

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2026

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN – THE HASHEMITE KINGDOM OF JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Dar Al Dawa Development and Investment Company (the “Company”) and its subsidiaries (the “Group”) which comprise the interim condensed consolidated statement of financial position as at 30 June 2026 and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three and six months then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months then ended and the related explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Amman – Jordan
30 July 2026

ERNST & YOUNG
Amman - Jordan

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	30 June 2026 JD (Unaudited)	31 December 2025 JD (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS -			
Property, plant and equipment	3	30,547,024	31,928,614
Projects in progress		1,690,165	1,551,237
Intangible assets		5,242,614	4,880,411
Investment in an associate		1,807,996	1,854,264
Right of use assets		207,724	248,814
Financial assets at fair value through other comprehensive income		4,255	4,376
Deferred tax assets		2,227,757	2,811,231
		<u>41,727,535</u>	<u>43,278,947</u>
CURRENT ASSETS -			
Inventories		26,194,611	20,662,082
Trade receivables and other current assets		43,833,967	44,247,196
Amounts due from related parties	5	3,340,474	2,738,049
Restricted bank balances	6	2,117,649	2,160,487
Cash and balances at banks	6	31,204,058	28,110,316
		<u>106,690,759</u>	<u>97,918,130</u>
Net assets held for sale		105,057	105,057
		<u>106,795,816</u>	<u>98,023,187</u>
TOTAL ASSETS		<u>148,523,351</u>	<u>141,302,134</u>
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
PARENT COMPANY'S SHAREHOLDERS' EQUITY -			
Paid-in Capital		50,000,000	47,186,707
Advance payments on capital increase		-	335,484
Statutory reserve		10,507,970	10,507,970
Voluntary reserve		1,992,003	1,992,003
Special reserve		1,268,624	1,268,624
Other reserves		317,524	317,524
Foreign currency translation differences		(8,160,766)	(7,755,972)
Fair value reserve		(257,865)	(257,865)
Retained earnings		15,869,283	14,759,127
		<u>71,536,773</u>	<u>68,353,602</u>
Non-controlling interests		683,171	687,417
NET EQUITY		<u>72,219,944</u>	<u>69,041,019</u>
LIABILITIES			
NON-CURRENT LIABILITIES -			
Bank loans – long term	7	1,750,385	1,321,102
Long-term lease liabilities		138,622	181,912
End of service indemnity provision		363,729	295,492
		<u>2,252,736</u>	<u>1,798,506</u>
CURRENT LIABILITIES -			
Due to banks	6	16,094,493	15,733,403
Revolving loans	8	22,262,938	23,918,549
Bank loans instalments maturing within a year	7	4,602,904	5,389,075
Lease liabilities		105,000	105,000
Trade payables and other current liabilities		26,084,876	19,336,354
Other provisions		4,278,907	5,378,933
Income tax provision	9	615,395	595,137
		<u>74,044,513</u>	<u>70,456,451</u>
Liabilities directly related to assets held for sale		6,158	6,158
		<u>74,050,671</u>	<u>70,462,609</u>
TOTAL LIABILITIES		<u>76,303,407</u>	<u>72,261,115</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>148,523,351</u>	<u>141,302,134</u>

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2026 (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2026	2025	2026	2025
		JD	JD	JD	JD
Revenue from contracts with customers	10	21,341,614	19,110,593	36,409,687	37,313,577
Cost of sales	10	(11,872,632)	(11,434,557)	(19,988,085)	(21,656,979)
Gross profit		9,468,982	7,676,036	16,421,602	15,656,598
Selling and marketing expenses		(3,369,018)	(3,527,327)	(6,723,151)	(7,529,331)
Administrative expenses		(2,155,305)	(1,823,292)	(3,717,950)	(3,420,559)
Research and development expenses		(433,981)	(400,985)	(767,538)	(674,928)
Provision (reversal) expected credit losses		(104,848)	10,342	(132,902)	10,317
Other expenses, net		(458,774)	(10,334)	(679,789)	(376,415)
Profit from operating activities		2,947,056	1,924,440	4,400,272	3,665,682
Group's share of results from an associate		7,337	120,669	(46,268)	31,449
Employees' termination compensation expenses		(148,029)	(58,981)	(157,979)	(177,573)
Interest income		452,845	190,196	768,026	368,448
Finance costs		(867,831)	(1,009,222)	(1,698,559)	(1,931,141)
Profit for the period before income tax		2,391,378	1,167,102	3,265,492	1,956,865
Income tax for the period	9	(358,521)	(6,187)	(661,602)	(209,673)
Profit for the period		2,032,857	1,160,915	2,603,890	1,747,192
Profit for the period attributable to:					
Equity holders of the parent		1,990,684	1,145,392	2,610,156	1,719,157
Non-controlling interests		42,173	15,523	(6,266)	28,035
		<u>2,032,857</u>	<u>1,160,915</u>	<u>2,603,890</u>	<u>1,747,192</u>
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted earnings per share from the profit for the period attributable to the equity holders of the parent	13	<u>0/04</u>	<u>0/033</u>	<u>0/052</u>	<u>0/049</u>

