



Expanding our BEATS.

Redefining Healthcare.

Annual Report **2025**





Custodian of the Two Holy Mosques

**King Salman bin
Abdulaziz Al Saud**



His Royal Highness Prince

**Mohammed bin Salman
bin Abdulaziz Al Saud**

Crown Prince and Prime Minister
Chairman of the Council of Economic and Development Affairs
Chairman of the Public Investment Fund

THEME OF THE YEAR

Expanding our BEATS.

Redefining Healthcare.

Through 2025, we advanced confidently from a position of strength, elevating the role of pharmacy from a point of access to the foundation of a more connected healthcare experience. Our reach across communities, our trusted Guest relationships and our polyclinics and digital capabilities positioned us to set a new benchmark for what healthcare can be in Saudi Arabia. As expectations evolve, we are reshaping how individuals engage with prevention, treatment and wellness by unifying care around their needs.

This new frontier of Omnihealth is powered by the strong core we have built over 39 years. Our Pharmacy Retail, Omnihealth and Omnichannel ecosystems worked together more seamlessly than ever before bringing greater access, personalization, quality and disease prevention to millions of Guests. What once began as a pharmacy-led model has matured into one of the region's most distinctive integrated platforms, capable of reaching Guests wherever they are and supporting their full journey from awareness to adherence. That reach and capability gives us a national responsibility we fully embrace. In partnership with relevant government entities, Nahdi continues to strengthen its role as a trusted healthcare partner, delivering disciplined operations and a lasting health impact that enhances quality of life across the Kingdom.

With the evolution of the 2030 Heart BEATS strategy and as we approach the 40-year milestone, we are amplifying this impact across healthcare access, quality and the overall Guest experience. We are strengthening core categories, scaling modern ambulatory care, transforming Omnichannel experiences and accelerating the use of technology to enable intuitive, personalized interactions, allowing us to meet our Guests' evolving needs and expectations with greater precision and care. The introduction of our Heart BEATS strategy reflects the ambition of our next horizon. It sharpens focus on Guest needs, deepens polyclinical expertise and reinforces a disciplined path to sustainable growth. It is a direction rooted in confidence in our foundations and conviction in our future potential.

As the healthcare landscape transforms, we are moving with passion and purpose. We are not changing who we are – we are elevating what we enable. Every store opening, every clinical encounter, every digital advancement is a step toward a future where healthcare is easier to access, more affordable, more preventative and more Guest-centric. The progress we have achieved together in 2025 proved what is possible when a strong core becomes a springboard for innovation and it set the stage for the next chapter where Nahdi plays an even greater role in shaping a healthier Saudi Arabia.



ABOUT NAHDI

Nahdi is Saudi Arabia’s leading integrated pharmacy and Omnihealth platform, combining nationwide retail access, polyclinics, digital health services, supply chain capabilities and Private Label products to deliver personalized, technology-driven care to our Guests.

For over 39 years, we have grown and innovated to become one of the Kingdom’s most trusted healthcare brands. Today, we serve 97% of the population across nearly 150 cities and villages through 1,222 pharmacies and a fast-growing Omnihealth network, forming an integrated asset stack that brings together Pharmacy Retail, Omnichannel and polyclinics, Digital and Data Platforms, Supply Chain and Global Sourcing through IMDAD and Nahdi Global and our evolving Private Label portfolio. These pillars operate in synergy to create a unified platform that enables us to scale efficiently, strengthen Guest engagement and expand into new healthcare services aligned with national transformation priorities.

We continue to advance our Omnihealth capability by connecting pharmacy, polyclinics, digital channels and home-based services through 14 polyclinics in 9 major cities, Home Healthcare offerings and specialized virtual medical consultation channels. This integrated model improves accessibility, convenience, continuity and outcomes, positioning us as a unique hybrid healthcare provider in the region and supporting our contribution to Vision 2030 health goals. Our culture is grounded in continuous improvement and innovation, supported by investments in artificial intelligence (AI), robotic pharmacy solutions, virtual reality tools and digitally enabled supply chain systems that enhance accuracy, drive efficiency and elevate the Guest experience. These technologies strengthen our operational resilience and create the foundation for scalable, personalized care delivery across all touchpoints.

Product development remains a strategic engine of differentiation. We continue to expand our Private Label portfolio, including new medicines and global brands that reflect evolving Guest preferences. This portfolio has grown into a high-value business worth more than ﷲ 1.7 billion, reinforcing our ability to offer quality, affordability and preventive care. Our supply chain and sourcing capabilities, supported by IMDAD and Nahdi Global, ensure high availability, efficient logistics and reliable delivery for our retail, polyclinics and digital channels, underpinned by automated systems and AI-driven forecasting that supports expansion and long-term growth.

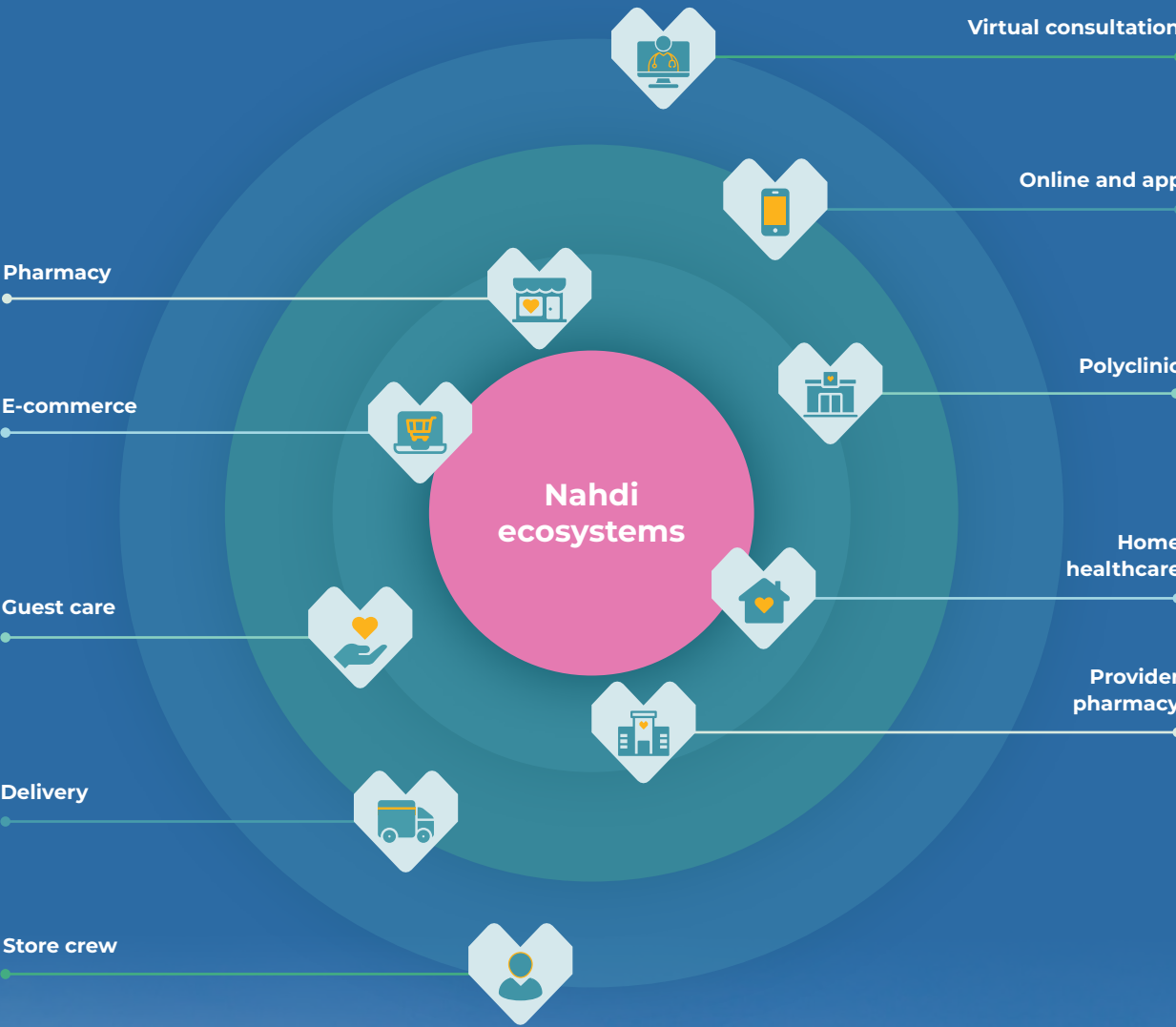
During the year we welcomed a total of 84 million Guest transactions, including more than two million new unique Guests. We remain committed to adding millions of beats to Guests’ lives by 2030 through long-standing programs focused on health, wellness and Mom & Baby care. Our national coverage, digitally enabled platforms and fully integrated Omnihealth model set us apart in the region and positions us as a key contributor to the Kingdom’s healthcare transformation.

