net sales	71,279,933	16,066,962	(5,783,664)	81,563,231
Cost of sales	(44,418,965)	(12,258,111)	9,628,752	(47,048,324)
Gross profit	26,860,968	3,808,851	3,845,088	34,514,907

<b>For the year ended 31 December 2024:</b>	Levant and Iraq JD	Gulf and Yemen JD	Africa JD	Europe and Asia JD	Total JD
Net sales	40,458,383	22,771,340	16,438,801	12,761	79,681,285
Cost of sales	(24,225,188)	(12,468,110)	(11,157,389)	(5,817)	(47,856,504)
Gross profit	16,233,195	10,303,230	5,281,412	6,944	31,824,781

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**(25) SEGMENT INFORMATION (CONTINUED)**

	Medicine	Infants' cereals and milk formula	Elimination entries	Total
	JD	JD	JD	JD
Net sales	73,468,049	15,009,291	(8,796,055)	79,681,285
Cost of sales	(45,676,238)	(11,571,084)	9,390,818	(47,856,504)
Gross profit	<u>27,791,811</u>	<u>3,438,207</u>	<u>594,763</u>	<u>31,824,781</u>

The geographical distribution of assets, liabilities and other information was as follows:

<b>As at 31 December 2025</b>	Jordan	Algeria	Tunisia	Romania	Elimination entries	Total
	JD	JD	JD	JD	JD	JD
Total assets	146,097,380	40,852,909	41,516	573,054	(46,262,725)	141,302,134
Total liabilities	85,783,239	15,786,516	1,744	3,555	(29,313,939)	72,261,115

**Other information:**

Depreciation	(2,661,384)	(865,294)	-	-	-	(3,526,678)
Finance costs	(2,861,776)	(1,052,739)	-	-	-	(3,914,515)
Provision for expected credit losses	(228,737)	(108,707)	-	-	-	(337,444)
Group's share of results from an associate	(73,139)	-	-	-	-	(73,139)

<b>As at 31 December 2024</b>	Jordan	Algeria	Tunisia	Romania	Elimination entries	Total
	JD	JD	JD	JD	JD	JD
Total assets	127,491,214	43,826,234	22,264	573,054	(47,797,347)	124,115,419
Total liabilities	75,577,172	23,532,533	1,744	3,555	(24,701,536)	74,413,468

**Other information:**

Depreciation	(3,058,721)	(558,189)	-	-	-	(3,616,910)
Finance costs	(2,950,196)	(998,399)	-	-	-	(3,948,595)
Provision for expected credit losses	(437,584)	(12,384)	-	-	-	(449,968)
Group's share of results from an associate	110,955	-	-	-	-	110,955

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**(26) COST OF SALES**

	<u>2025</u>	<u>2024</u>
	JD	JD
Raw material and packaging	23,875,432	25,713,080
Depreciation (Note 6)	3,060,224	3,115,790
Industrial expenses	20,112,668	19,027,634
	<u>47,048,324</u>	<u>47,856,504</u>

**(27) SELLING AND DISTRIBUTION EXPENSES**

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries and employees' benefits	8,693,765	8,418,609
Advertising and promotions	2,863,641	3,126,585
Governmental fees	627,747	754,264
Travel and transportation	796,746	832,296
Office expenses	449,914	681,523
Free samples	379,617	432,715
Professional fees	226,222	232,002
Depreciation (Note 6)	77,601	167,500
Others	678,266	603,699
	<u>14,793,519</u>	<u>15,249,193</u>

**(28) ADMINISTRATIVE EXPENSES**

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries and employees' benefits	5,045,194	4,292,937
Office expenses	831,250	580,640
Professional fees	412,379	426,288
Governmental fees	214,058	216,020
Depreciation (Note 6)	211,184	159,644
Travel and transportation	191,590	144,538
Right of use depreciation (Note 10)	82,862	82,862
Others	555,586	556,394
	<u>7,544,103</u>	<u>6,459,323</u>