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2026 (UNAUDITED)

	For the three months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025
	JD	JD	JD	JD
Profit for the period	2,032,857	1,160,915	2,603,890	1,747,192
Add: Other comprehensive income items to be reclassified to the statement of income in subsequent periods				
Foreign currency translation differences	951,381	118,232	(402,774)	259,337
Total comprehensive income for the period	2,984,238	1,279,147	2,201,116	2,006,529
Attributable to:				
Equity holders of the parent	2,943,124	1,259,716	2,205,362	1,972,456
Non-controlling interests	41,114	19,431	(4,246)	34,073
	2,984,238	1,279,147	2,201,116	2,006,529

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2026 (UNAUDITED)

	Attributable to equity holders of the parent											
										Non-		
	Paid-in capital	Advance payments on capital increase	Statutory reserve	Voluntary reserve	Special reserve	Other reserves	Foreign currency translation differences	Fair value reserve	Retained earnings*	Total	controlling interests	Net equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
30 June 2026 -												
Balance as at 1 January	47,186,707	335,484	10,507,970	1,992,003	1,268,624	317,524	(7,755,972)	(257,865)	14,759,127	68,353,602	687,417	69,041,019
Profit for the period	-	-	-	-	-	-	-	-	2,610,156	2,610,156	(6,266)	2,603,890
Other comprehensive income items, net of tax	-	-	-	-	-	-	(404,794)	-	-	(404,794)	2,020	(402,774)
Total comprehensive income for the period	-	-	-	-	-	-	(404,794)	-	2,610,156	2,205,362	(4,246)	2,201,116
Capital increase	2,813,293	(335,484)	-	-	-	-	-	-	-	2,477,809	-	2,477,809
Dividends (note 4)	-	-	-	-	-	-	-	-	(1,500,000)	(1,500,000)	-	(1,500,000)
Balance as at 30 June 2026	<u>50,000,000</u>	<u>-</u>	<u>10,507,970</u>	<u>1,992,003</u>	<u>1,268,624</u>	<u>317,524</u>	<u>(8,160,766)</u>	<u>(257,865)</u>	<u>15,869,283</u>	<u>71,536,773</u>	<u>683,171</u>	<u>72,219,944</u>
30 June 2025 -												
Balance as at 1 January	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 period	-	-	-	-	-	-	-	-	1,719,157	1,719,157	28,035	1,747,192
Other comprehensive income items, net of tax	-	-	-	-	-	-	253,299	-	-	253,299	6,038	259,337
Total comprehensive income for the period	-	-	-	-	-	-	253,299	-	1,719,157	1,972,456	34,073	2,006,529
Balance as at 30 June 2025	<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>(7,780,486)</u>	<u>(257,865)</u>	<u>10,571,252</u>	<u>51,102,993</u>	<u>605,487</u>	<u>51,708,480</u>

* Distributable profits amounted to JD 14,270,222 as at 30 June 2026 (30 June 2025: JD 9,452,374). Retained earnings include restricted amounts of JD 1,599,061 as at 30 June 2026 (30 June 2025: JD 1,118,878), comprising deferred tax assets of JD 1,341,196 (30 June 2025: JD 861,013) and the negative balance of the fair value reserve for financial assets at fair value through other comprehensive income amounting to JD 257,865 (30 June 2025: JD 257,865).