Nahdi’s role extends beyond pharmacy and healthcare into a broader national responsibility to elevate community well-being in line with Vision 2030. Through our Beat of Hope “Nabdat Amal” sustainability platform, we advance preventive health, expand access for underserved groups and strengthen health literacy across the Kingdom. Flagship programs such as Convoys of Hope “Qwafil Al Amal”, Wazen Hayatak and our initiatives supporting women and families deliver meaningful impact for rural communities, chronic-care patients and vulnerable populations.

We reinforce this commitment through responsible operations, including ISO-14001 certified IMDAD logistics and circular-economy initiatives that removed millions of cartons from the waste stream, alongside partnerships that

make healthcare more affordable and accessible. Our leadership in social responsibility has been recognized through multiple national awards, reflecting our dedication to building healthier, more resilient communities.

Integrated Omnichannel and primary healthcare platform



ABOUT NAHDI continued



Our Purpose
We exist to add beats to our Guests' lives every day.



Our Vision
To be the most loved and trusted health and well-being partner for all our Guests.



Our Mission
To exceed our Guests' expectations by providing superior personalized life care experiences every day, everywhere.



Our Core Values
We are guided by a set of values that shape how we work, how we serve our Guests and how we contribute to the communities we are part of.

Integrity: We aim to deliver on our promises and do what is right; within our Company, with our Guests and the entire community.

Leading with Purpose: We aim to lead with curiosity and innovation in all that we do for the benefit of our Guests, while remaining true to our mission.

Care: We aim to care for our Guests and respect their preferences, needs and values. We are committed to "go the extra mile" for our Guests each and every day.

Excellence: We aim to work with high efficiency and effectiveness for our Guests and take ownership in all what we do while aiming to be the "Best in Class".

Collaboration: We aim to work collaboratively among ourselves, with our business partners and the entire community to achieve shared success.



[Go to site](#)



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1,222
pharmacies
in the region


~150
cities and villages


10,000+
dedicated
colleagues

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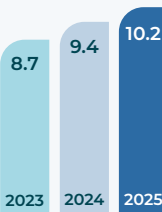
AT A GLANCE

The consistent execution and outstanding progress of Nahdi’s strategy across operations, financial performance, Omnihealth expansion and sustainability demonstrate how disciplined growth, strong Guest engagement and continued investment in integrated Omnihealth capabilities are translating into resilient performance, expanding impact and long-term value creation for all stakeholders.

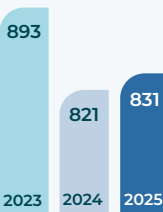
Financial highlights

8.1%[↗]

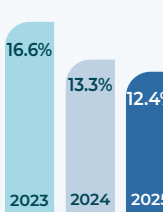
Revenue
(﷼ billion)



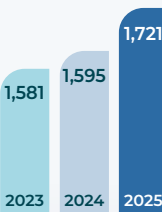
Net profit
(﷼ million)



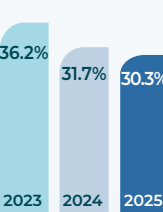
Return on assets



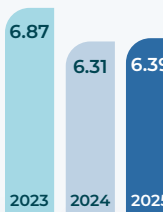
EBITDA
(﷼ million)



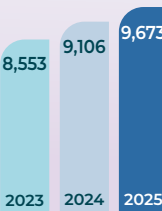
Return on equity



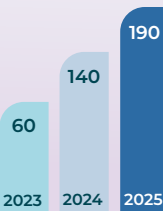
Earnings per share
(﷼)



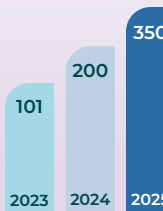
KSA Pharmacy revenue
(﷼ million)



UAE Pharmacy revenue
(﷼ million)



Omnihealth revenue
(﷼ million)



*Net Promoter Score (NPS) is a metric based on a single survey question asking Guests to rate the likelihood that they would recommend a company, product or a service to a friend or colleague.

Operational highlights

6.5M+
Nuhdeek members

Net Promoter Score (NPS)* of
90
across
Nahdi KSA Pharmacies

2M+
visits to
NahdiCare Polyclinics

96K+
Ez-pill refills

1.1M+
visits to
UAE Pharmacies
(28.2% increase)

2.5Bn
in Nahdi Online sales

Sustainability highlights

Environmental highlights

Recycled:

1,085
tons of
cartons

1,631
tons of
wood pallets

76
tons of
plastic

3.7
tons of
gray water
processed

Social responsibility highlights

93
days of Convoys of
Hope “Qwafil Al Amal”
conducted

102
tons lost through
Wazen Hayatak
weight loss program

32,000+
underprivileged
individuals supported
in rural areas

Employee development

37.5%
nationalization rate

545
female pharmacists

21.5%
female workforce



AWARDS AND RECOGNITIONS



“

Our Corporate Social Responsibility program earned its second consecutive national award from the HRSD, underscoring our commitment to community health, prevention and awareness - core elements of the Strategy of Care.

Yasser Ghulam Abdulaziz Joharji
Chief Executive Officer



AWARDS AND RECOGNITIONS



Best Practices Track Award (Gold Category)
Ministry of Human Resources and Social Development



Excellence in Primary Care Award – Non-Hospital Category
Council of Health Insurance



CEO of the Year
Eng. Yasser Joharji across Asia
Retail Asia



Best Customer Service – Silver Award
Gulf Customer Experience



Customers at the heart of everything – Silver Award
Gulf Customer Experience



Customers at Best Contact Center – Silver Award
Gulf Customer Experience



In-Store Customer Experience of the Year – Saudi Arabia
Retail Asia



Retail App of the Year – Saudi Arabia
Retail Asia



2025 – Top 10 Most Influential Brand
IPSOS



Personalization Strategy and Innovation
Loyalty360 Awards



Customer Loyalty Transformation
Loyalty360 Awards



Best Customer Feedback Solution Utilizing GenAI Award
Middle East Enterprise AI and Analytics Summit



Best Printed 2024 Annual Report – Medium Cap
Meira



#1 in e-commerce
Advantage Awards



#1 in Store Retailers and Pharmacies
Advantage Awards



Employees at the heart of everything – Gold Award
Gulf Customer Experience



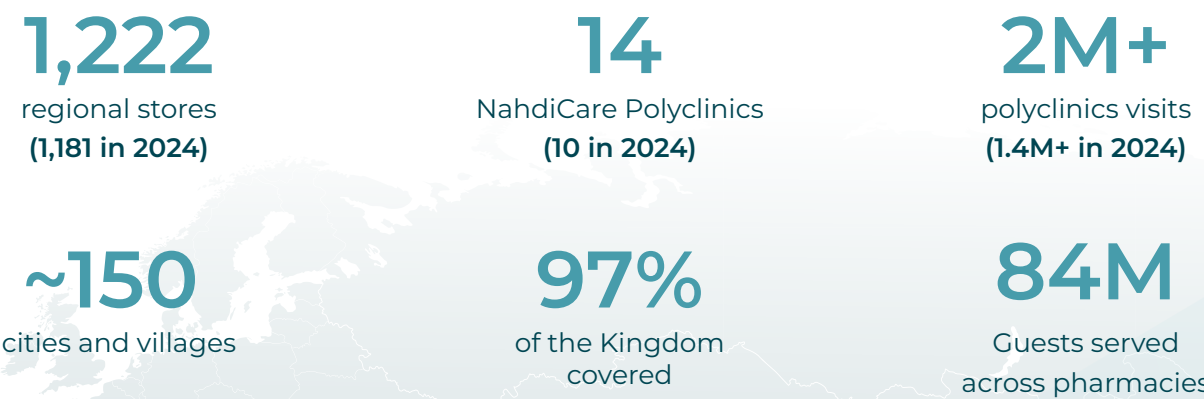
Best Places to Work and Best Places to Work for Women
Best Places to Work



CEO ranked 10th in Top 100 Healthcare Leaders Executive list
Forbes Middle East

WHERE WE OPERATE

Our geographic footprint reflects the scale, reach and resilience of Nahdi's integrated model. With a presence that spans urban centers and underserved communities, our network of pharmacies, polyclinics, distribution hubs and digital channels enables us to deliver consistent, high-quality healthcare access wherever our Guests live, work or travel. This nationwide and regional presence underpins our ability to serve at scale, respond quickly to local needs and support long-term growth aligned with national healthcare priorities.