**(29) RESEARCH AND DEVELOPMENT EXPENSES**

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries and employees' benefits	775,009	703,885
Laboratory materials, research and studies	422,368	81,957
Depreciation (Note 6)	177,669	173,976
Office expenses	55,153	77,894
Travel and transportation	18,335	5,670
Others	18,033	14,074
	<u>1,466,567</u>	<u>1,057,456</u>

**(30) OTHER EXPENSES, NET**

	<u>2025</u>	<u>2024</u>
	JD	JD
Net sales of raw materials and packaging	4,322	8,750
Provision for near expiry goods and slow moving items (Note 11)	(1,037,631)	(1,156,147)
Other industrial services	(3,274)	5,445
Others	(100,398)	46,519
	<u>(1,136,981)</u>	<u>(1,095,433)</u>

**(31) EMPLOYEES TERMINATION COMPENSATION**

During the year 2025, the Group laid off a number of employees, which led to the disbursement of a compensatory amount of JD 225,585 as a termination compensation which was recorded as an expense in the consolidated statement of income (2024: JD 69,528).

**(32) BASIC AND DILUTED EARNINGS PER SHARE FROM THE PROFIT FOR THE YEAR**

	<u>2025</u>	<u>2024</u>
Profit for the year attributable to equity holders of the parent (JD)	6,545,590	3,585,386
Weighted average number of outstanding shares during the year (share)	<u>38,037,302</u>	<u>35,000,000</u>
	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic and diluted earnings per share from profit of the year	<u>0/172</u>	<u>0/102</u>

**(33) CONTINGENT LIABILITIES**

As of the date of the consolidated financial statements, the Group has contingent liabilities as follows:

	2025	2024
	JD	JD
<b>Contingent liabilities:</b>		
Bank guarantees	16,091,124	16,463,548
Bills for collection	573,066	2,521,037
Government-guaranteed loans*	2,679,062	761,352
Letters of credit	393,141	762,362

The cash margins against the contingent liabilities above amounted to JD 2,160,487 as of 31 December 2025 (2024: JD 2,087,353).

\* As a part of the mechanism approved by the Cabinet of Ministers of Jordan to repay the debts of Joint Procurement Department (Governmental body) to various pharmaceutical companies, cover accounts receivable from the Government of the Hashemite Kingdom of Jordan. The Ministry of Finance has agreed to repay the principal instalments and interests of the granted loan.

The signed agreements were as follows:

	Year	Company name	Currency	Agreement amount	Outstanding amount
	JD	JD	JD	JD	JD
Jordan Kuwait Bank	2025	Dar Al-Dawa Jordan	JD	2,135,239	2,135,239
Bank Al-Etihad	2024	Dar Al-Dawa Jordan	JD	978,881	543,823

**(34) LEGAL CLAIMS**

There are lawsuits filed against the Group in the amount of JD 5,247,727 as of 31 December 2025 (31 December 2024: JD 5,345,989) within the normal activity of the Group. The Group's management and its legal advisor believe that the provision provided against these claims amounting to JD 83,918 as of 31 December 2025 (31 December 2024: JD 83,918) is sufficient to meet any obligations that may arise and that there is no need to book an additional provision.



**(35) RISK MANAGEMENT**

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in interest rate.

The Group is exposed to interest rate risk on its financial assets and liability that carry interest such as deposits, loans and due to banks.

The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate on financial assets and financial liabilities held at 31 December.

The following table illustrates the sensitivity of the consolidated statement of income as of 31 December to reasonably possible changes in interest rates, with all other variables held constant.

<b>2025-</b>		
<b>Currency</b>	Increase in interest rate	Effect on profit before tax
	(Basis points)	JD
JD	100	157,515
USD	100	(248,862)
DZD	100	(140,784)
<b>2024-</b>		
<b>Currency</b>	Increase in interest rate	Effect on profit before tax
	(Basis points)	JD
JD	100	63,635
USD	100	(269,136)
DZD	100	(135,048)

The effect of decrease in interest rate is expected to be equal and opposite to the effect shown above.