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026 (UNAUDITED)

		For the six months ended 30 June	
	Notes	2026 JD	2025 JD
<u>OPERATING ACTIVITIES</u>			
Profit for the period before income tax		3,265,492	1,956,865
Adjustments for -			
Depreciation and amortization		2,017,029	1,931,535
Provision for (reversal) expected credit losses		132,902	(10,317)
Group's share of results from an associate		46,268	(31,449)
End of service indemnity provision		72,808	84,018
Provision for expired and near expiry goods		510,650	586,889
Other provisions		262,330	210,941
Finance costs		1,698,559	1,931,141
Interest income		(768,026)	(368,448)
Working capital changes -			
Inventories		(6,043,179)	959,900
Related parties		(602,425)	(627,644)
Trade payables and other current liabilities		6,748,522	(4,088,556)
Trade receivables and other current assets		667,388	(2,800,672)
End of service indemnity provision paid		(4,571)	(300,912)
Income tax paid	9	(57,870)	-
Other provisions paid		(1,362,356)	(1,626,989)
Net cash flows from (used in) operating activities		<u>6,583,521</u>	<u>(2,193,698)</u>
<u>INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment	3	(850,945)	(1,709,504)
Additions to intangible assets		(247,139)	(4,534)
Projects in progress		(436,545)	(744,414)
Restricted bank balances		42,838	(10,942)
Interest income received		380,965	336,158
Net cash flows used in investing activities		<u>(1,110,826)</u>	<u>(2,133,236)</u>
<u>FINANCING ACTIVITIES</u>			
Capital increase		2,477,809	-
Loans paid		(2,074,305)	(1,674,428)
Proceeds from loans		1,717,417	7,018,989
Revolving loans		(1,655,611)	(1,057,504)
Payments of lease liabilities		(52,500)	(123,166)
Interest paid		(1,689,349)	(1,897,898)
Dividends paid	4	(1,500,000)	-
Net cash flows (used in) from financing activities		<u>(2,776,539)</u>	<u>2,265,993</u>
Net increase (decrease) in cash and cash equivalents		2,696,156	(2,060,941)
Effect of exchange rate changes on cash and cash equivalents		36,496	124,304
Cash and cash equivalents at the beginning of the period		12,481,970	(1,546,520)
Cash and cash equivalents at the end of the period	6	<u>15,214,622</u>	<u>(3,483,157)</u>

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

(1) GENERAL INFORMATION

Dar Al Dawa Development and Investment Public Shareholding Company (the “Company”) was established on 17 August 1975 with a capital of JD 500,000. The Company’s capital was increased over the years, and its authorized and subscribed capital reached JD 50,000,000, divided into 50,000,000 shares with a par value of JD 1 per share as at 30 June 2026.

The General Assembly of the Company resolved in its extraordinary meeting held on 24 April 2025 to approve an increase in 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 Company’s authorized capital to become JD 50,000,000 after the increase, through a public subscription for the Company’s shareholders. The shares subscribed for by the shareholders amounted to 12,186,707 shares with a par value of JD 1 per share as at 31 December 2025. The public subscription for the Company’s shareholders was completed during 2026, and the total subscribed and paid-up capital reached JD 50,000,000, with a par value of JD 1 per share.

The main objectives of the Company are to manufacture pharmaceutical, chemical and related products and to import medicines. The main objectives of the subsidiaries are the marketing and distribution of Dar Al Dawa products, the manufacturing of certain specialized pharmaceutical products and the carrying out of investment activities.

The Company’s headquarters are located in Na’ur, Amman – the Hashemite Kingdom of Jordan.

These interim condensed consolidated financial statements were approved by the Company’s Board of Directors on 28 July 2026.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The interim condensed consolidated financial statements as at 30 June 2026 have been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

The interim condensed consolidated financial statements are presented in Jordanian Dinars, which represent the functional currency of the Company and the presentation currency of the Group.