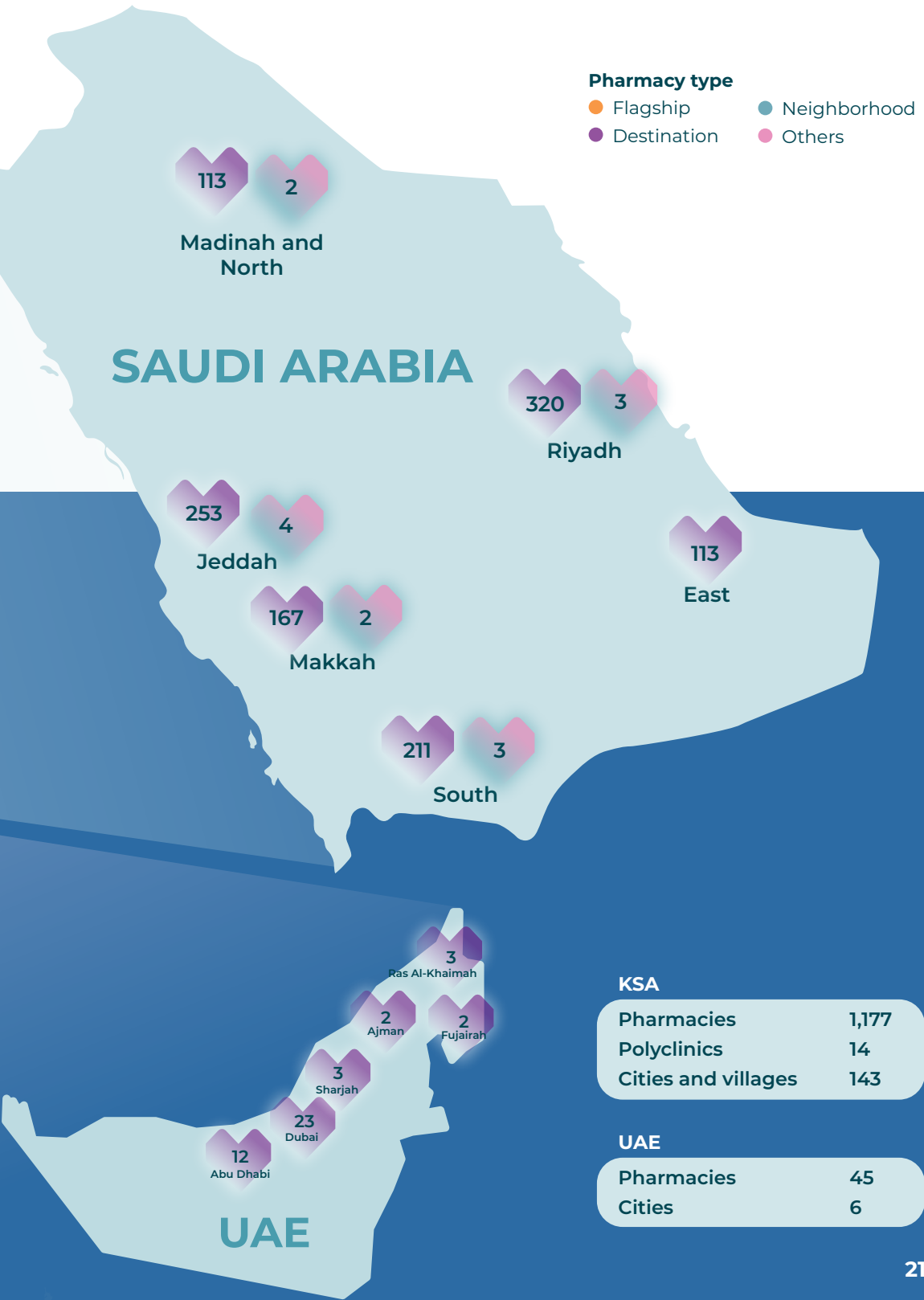
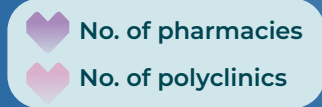
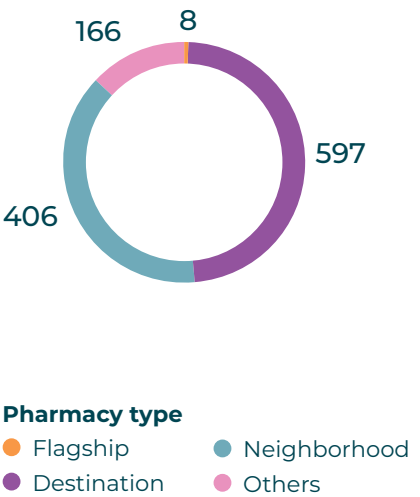


Flagship – Premium, landmark locations with a minimum floor area of 800 m² offering elevated guest experiences with enhanced services and a comprehensive product range.

Destination – Strategically placed street-front stores with a minimum floor area of 240 m² designed to attract high-foot traffic

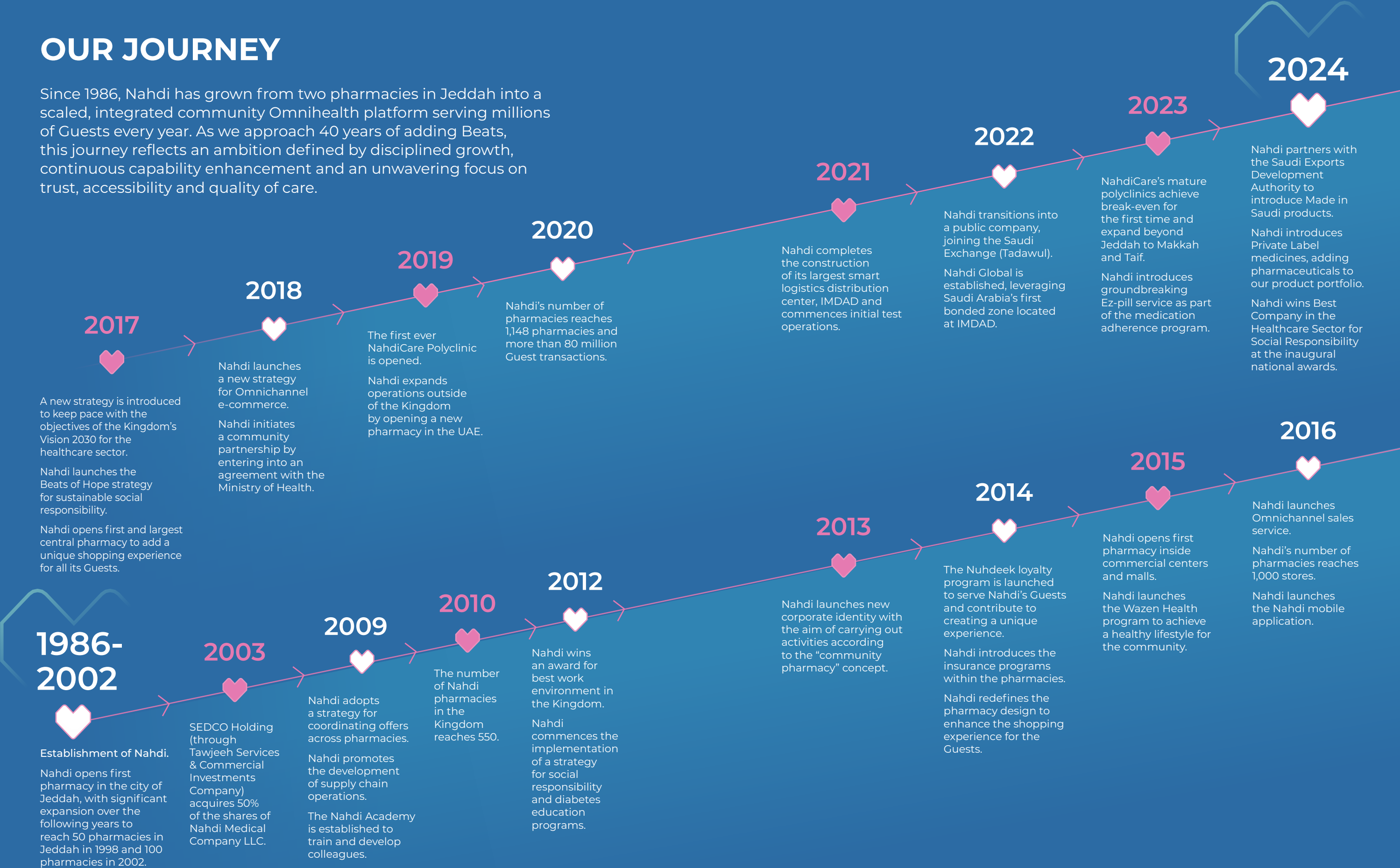
Neighborhood – Community-focused stores with a minimum floor area of 150 m² ensuring accessibility in residential areas.