**(35) RISK MANAGEMENT (CONTINUED)**

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk through its operational activities such as trade receivables and financing activities such as deposits at banks and other financial instruments included in the consolidated statement of financial position.

According to the Group's judgment, the Group is not materially exposed to credit risk as it seeks to limit its credit risk with respect to banks by only dealing with reputable banks, and with respect to customers by monitoring outstanding receivable.

The Group sells its products to a large number of customers. The largest customer represent 12.3% of the outstanding trade receivables at 31 December 2025 (2024: 15.3%).

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group limits its liquidity risk by ensuring the availability of bank facilities.

The table below summarizes the maturities of the Group's (undiscounted) financial liabilities as at 31 December, based on contractual payment dates and current market interest rates.

<b>As at 31 December 2025</b>	<b>Less than one year JD</b>	<b>More than one year JD</b>	<b>Total JD</b>
Accounts payable	6,733,673	-	6,733,673
Bank overdrafts and revolving loans	42,427,589	-	42,427,589
Other current liabilities	5,535,028	-	5,535,028
Bank loans	5,665,535	1,388,875	7,054,410
Lease liabilities	150,000	193,530	343,530
<b>Total</b>	<b>60,511,825</b>	<b>1,582,405</b>	<b>62,094,230</b>

**(35) RISK MANAGEMENT (CONTINUED)**

**Liquidity risk (continued)**

<b>31 December 2024</b>	Less than one year JD	More than one year JD	Total JD
Accounts payable	9,950,173	-	9,950,173
Bank overdrafts and revolving loans	3,156,457	-	3,156,457
Other current liabilities	4,792,370	-	4,792,370
Bank loans	1,860,742	-	1,860,742
Lease liabilities	150,000	300,000	450,000
<b>Total</b>	<b>19,909,742</b>	<b>300,000</b>	<b>20,209,742</b>

**Foreign currency risk -**

The table below indicates the Group's foreign currency exposure at 31 December, as a result of its monetary assets and liabilities. The table below illustrate the effect of a reasonably possible change of the Jordanian Dinar currency rate against the following foreign currencies, Euro on the consolidated statement of income and Algerian Dinar on the consolidated statement of comprehensive income, with all other variables held constant.

	Change in foreign currency against Jordanian Dinar (%)	Effect JD
<b>2025 -</b>		
<b>Currency</b>		
EURO	10%	26,711
DZD	10%	(1,394,892)
<b>2024 -</b>		
<b>Currency</b>		
EURO	10%	110,097
DZD	10%	(803,379)

The effect of the decrease in index is expected to be equal and opposite to the effect shown above.

**(36) CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains appropriate capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions.

Capital comprises paid-in capital, advance payments on capital, statutory reserve, voluntary reserve, special reserve, other reserves, foreign currency translation differences, fair value reserve and retained earnings and is measured at JD 68,353,602 as at 31 December 2025 (2024: JD 49,130,537).

**(37) FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments consist of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, financial assets at fair value through other comprehensive income, due from related parties and some other current assets. Financial liabilities consist of trade payables, leases, revolving loans, banks loans, bank overdrafts and some other current liabilities.

The fair value of financial instruments is not materially different from the book value of these instruments.

**(38) STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**Amendments to the Classification and Measurement of Financial Instruments—  
Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social, and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

**(38) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)**

**Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, the amendments include:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes, and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the financial statements.

**(38) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)**

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement, and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The standard is not expected to have a material impact on the Group's consolidated financial statements.

**Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21**

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

**(39) COMPARATIVE FIGURES**

The Group reclassified some of 2024 balances to correspond with 2025 presentation with no effect on profit or equity for the year ended 2024.