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

The interim condensed consolidated financial statements do not contain all information and disclosures that are required for the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and should be read in conjunction with the Group’s annual report as at 31 December 2025. Furthermore, the results of operations for the six months period ended 30 June 2026 do not necessarily reflect the expected results of the operations for the year ending 31 December 2026.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amendments effective from 1 January 2026:

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 derecognized on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognize 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 had no material impact on the Group's interim condensed consolidated financial statements.

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, and they:

- 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 the Group's financial performance and cash flows

The amendments had no material impact on the Group's interim condensed consolidated financial statements.

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026 (UNAUDITED)

(2-3) BASIS OF CONSOLIDATION

The interim condensed 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 interim condensed consolidated financial statements are as follows:

Company Name	Main activity	Country of establishment	Percentage of ownership 2026	Percentage of ownership 2025
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	Investments	Jordan	100%	100%
Medi Pharma International – Algeria	Industrial	Algeria	85%	85%
Dar Al Dawa Regional Headquarters Company	Regional headquarter	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 Company is under liquidation.

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.

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.
- Existing and potential voting rights held by the Group.

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
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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 interim condensed consolidated statement of comprehensive income 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 non-controlling interests, 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 the ownership interest in a subsidiary that does not result in a loss of control is recognized in equity. When the Group loses control of a subsidiary, the Group:

- Derecognition of assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- 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;

(3) PROPERTY, PLANT AND EQUIPMENT

The Group purchased property, plant and equipment during the six-month period ended 30 June 2026 at a cost of JD 850,945 (30 June 2025: JD 1,709,504).

(4) SHAREHOLDERS' EQUITY

Paid-in Capital

The Company's authorized and subscribed capital amounted to JD 50,000,000, with a par value of JD 1 per share as at 30 June 2026.

Statutory reserve

The accumulated amounts of JD 10,507,970 as of 30 June 2026 represent the amounts transferred from the annual net profit before income tax by 10% 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, but it is permissible, with the approval of the Company's general assembly, to continue deducting this annual percentage until this reserve reaches the equivalent of the Company's authorized capital.

Voluntary reserve

The accumulated amounts in this account represent the amounts transferred from the annual net profit before income tax by no more than 20% during the years and are distributable to shareholders.

Special reserve

The accumulated amounts in this account represent the amounts transferred from the annual net profit before income tax 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.

Foreign currency translation differences

The accumulated amount in this account of JD 8,160,766 represents foreign currency translation differences arising from the translation of the financial statements of foreign subsidiaries.

Dividends

The General Assembly, at its ordinary meeting held on 28 April 2026, approved the distribution of cash dividends to shareholders at 3% of the par value per share in respect of the profits for 2025, amounting to JD 1,500,000.

Distributable profits

In accordance with the Instructions for the Recognition of Valuation and the Utilization of Revaluation Surplus for 2022 issued by the Jordan Securities Commission, distributable profits represent retained earnings after excluding restricted or non-distributable amounts. Such amounts include the debit (negative) balance of the fair value reserve relating to financial assets at fair value through other comprehensive income, deferred tax assets, and any other amounts that are non-distributable pursuant to regulations issued by the Commission or other regulatory authorities, or that the Board of Directors resolves to restrict pursuant to duly justified resolutions.

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
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(5) RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent major shareholders, an associate, members of the Board of Directors, and companies in which such parties are principal shareholders. The prices and terms relating to these transactions are approved by the Group's management.

Below is a summary of related parties balances presented in the interim condensed consolidated statement of financial position:

	30 June 2026	31 December 2025
	JD	JD
	(Unaudited)	(Audited)
Amounts due from related parties:		
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)	1,342,487	742,907
Dar Al Dawa Veterinary Industries Limited Liability Company (Associate)	118,982	116,137
	<u>3,340,474</u>	<u>2,738,049</u>
	30 June 2026	31 December 2025
	JD	JD
	(Unaudited)	(Audited)
Advance payments from customers:		
Dara Group for Health (Company owned by a shareholder with significant influence)	6,214,128	6,816,407
	<u>6,214,128</u>	<u>6,816,407</u>

Below is a summary of related parties transaction presented in the interim condensed consolidated statement of income:

	For the six months ended 30 June 2026	2025
	JD	JD
	(Unaudited)	(Unaudited)
Sales to agents - Dara Group for Health (Company owned by a shareholder with significant influence)	2,007,832	5,476,921
Sales to agents - Al Mufeed Trading (Company owned by a Board Member)	1,882,284	2,931,494
Board of Directors' remuneration and transportation expenses	75,350	64,100

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

	For the six months ended 30 June 2026	2025
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and other benefits	840,290	993,458

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(6) CASH AND BALANCES AT BANKS

Cash on hand and balances at banks presented in the interim condensed consolidated statement of financial position comprise the following:

	30 June 2026 JD (Unaudited)	31 December 2025 JD (Audited)
Cash on hand	12,261	66,847
Bank balances	5,096,711	4,894,436
Short-term deposits*	26,095,086	23,149,033
	<u>31,204,058</u>	<u>28,110,316</u>

- * This item represents deposits with commercial banks, with an average interest rate of 2.5% - 5.75% for the period ended 30 June 2026 (31 December 2025: 5% - 6%), which mature within one to three months.

Cash and cash equivalents for the purpose of preparing the interim condensed consolidated statement of cash flows were as follows:

	30 June 2026 JD (Unaudited)	30 June 2025 JD (Unaudited)
Cash and balances at banks	31,204,058	15,538,431
Cash and balances at banks – subsidiary under liquidation	105,057	95,057
Due to banks*	(16,094,493)	(19,116,645)
	<u>15,214,622</u>	<u>(3,483,157)</u>

- * Due to banks represent facilities granted to the Group's companies by several banks in different currencies (Jordanian dinar, Algerian dinar, US dollar and Euro). The total ceilings granted as at 30 June 2026 amounted to the equivalent of JD 22,380,059, with an average interest rate of 4.8% - 8% for the period ended 30 June 2026 (31 December 2025: total ceilings equivalent to JD 23,834,904, with an average interest rate of 5% - 8.5%).

- ** Restricted bank balances amounting to JD 2,117,649 as at 30 June 2026 (31 December 2025: JD 2,160,487) represent cash deposited as collateral for increasing the overdraft facility limit of Dar Al Dawa - Algeria with the Housing Bank for Trade and Finance - Algeria.

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(7) BANK LOANS

		30 June 2026 (Unaudited)			
Company name	Currency	Short-term	Long-term	Total	
		JD	JD	JD	
Arab Bank (1)	Dar Al Dawa - Algeria	Algerian Dinar	1,636,355	-	1,636,355
Arab Bank (2)	Dar Al Dawa - Jordan	Jordanian Dinar	962,500	-	962,500
Arab Bank (3)	Dar Al Dawa - Jordan	Jordanian Dinar	525,000	-	525,000
Jordan Ahli Bank	Dar Al Dawa - Jordan	US Dollar	827,261	631,064	1,458,325
Housing Bank (1)	Dar Al Dawa - Jordan	Jordanian Dinar	651,788	1,119,321	1,771,109
		4,602,904	1,750,385	6,353,289	
		31 December 2025 (Audited)			
Company name	Currency	Short-term	Long-term	Total	
		JD	JD	JD	
Arab Bank (1)	Dar Al Dawa - Algeria	Algerian Dinar	1,299,238	-	1,299,238
Arab Bank (2)	Dar Al Dawa - Jordan	Jordanian Dinar	1,650,000	137,500	1,787,500
Arab Bank (3)	Dar Al Dawa - Jordan	Jordanian Dinar	900,000	75,000	975,000
Housing Bank (1)	Dar Al Dawa - Jordan	Jordanian Dinar	651,788	1,028,986	1,680,774
Housing Bank (2)	Dar Al Dawa - Jordan	US Dollar	60,788	-	60,788
Jordan Ahli Bank	Dar Al Dawa - Jordan	US Dollar	827,261	79,616	906,877
		5,389,075	1,321,102	6,710,177	

* Interest rates on long-term bank loans were 3.5% - 8.5% for the period ended 30 June 2026 (31 December 2025: 3.5% - 8.5%).