Others – include Mall and Provider pharmacies.



OUR JOURNEY

Since 1986, Nahdi has grown from two pharmacies in Jeddah into a scaled, integrated community Omnihealth platform serving millions of Guests every year. As we approach 40 years of adding Beats, this journey reflects an ambition defined by disciplined growth, continuous capability enhancement and an unwavering focus on trust, accessibility and quality of care.



KEY MILESTONES IN 2025

A year of redefining healthcare and expanding our BEATS

Throughout 2025, we advanced our integrated health ecosystem with greater speed and precision, strengthening our national footprint, accelerating healthcare access and expanding digital and retail capabilities across Saudi Arabia and the UAE.



Q1

Empowering future female pharmacists

We welcomed female pharmacy students from King Abdulaziz University to our IMDAD Smart Distribution Center to experience the advanced logistics technologies that power our nationwide network.

Rapid expansion of our retail footprint

We opened 47 pharmacies across Saudi Arabia and the UAE – including 35 community pharmacies, six Provider pharmacies and five UAE locations – marking one of the fastest expansion waves in our history.

Strengthening regional supply capability

We inaugurated our new UAE Distribution Center, reinforcing our cross-border logistics capacity and ensuring consistent access to trusted products for Guests in the region.

Growing our healthcare presence in Riyadh

We opened our first NahdiCare Polyclinic in Riyadh, bringing high-quality Omnihealth services to more than eight million residents in the capital.

Expanding our portfolio through local partnerships

We signed eight new agreements with Saudi medicine manufacturers, adding nearly 80 new SKUs to our offering and increasing value and choice for Guests, while supporting the national pharmaceutical industry, reinforcing the position of Saudi-made products as high-quality offerings.

Q2

Advancing polyclinical leadership through the Diabetes and Cardiology Forum

We hosted the first NahdiCare Cardiometabolic Symposium, convening experts to advance better outcomes in diabetes, obesity, hyperlipidemia and cardiometabolic care.

Building a strong Saudi leadership pipeline

The Nahdi Leadership program graduated its fourth batch of Saudi Leaders in 2025, strengthening our future-ready talent base.

Launching Nuhdeek e-shop for greater Guest value

We launched the Nuhdeek e-shop, enabling Guests to purchase highly discounted products using points, with more than 100,000 items sold in its early months.

Forging a global pharmacy alliance

We hosted a first-of-its-kind partnership forum with Raia in Brazil and Clicks in South Africa, creating a global platform for shared innovation in pharmacy retail and healthcare.

Bringing Ez-pill to the UAE

We expanded our successful Ez-pill medication adherence program to the UAE, delivering more than 28,000 boxes by quarter-end.

KEY MILESTONES IN 2025 continued

The year demonstrated the power of our strategy in action – translating long-term investment into real-world outcomes, expanding our competitive advantage and laying a stronger foundation for the next chapter of growth under the 2030 Heart BEATS strategy.



Q3

CEO of the Year recognition

Our CEO, Eng. Yasser Joharji, was named "CEO of the Year 2025" at the Retail Asia Awards for his leadership in advancing healthcare quality and Guest-centric innovation.

Strengthening chronic-care support through E-Sab

We launched E-Sab, a digital platform that enhances chronic medication adherence through timely pharmacist engagement and personalized follow-ups.

Introducing Nahdi Now

We launched "Nahdi Now," a 30-minute delivery service across the Kingdom, showcasing our unmatched quick-commerce strength and commitment to convenience with superior last mile delivery.

Launching our employee volunteering program

We introduced the Nahdi Volunteering program, enabling our colleagues to contribute their time and skills to support meaningful community initiatives across the Kingdom.



Q4

National rollout of Wasfaty e-prescriptions

We enabled nationwide access to Wasfaty across all pharmacies, completing full system readiness to deliver fast, secure and compliant prescription services, enhancing the service for our new Guests.

Accelerating Nutraceuticals as a growth engine

Nahdi launched a global Nutraceuticals platform that expanded to become a billion-riyal category supported by the expansion of the assortment to more than 12,000 SKUs and strengthened access to trusted wellness solutions.

Recognition for CSR impact

We received the Ministry of Human Resources and Social Development (HRSD) Best Practices Track Award (Gold Category) for our positive community impact and leadership in social responsibility.

Promoting a culture of safety through staff training

Nahdi Medical Company certified over 100 colleagues as First Aiders in collaboration with the Saudi Heart Association, while more than 6,700 colleagues completed foundational First Aid training through Nahdi Academy.

Spotlighting excellence in dental care

We hosted the first NahdiCare Polyclinic Dental Conference under the theme "Bridging Innovation in Dentistry", bringing experts together to shape the future of oral healthcare.



OUR INVESTMENT CASE

Nahdi offers a compelling investment opportunity as a market leader in Pharmacy Retail and integrated healthcare, driving innovation and transformation in dynamic markets like Saudi Arabia and the UAE. With a proven track record, a strong focus on digitization and alignment with Vision 2030, we are shaping the future of healthcare while contributing to the region's growth and development.

Our Guest-centric approach, commitment to sustainability and dedication to fostering national talent position us as a key player in realizing the ambitions of these rapidly evolving markets, delivering both meaningful impact and sustainable returns.



Highly qualified staff led by a strong Board and management

- Nahdi believes that our colleagues are our greatest assets and therefore devotes significant investment and attention to fostering a unique culture underpinned by our core values.
- Nahdi is overseen by a highly qualified Executive leadership team with more than 200 years of deep, cumulative experience in the sector, guided by an independent Board with multinational corporation experience.
- Nahdi also has strong corporate governance and compliance standards in place, which resulted in 100% regulatory compliance across our various businesses.
- Continuous learning is at the heart of Nahdi with 575,000 hours of training conducted in 2025 for our 10,000+ full-time colleagues.
- Nahdi hired more than 650 national pharmacists in 2025, reaching a total of 1,360+ national pharmacists, of which 40% are females. This has led to Nahdi's overall national headcount reaching 37.5%.
- Since 2014, Nahdi has consistently demonstrated its commitment to fostering an exceptional work environment for its people, maintaining its prestigious ranking among the Top 20 Best Workplaces in the Kingdom of Saudi Arabia, the GCC and Asia. In 2025, Nahdi further elevated this achievement by being recognized as the Best Workplace in the Kingdom and earning the Best Workplace for Women certification.



Saudi Arabia's leading pharmacy with growing Private Label

- Nahdi's brand and Guest loyalty has been growing year after year, as evidenced by our Nuhdeek membership base, generating approximately 67.2% of revenue.
- The emerging trend of financial independence and the empowerment of women in Saudi Arabia is driving a significant increase in the sales of wellness and beauty products, which are among Nahdi's key offerings.
- Nahdi is a well-established Saudi brand that started and grew with our purpose of adding beats to the lives of our Guests every day, achieving an outstanding brand equity score of 6.9, the highest in the sector and double the nearest industry competitor.*
- Over the last four decades, Nahdi has developed unparalleled coverage across Saudi Arabia with 1,222 pharmacies, representing around 10% of the total number of pharmacies in the Kingdom with an accessibility to 97% of the Saudi population.
- Nahdi continued its geographical expansion in the GCC market, reaching 45 pharmacies in the UAE and more in the pipeline to capture market share and significant opportunities in large and growing regional markets outside Saudi Arabia, particularly in the UAE and the wider GCC, offering multi-billion-dollar opportunities yet to be fully exploited.
- Launch of first Private Label medical products in 2024 presents a great opportunity to differentiate the business and enhance profitability, given the size and continued growth momentum of the Private Label segment, while providing affordable medications that support the Kingdom's Made in Saudi strategy.
- High-quality and competitively priced Private Label contributed around 17.4% of revenue and reached 1.7 billion in sales this year.
- Nahdi Global provides Guests with access to a wide array of competitively priced products, sourced from trusted international manufacturers all over the world and delivered conveniently to the Guests' doorsteps.