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(8) REVOLVING LOANS

			30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Company name	Currency	Ceiling	Utilized Balance	Ceiling	Utilized Balance
			JD	JD	JD	JD
Arab Banking Corporation	Dar Al Dawa – Jordan	US Dollar	5,033,900	4,689,629	5,033,900	3,628,292
Housing Bank	Dar Al Dawa – Jordan	US Dollar	7,799,000	1,047,309	7,799,000	4,509,098
Arab Bank	Dar Al Dawa – Jordan	US Dollar	9,926,000	8,274,252	9,926,000	6,696,714
Arab Jordan Investment Bank	Dar Al Dawa – Jordan	US Dollar	2,836,000	2,771,127	2,836,000	587,416
Jordan Ahli Bank	Dar Al Dawa – Jordan	US Dollar	3,545,000	2,370,815	3,545,000	2,781,469
Bank of Jordan	Dar Al Dawa – Jordan	US Dollar	3,545,000	988,403	3,545,000	3,544,427
Safwa Islamic Bank	Dar Al Dawa – Jordan	US Dollar	3,545,000	1,114,186	3,545,000	295,402
Arab Bank	Nutridar	US Dollar	1,063,500	744,887	1,063,500	-
Arab Banking Corporation	Nutridar	US Dollar	3,013,250	262,330	3,013,250	1,875,731
			<u>40,306,650</u>	<u>22,262,938</u>	<u>40,306,650</u>	<u>23,918,549</u>

* Interest rates on revolving loans were 4.8% - 5.3% for the period ended 30 June 2026 (31 December 2025: 5.4% - 6%).

(9) INCOME TAX PROVISION

The Company calculated the income tax provision for the periods ended 30 June 2026 and 2025 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 from 2021 to 2025. The Income and Sales Tax Department did not review the Company's records up to the date of preparation of the interim condensed consolidated financial statements.

The Income and Sales Tax Department reviewed the Company's records for 2017. The Company did not accept the accumulated tax losses approved by the Income and Sales Tax Department amounting to JD 960,547. Accordingly, the Company filed an objection case with the Tax Appeal Court. On 23 June 2025, the Court issued a final decision approving accumulated tax losses amounting to JD 10,207,813, representing the Company's entire tax loss balance for 2017.

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

Nutridar Public Shareholding Company

The Company submitted its tax declarations for the years from 2022 to 2025. The Income and Sales Tax Department did not review the Company's records up to the date of preparation of the interim condensed consolidated financial statements.

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

Al Dar Jordan Investment Company

The Company submitted its tax declaration for the year 2024. The Income and Sales Tax Department did not review the Company's records up to the date of preparation of the interim condensed consolidated financial statements.

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

Dar Al Dawa - Romania

The Company submitted its tax declarations for the years from 2022 to 2024. The Tax Authority in Romania did not review the Company's records up to the date of preparation of the interim condensed consolidated financial statements.

The Company obtained a final clearance from the Tax Authority in Romania until 2021.

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Dar Al Dawa - Algeria

The Company submitted its tax declarations for the years from 2021 to 2025. The Directorate General of Taxes did not review the Company's accounting records up to the date of these interim condensed consolidated financial statements.

During previous years, the Company recorded an additional provision amounting to JD 180,524 to cover potential risks for the years from 2021 to 2025. In the opinion of the Company's management and its legal counsel, the provision recorded is sufficient to cover any potential liabilities.

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

The movement in the income tax provision was as follows:

	30 June 2026	31 December 2025
	JD	JD
	(Unaudited)	(Audited)
Balances as at the beginning of the period / year	595,137	740,852
Income tax expense for the period / year	20,746	62,224
Income tax for prior years	57,382	-
Income tax paid	(57,870)	(207,939)
Balances as at the end of the period / year	615,395	595,137

The income tax for the period shown in the interim condensed consolidated statement of income consists of the following:

	30 June 2026	30 June 2025
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	20,746	191,558
Income tax for prior years	57,382	-
Releases from deferred tax assets	583,474	18,115
	661,602	209,673

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(10) SEGMENT REPORTING OF SALES

The Group is organized for administrative purposes such that the segments are measured based on the reports used by the Group's General Manager and chief operating decision maker, through the geographical distribution of sales and the geographical distribution of assets and liabilities.