*Source: Company disclosure, Nielsen - Methodology used to identify the brand equity of pharmacies and underlying drivers based on brand saliency, brand positioning, future store visit consideration, guest recommendation, store preference and willingness to pay.



OUR INVESTMENT CASE continued



Seamless Omnichannel experience underpinned by best-in-class digital and online offerings and state-of-the-art distribution and supply chain capabilities

- Nahdi has created a seamless Omnichannel experience connecting our pharmacies and online platforms, thereby keeping Guests firmly at the center of all our activities.
- The pharmacy presence has evolved from convenience to experience by optimizing the store mix and investing heavily in our IT infrastructure to best serve our Guests, which resulted in an NPS of 90 and an 6.6% increase in the basket size to become ₪ 107.7 as at year-end.
- Nahdi's online transactions increased by 45.2%, including the website and mobile application, with the online sales reaching ₪ 2.5 billion this year.
- Nahdi's digital platforms have had around 231 million sessions in 2025, including our applications and online websites.
- Following the launch of our state-of-the-art distribution center (IMDAD) in 2022, Nahdi delivered 159 million units in 2025.



Integrated Omnihealth services delivered through a comprehensive Omnihealth platform

- Championing the retail growth of healthcare in the Kingdom, with an innovative approach not before seen in Saudi Arabia, in line with Nahdi's ambition to become a national healthcare player.
- Nahdi's integrated Omnichannel experience, with our Omnihealth services, creating a unique Omnihealth gateway that meets the healthcare needs of our Guests. This is a model that is yet to evolve globally and would deem Nahdi to be one of the leading companies in the segment.
- Nahdi's virtual medical consultation services, Home Healthcare and polyclinics go above and beyond the standard retail pharmacy to become the gateway for healthcare in the Kingdom.
- Nahdi currently operates 14 polyclinics that have served millions of the Kingdom's residents, while Home Healthcare services reached around 120,000 visits at year-end 2025.
- In 2025, the total number of virtual medical consultation services exceeded approximately 730,000.
- Nahdi built a strategic partnership with best-in-class medical providers to enhance the Guest experience and be the most trusted health and well-being partner.
- The synergy between Omnihealth and Pharmacy Retail in Nahdi's core business, driven by the Build and Borrow Model, has increased prescription flow, generated 0.91% more revenue and added ₪ 318 million to the Pharmacy Retail segment in 2025.



OUR INVESTMENT CASE continued

Robust business and financial profile

- Achieved a major milestone and crossed ₪ 10 billion in revenue in 2025.
- Nahdi witnessed a healthy revenue increase of 8.1% in 2025 (₪ 10.2 billion compared to ₪ 9.4 billion at year-end 2024).
- Nahdi's gross profit increased by 8.3% reaching ₪ 3,806 million in 2025 compared to ₪ 3,512 in 2024, delivering a gross margin of 37.3%.
- In 2025, Nahdi reported a net profit of ₪ 831 million, reflecting an 8.1% margin, compared to ₪ 821 million with an 8.7% margin in 2024, representing a 1.2% increase in net profit year-on-year.
- Highly profitable business with 30.3% ROE and 12.4% ROA in 2025.
- Well-invested business to support the next phase of growth with limited working capital requirements as Nahdi enjoys zero debt to date and a very strong financial position that can self-fund our future expansion plans in both Omnichannel, Omnihealth and other growth opportunities.
- In 2025, Nahdi's Board approved a cash dividend distribution of 88%, which is above the historical dividend payout average.



Deep commitment to long-term sustainability and positive impact in our communities

- Nahdi enhances healthcare accessibility through initiatives like Convoys of Hope “Qwafil Al Amal”, providing medical services to underserved communities and reaching tens of thousands across rural Saudi Arabia.
- Nahdi empowers women and fosters inclusion, with over 21.5% of our workforce now female and 32.6% Saudi pharmacists, aligning with Vision 2030 goals to drive growth and innovation.
- Nahdi is a champion of female economic empowerment in the Kingdom, in line with our Heart BEATS strategy.
- Nahdi promotes health and wellness through impactful programs like Wazen Hayatak and the Motherhood Club, inspiring healthier choices and reaching hundreds of thousands of citizens.
- Nahdi leads environmental sustainability efforts by reducing medical waste, recycling materials and cutting paper and plastic use to lower our environmental footprint.
- Nahdi drives innovation with digital solutions like the Nahdi Academy mobile app and e-pharmacist services, transforming access to healthcare education and virtual consultations.
- Nahdi invests in employee development with 575,000 hours of annual training, building national talent and delivering excellence for Guests and communities.
- Nahdi strengthens community engagement with initiatives supporting orphans, collaborating with the Ehsan platform and winning recognition for outstanding CSR programs.



INVESTOR RELATIONS AND SHAREHOLDER INFORMATION

IR strategy, priorities and areas of focus

Throughout the year, Nahdi's Investor Relations (IR) team remained committed to strengthening market engagement, transparency and accessibility. The team's key priorities were centered on building investor confidence, promoting proactive communication and ensuring timely and accurate disclosure to the capital market. The Investor Relations department focused on strengthening market confidence and visibility through transparent communication and consistent messaging.

Key focus areas

Providing full-year financial guidance to enhance market visibility and support investor decision making.

Maintaining proactive engagement with analysts, investors and other market participants.

Publishing quarterly disclosure materials - including press releases, fact sheets and investor presentations - to ensure the availability of consistent and comprehensive public information.

Responding efficiently to all market and investor inquiries through multiple communication channels.

Enhancing accessibility and transparency through digital touchpoints, including the newly revamped IR website and recently launched mobile application.

Ensuring best-in-class governance and compliance across all disclosure practices.

Digital communication and disclosure channels

Nahdi's IR function leverages advanced digital tools and platforms to strengthen investor communication and ensure transparency.

Key channels

The Saudi Exchange website: [Saudi Exchange](#)

Investor Relations email: IR@nahdi.sa

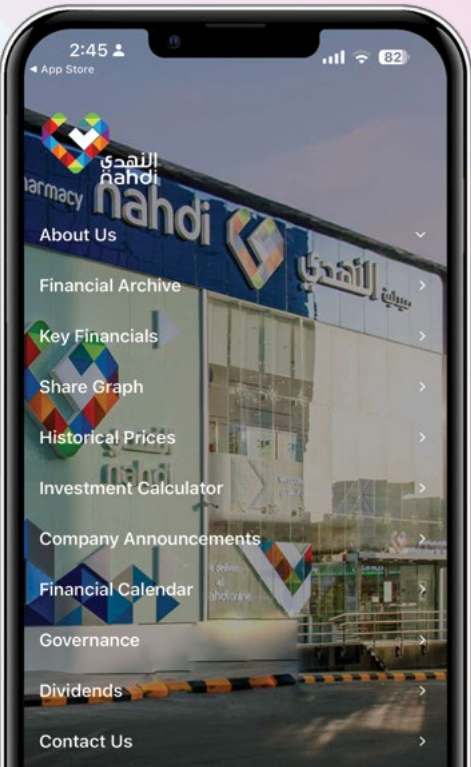
Investor Relations direct phone number: [+966-556-315822](tel:+966556315822)

Official Investor Relations website: <https://investors.nahdi.sa/en/>

Quarterly earnings webcasts with **interactive Q&A sessions.**

All mandatory disclosures are published through the Tadawul platform and complemented with updates on Nahdi's corporate channels, ensuring transparent and comprehensive market communication.

Our mobile IR application



INVESTOR RELATIONS AND SHAREHOLDER INFORMATION continued

Meetings and market engagement

Nahdi’s IR team continues to foster strong engagement with the investor community through a structured and active outreach program.