The distribution of sales, cost of sales, gross profit and types of goods sold by geographical region is as follows:

For the six months ended 30 June 2026 (Unaudited):

	Levant and Iraq	Arabian Gulf and Yemen	Africa	Total
	JD	JD	JD	JD
Net sales	16,219,779	10,825,047	9,364,861	36,409,687
Cost of sales	(9,453,270)	(5,232,070)	(5,302,745)	(19,988,085)
Gross profit	6,766,509	5,592,977	4,062,116	16,421,602

	Medicine	Baby food and milk	Eliminations	Total
	JD	JD	JD	JD
Net sales	32,256,108	8,284,784	(4,131,205)	36,409,687
Cost of sales	(17,349,131)	(6,518,376)	3,879,422	(19,988,085)
Gross profit	14,906,977	1,766,408	(251,783)	16,421,602

	Jordan	Algeria	Total
	JD	JD	JD
Other information:			
Depreciation	(1,416,995)	(457,112)	(1,874,107)
Amortization	(142,922)	-	(142,922)
Finance costs	(1,191,522)	(507,037)	(1,698,559)
Provision for expected credit losses	(108,755)	(24,147)	(132,902)
Group's share of results from an associate	(46,268)	-	(46,268)
Interest income	768,026	-	768,026

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For the six months ended 30 June 2025 (Unaudited):

	Levant and Iraq JD	Arabian Gulf and Yemen JD	Africa JD	Europe and Asia JD	Total JD
Net sales	18,105,891	8,709,360	10,491,945	6,381	37,313,577
Cost of sales	(10,215,042)	(4,798,286)	(6,640,276)	(3,375)	(21,656,979)
Gross profit	7,890,849	3,911,074	3,851,669	3,006	15,656,598

	Medicine JD	Baby food and milk JD	Eliminations JD	Total JD
Net sales	32,319,684	7,694,335	(2,700,442)	37,313,577
Cost of sales	(20,431,717)	(5,872,282)	4,647,020	(21,656,979)
Gross profit	11,887,967	1,822,053	1,946,578	15,656,598

	Jordan JD	Algeria JD	Total JD
Other information:			
Depreciation	(1,339,228)	(457,112)	(1,796,340)
Amortization	(135,195)	-	(135,195)
Finance costs	(1,402,657)	(528,484)	(1,931,141)
Reversal of expected credit losses	6,251	4,066	10,317
Group's share of results from an associate	31,449	-	31,449
Interest income	368,448	-	368,448

The distribution of assets and liabilities by geographical regions is as follows:

As at 30 June 2026
(Unaudited)

	Jordan JD	Algeria JD	Tunisia JD	Romania JD	Eliminations JD	Total JD
Total assets	163,959,682	39,169,691	5,558	573,052	(55,184,632)	148,523,351
Total liabilities	96,196,728	13,308,152	4,674	3,554	(33,209,701)	76,303,407

As at 31 December
2025 (Audited)

	Jordan JD	Algeria JD	Tunisia JD	Romania JD	Eliminations JD	Total 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

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(11) CONTINGENT LIABILITIES

At the date of the interim condensed consolidated financial statements, the Group had contingent contractual obligations as follows:

	30 June 2026	31 December 2025
	JD (Unaudited)	JD (Audited)
Contingent Liabilities:		
Letters of credit	967,799	393,141
Bank guarantees	16,089,348	16,091,124
Bills for collection	3,341,205	573,066
Government-guaranteed loans	3,213,021	2,679,062

(12) LAWSUITS FILED AGAINST THE GROUP

There are lawsuits filed against the Group in the amount of JD 5,352,770 as of 30 June 2026 (31 December 2025: JD 5,247,727) within the normal activity of the Group. The Group's management and its legal advisor believe that the provision provided against these lawsuits and claims, amounting to JD 83,918 as of 30 June 2026 (31 December 2025: JD 83,918), is sufficient to meet any obligations that may arise therefrom and that there is no need to book an additional provision.

(13) BASIC AND DILUTED EARNINGS PER SHARE FROM THE PROFIT FOR THE PERIOD

	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity holders of the parent (JD)	2,610,156	1,719,157
Weighted average number of outstanding shares during the period (shares)	49,720,225	35,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share from the profit for the period	0/052	0/049