Key initiatives

- Hosting four quarterly earnings calls with live Q&A sessions

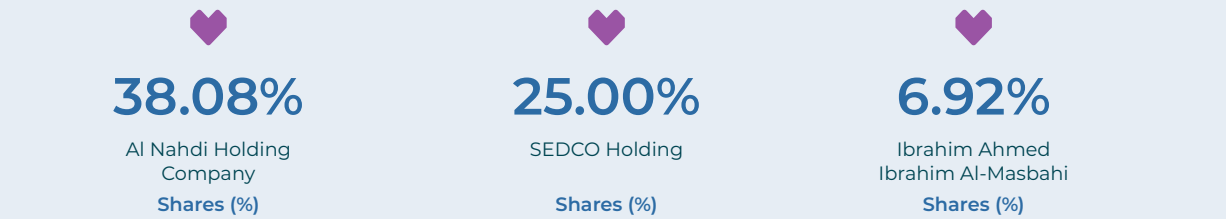
Conducting investor and analyst meetings upon request

Platinum sponsorship of the 2025 Saudi Capital Market Forum, held over two consecutive days, featuring 14 meetings with 56 investment firms and analysts, representing a total of 92 individual investors
- Organizing site visits to NahdiCare Polyclinics and Nahdi pharmacies to provide investors with a firsthand look at operations and a deeper understanding of the business model

Participating in local and international investor conferences to enhance global visibility and strengthen IR

Share information

Date established	Free float	Paid capital
18 June 1986	30%	ﷲ 1,300,000,000
Listing date	Par value/share	Number of shares issued
22 March 2022	ﷲ 10	130 million
Exchange	Sector	Trading name
Saudi Market Exchange – Main Market – Tadawul	Consumer Staples Distribution and Retail	NAHDI
Tadawul code	ISIN code	Foreign ownership as at December 2025
4164	SA15HG521213	7.57%
Closing price as at December 2025	Market cap as at December 2025	
ﷲ 95.00	ﷲ 12,350,000,000	



Shareholding by type



Shareholding by region

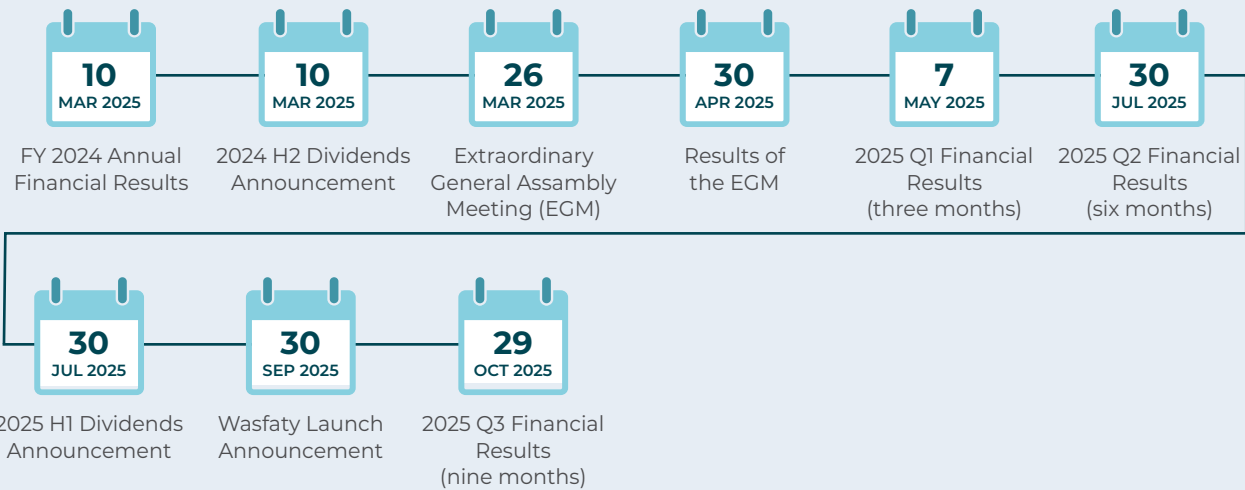


Awards and recognitions

Nahdi’s continued commitment to excellence in investor communications has been recognized through multiple accolades.



2025 IR events calendar



INVESTOR RELATIONS AND SHAREHOLDER INFORMATION continued

Key highlights and achievements

Revamped the IR website with a more intuitive, user-friendly interface to strengthen transparency and accessibility, enabling faster access to key operational, financial and strategic information, including:

- Financial statements and investor presentations
- Quarterly disclosures (press releases, fact sheets and investor decks)
- Corporate governance and CSR information
- New and enhanced financial tools for investor analysis

Qualified IR Officer with Certified Investor Relations Officer (CIRO)

Platinum Sponsorship at the Saudi Capital Market Forum (SCMF) 2025, reflecting Nahdi's leadership role in the market

Active participation in Investor Hub and key capital market events

Launched a new mobile application to provide seamless, 24/7 access to Company updates and investor materials

Achieved 100% compliance with disclosure and governance requirements

Distributed 2.6 per share in the second half of 2025, totaling 338 million, with the full-year dividend of 3.0 per share (390 million) to be announced alongside the financial results, representing a total distribution of 728 million from 2025 profit, with an 1.8% growth year-on-year

Annual General Meeting (AGM) conducted on 30 April 2025

Dividend distribution

Nahdi's Board of Directors recommended the distribution of dividends to shareholders for the fiscal year ending 31 December 2025 which was approved by the General Assembly, as stated below.

Announcement date	Eligibility date	Distribution date	Profit distributed per share	Status
30 July 2025	12 August 2025	26 August 2025	2.6	Approved and distributed in August 2025
09 March 2025	29 March 2026	09 April 2026	3.0	Approved and will be distributed in April 2026

Annual dividends

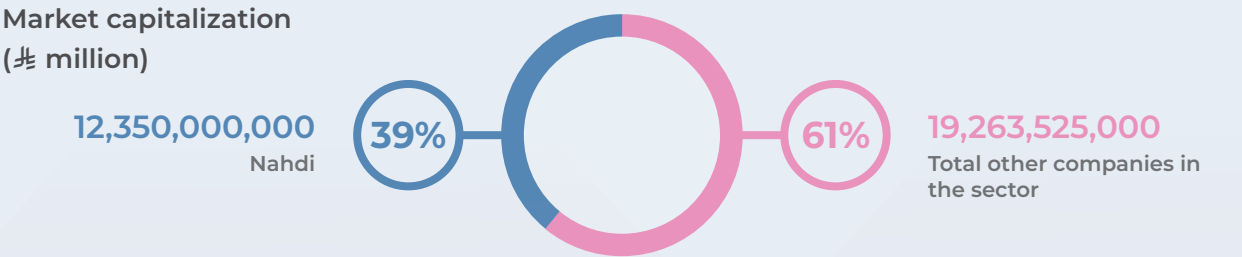
	2022	2023	2024	2025
H1	2.3	2.5	2.5	2.6
H2	3.0	3.0	3.0	3.0
Total	5.3	5.5	5.5	5.6

Annual payout ratio

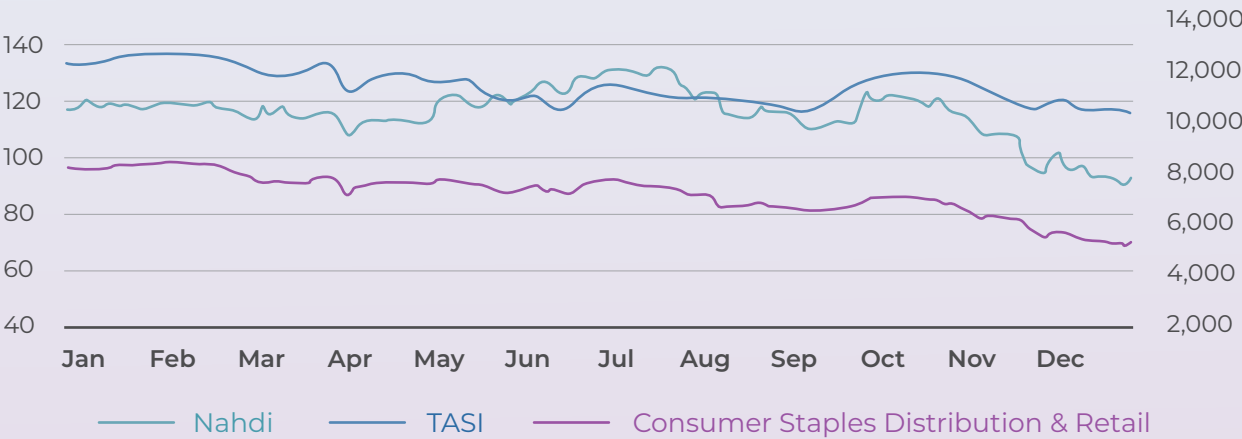
2022	78%
2023	80%
2024	87%
2025	88%

Market capitalization

We continue to lead the sector with the highest market capitalization from January to December 2025



Share price performance vs. TASI and sector





02

STRATEGIC REVIEW

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CHAIRMAN'S STATEMENT

Expanding our BEATS. Redefining healthcare.



2025 was a year of confidence and strategic progress for Nahdi. Against a backdrop of continued transformation in the Kingdom's healthcare sector, we delivered resilient performance while strengthening our role as a trusted national healthcare partner.

Saleh Salem Ahmed Bin Mahfouz
Chairman



ﷲ 728M in dividends distributed

During the year, the Board approved Nahdi's new five-year strategy, concluding the 2020-2025 strategic cycle and beginning a new chapter focused on long-term value creation. This reflects not only our achievements to date, but also our conviction in the Company's direction and our expanding role in shaping the future of healthcare in Saudi Arabia.

With the previous strategy successfully completed, we now enter our next phase from a position of strength. Over the past five years, we delivered strongly on our priorities, exceeding expectations in key areas and strengthening our position as a leading national healthcare platform.

Building on this progress, we continue to operate with a strengthened core, a rapidly scaling Omnihealth ecosystem and deeper integration across our retail, polyclinics and digital platforms. These capabilities reinforce our role as a national champion in enabling accessible, high-quality and affordable care for millions of Guests.

In line with our commitment to long-term value creation, the Board approved a dividend distribution of ﷲ 728 million, reaffirming our dedication to delivering consistent shareholder returns while balancing continued transformation and further growth.

Advncing Vision 2030 and national health priorities

Nahdi remains deeply aligned with Saudi Vision 2030 and the Health Sector Transformation program under the Ministry of Health's (MOH) supervision, which continues to guide national progress toward a more diversified, preventive and Guest-centric Omnihealth system. Through our expanding network and rapidly growing digital platforms, we are improving access, elevating care quality and reducing pressure on public health services.

Our efforts in chronic disease management, early intervention and healthcare education reflect our commitment to national health priorities and long-term population well-being. Furthermore, our joining of Wasfaty this year has reaffirmed this commitment, bringing our unique approach to care to more people across Saudi Arabia.

Expanding reach and accessibility

Nahdi's unmatched footprint reaches over 97% of the Saudi population, reaffirming our role as the first line of healthcare access in communities across the Kingdom. In 2025, we further extended this reach by opening new polyclinics, enhancing virtual consultations and scaling home health services. These developments ensure that every Guest, regardless of location, can access trusted, convenient and high-quality care.

Strong governance, clear oversight

Throughout 2025, the Board maintained active oversight of Nahdi's strategic direction, overseeing the successful conclusion of the 2020-2025 strategy and approving the refreshed five-year strategy now entering implementation. This included the scaling of the Omnihealth platform and major investments in digital capabilities and regional expansion. We are encouraged by early signs of execution, particularly the continued integration of healthcare services across retail, polyclinics, digital platforms and national systems, demonstrating management's readiness to translate strategy into action.

The Board also emphasized risk management, regulatory compliance and culture, reinforcing high standards of accountability and ethical conduct. Through this stewardship, the Board helped safeguard operational resilience and supply chain continuity, positioning Nahdi to grow with confidence in an evolving healthcare landscape.

Championing community well-being

Our purpose - to serve society by empowering people to live healthier and happier lives - remains central to every initiative we undertake. In 2025, we continued to deliver community-focused programs in partnerships with government agencies, academic institutions and healthcare organizations, supporting chronic disease prevention, children's health and overall well-being. We remain committed to supporting the Kingdom's goal of educating and empowering citizens to take charge of their health.

Building a purpose-driven, sustainable future

Sustainability remains a priority on the Board's agenda, guiding oversight of strategy, risk and long-term value creation. We support initiatives that advance community health through programs such as Convoys of Hope "Qwafil Al Amal" and Wazen Hayatak, strengthen environmental stewardship through carton reduction, energy transition and efficiency initiatives at IMDAD and build a resilient national workforce through Saudization and the advancement of women into leadership roles.

CHAIRMAN’S STATEMENT continued

2026 outlook

Our newly approved strategy does not represent a sharp departure from the past, but rather an acceleration and sharpening of focus. Anchored in six strategic pillars, it places the Guests at the center of our commitment and reflects our evolving role across retail, digital and Omnihealth services, while accelerating tech-enablement and seeding long-term opportunities for sustainable growth. Through this framework, we aim to scale our impact, deepen integration and further strengthen our Omnihealth leadership.

2026 will mark the first year of full implementation of this strategy. The foundations built over recent years provide strong confidence in Nahdi’s readiness for the next phase of growth. Saudi Arabia’s healthcare and retail sectors continue to evolve in ways that favor scale, integration and trusted national platforms. Within this environment, Nahdi is well positioned to play an expanded role as a long-term healthcare partner to the Kingdom.

Looking ahead to 2026, the Board is confident in management’s ability to build on a resilient core while beginning the next phase of carefully sequenced growth across retail, digital and Omnihealth services. Continued investment in technology, data and the Omnihealth model will support improved care pathways, disciplined execution and sustained value creation.



Our efforts in chronic disease management, early intervention and healthcare education reflect our ongoing commitment to national health priorities and long-term population well-being.

Acknowledgments

In closing, I extend my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al-Saud and His Royal Highness the Crown Prince, Mohammed bin Salman bin Abdulaziz, for their unwavering commitment to progress, well-being and national transformation.

I also express my sincere appreciation to the Ministry of Health and all government entities for their partnership and support in enabling the development of a more integrated, sustainable and innovative healthcare ecosystem aligned with Vision 2030. I further thank the Capital Market Authority for its steadfast guidance as our market regulator and I am deeply grateful to our shareholders for their continued trust and confidence in Nahdi’s long-term strategy.

Finally, I offer my heartfelt thanks to our Executive leadership team and all Nahdi colleagues. Their dedication, compassion and professionalism remain the driving force behind our success as a trusted national healthcare provider.



CEO'S MESSAGE

Redefining healthcare from our strong core



Nahdi delivered a strong and resilient performance in 2025, reinforcing our position as a trusted national Omnihealth platform at a time of profound change across Saudi Arabia's retail and healthcare sectors. Guided by a clear strategy, effective governance, disciplined operational execution and the dedication of our people, we continued to strengthen our core business while expanding our role across Omnihealth, wellness and digital services in support of Vision 2030 and the Health Sector Transformation Program.

Yasser Joharji
Chief Executive Officer



ﷲ 10.2 billion 2025 revenue



40 polyclinics by 2030

2025 was a year of accelerating transformation across the market, as evolving consumer lifestyles and health behaviors, intensifying competition, advancing regulation and shifting business models reshaped the healthcare and retail landscape. Nahdi responded with confidence, leveraging the strength of our foundation while deliberately expanding across retail, Omnichannel and Omnihealth.

We reached the momentous milestone of crossing ﷲ 10 billion in annual revenue, adding beats to more than 84 million Guests' lives. Our integrated model continued to translate strategic intent into sustainable results, reinforcing a proposition that is increasingly recognized as distinctive and future-ready and enabling us to build a more connected, resilient and scalable Omnihealth experience for the Kingdom.

A strong core at the heart of our performance

Our Pharmacy Retail business remained the cornerstone of Nahdi's success. Medicine sits at the heart of our proposition, supported by deep partnerships with manufacturers, medical insurance companies, healthcare providers and national stakeholders.

Throughout the year, we delivered solid growth across prescription and over-the-counter categories, reinforced our leadership in trust and accessibility and sustained our role as the first point of healthcare access for communities across the Kingdom. We also invested in our front shop categories, accelerating growth in line with evolving consumer trends and shifting market dynamics.

With proximity to more than 97% of the population within five minutes, Nahdi achieved an NPS of 90 and maintained its position as the most trusted pharmacy brand in Saudi Arabia. Our continued leadership in pharmacy reflects disciplined execution, resilient supply chain capabilities and a strong focus on availability and affordability in an increasingly competitive and price-sensitive market.

A defining milestone in 2025 was our successful participation in the Wasfaty program, the Kingdom's national e-prescription platform linking physicians, pharmacies and payers. Through close collaboration with the Ministry of Health and integration with national digital systems, Nahdi processed more than 2.3 million e-prescriptions with high availability and strong Guest satisfaction. This performance reflects years of deliberate investment in technology, frontline capability and system readiness.

Omnichannel performance reached all-time highs in 2025, with 25.8% of total sales now online, driven by continuous investment in our e-commerce and last mile experience. Our 30-minute Nahdi Now delivery proposition established a new benchmark for speed and reliability in quick commerce, while platform upgrades and personalization tools strengthened digital engagement across every touchpoint.

Nahdi's loyalty program, Nuhdeek, continues to evolve as a core engine of guest engagement and data-enabled growth. Through sustained investment in advanced technology and artificial intelligence and supported by a long-term

strategic partnership with Microsoft, the program is transitioning into a smarter, more personalized digital ecosystem. This evolution is strengthening insight-driven decision-making, enhancing operational efficiency and delivering more relevant, seamless experiences for our guests.

Expanding our BEATS through healthcare

As the boundaries between retail, wellness and polyclinic care continue to converge, we see significant opportunity to make healthcare more accessible, preventive and embedded into everyday life. This year, we continued to advance the retailization of healthcare by integrating services across physical, digital and polyclinic touchpoints to master our Omnihealth ecosystem.

Our Omnihealth platform delivered transformative growth, distinguished by scale and execution. We served more than two million Guests in 2025, reflecting a 43% year-on-year increase.

Our NahdiCare Polyclinics network expanded to 14 locations across 9 cities, significantly exceeding prior targets of opening 10 polyclinics in 2026. These polyclinics now deliver high-quality, technology-enabled primary care across more than 20 specialties, creating seamless pathways between digital services, pharmacies, home health and wellness programs.

Preventive care adoption also reached new levels, with more than 4.1 million diagnostic tests completed and consistently strong quality and satisfaction outcomes across the Omnihealth ecosystem.

Strengthening the national healthcare system

We also continued to deepen partnerships with medical insurance companies, healthcare providers and the National Unified Procurement Company, enabling integrated, end-to-end Omnihealth journeys and reinforcing Nahdi's role within the national healthcare ecosystem.

Our Corporate Social Responsibility (CSR) program earned its second consecutive national award, underscoring our commitment to community health, prevention and awareness - core elements of the Strategy of Care. Across pharmacies, polyclinics and digital channels, we deepened our efforts to empower Guests to take control of their well-being, aligning Nahdi's mission with the long-term health priorities of the Kingdom.

Disciplined execution and financial performance

Nahdi's strategic and operational progress translated into solid financial performance in 2025. Revenue reached ﷲ 10.2 billion in 2025, supported by a healthy profitability profile and disciplined financial management. Our Refuel and Road to Efficiency Excellence (R2E) Excellence programs continued to deliver efficiencies, with savings reinvested to support growth, innovation and service excellence.

Operating with agility in a dynamic and regulated environment

Guided by Saudi Vision 2030, Nahdi continues to strengthen its operating backbone and governance

CEO'S MESSAGE

continued

framework through close collaboration with national partners and regulatory authorities. By maintaining ongoing coordination with the Ministry of Health, ZATCA, the Saudi Food and Drug Authority and other government entities, we ensure the highest levels of compliance while advancing operational efficiency and resilience.

This robust, systems-driven foundation enables us to work in true partnership with our stakeholders, uphold disciplined governance and consistently elevate the Guest experience. We are adding meaningful beats to our Guests' lives while supporting the Kingdom's ambition for a best-in-class, sustainable Omnihealth ecosystem.

Executing Nahdi's 2030 Heart BEATS strategy with clarity and discipline

As we refreshed our strategy toward 2030, our direction remains clear: redefining healthcare and accelerating from a position of strength. Our path forward is anchored in three priorities: strengthening the core to exceed Guest expectations and preserve best-in-class value and service; scaling our Omnihealth model from 14 to 40 polyclinics to deliver integrated care to over four million Guests by 2030; and empowering the Omni Guest by supporting each individual across their full wellness and Omnihealth journey.

At the **Heart** of our Heart BEATS strategy is our purpose: to empower people to live healthier and happier lives. Our Guests are central to this commitment, with a focus on empowering women across Saudi Arabia through our Ladies First strategy.

From this foundation, the Heart BEATS strategy reinforces our priorities of delivering **Best-in-class** retail offerings, **Elevating** Omnichannel touchpoints and **Accelerating** healthcare expansion through a **Technology-** and data-driven approach that enables personalization at scale. This is all aimed at **Seeding** long-term opportunities for sustainable growth for both our external Guests and our internal Guests - our people.

A resilient model built for long-term value creation

As we approach our 40th anniversary in 2026, we reflect on four decades of adding beats to our communities. Looking ahead, our priorities are ambitious yet achievable. We will implement

our Heart BEATS strategy, confident in our transformation and role in the future of Saudi healthcare. To deliver on our vision, we will scale our Omnihealth model further, deepen our data capabilities, strengthen execution with Wasfaty and operate with high engagement, operational efficiency and sustained innovation.

Nahdi will continue to prove that it is more than a retailer or Omnihealth provider - it is a national institution rooted in purpose, innovation and service. As we redefine healthcare from our strong core, our focus remains steadfast: to contribute meaningfully to Vision 2030, deliver exceptional value to our Guests and create sustainable long-term growth for our shareholders.

Acknowledgements

As we conclude another outstanding year, I would like to express my sincere appreciation to our Board of Directors for their steadfast guidance, strategic oversight and continued trust in our vision. Their leadership has been essential in shaping Nahdi's evolution and advancing our long-term ambitions.

I also extend my gratitude to our dedicated colleagues, from our frontline pharmacists and healthcare specialists to our operational and technology experts and everyone in between, whose commitment, passion and service excellence continue to elevate the experience of every Guest we serve. Their resilience and devotion reflect the very best of Nahdi's values.

Finally, I would like to thank the Ministry of Health, the Saudi Food and Drug Authority and all our partners, for their ongoing collaboration and support. Their contributions play an integral role in strengthening our ecosystem and enabling us to deliver greater value to the communities we proudly serve. Together, we remain focused on building a healthier and more empowered future.



As we refreshed our strategy toward 2030, our direction remains clear: redefining healthcare and accelerating from a position of strength.



OUR BUSINESS MODEL

Creating value through an integrated, future-ready health ecosystem

Nahdi's model brings together retail, Omnihealth, digital platforms, supply chain excellence and trusted partnerships to create a unified engine of growth that elevates health outcomes across the Kingdom. Our integrated approach enables us to expand our reach, personalize care, strengthen access and deliver consistent value to every stakeholder. With a resilient platform, a skilled national workforce and a commitment to innovation, we are scaling our BEATS and redefining what accessible, affordable and high-quality healthcare looks like for the future.

Our strengths....

Highly qualified staff led by strong Board and management

- Experienced independent Board members with multinational market-leading companies
- Executive team with a deep understanding of the sector and over 200 years of cumulative management experience
- Supported by comprehensive corporate governance structure with policies and procedures
- Exceptionally highly trained talents of more than **10,000+** colleagues (**575,000** training hours)

Seamless Omnichannel experience underpinned by best-in-class digital and online offerings

- Delivering a compelling Omnichannel experience by providing Guests with seamless online and offline optionality
- Regional footprint (KSA and UAE) with mix of flagship, destination, neighborhood and other stores
- Market-leading digital platforms, with more than **19 million** monthly sessions
- Best-in-class digital and online offerings including e-commerce, Nahdi Global, e-pharmacists, store-to-home and click & collect
- Launch of **Nahdi Now**
- Nahdi Online is growing rapidly and already contributes around **ﷲ 2.5 billion** in revenue
- Huge amount of proprietary market and Guest data can be leveraged to create more valued and personalized experiences and solutions for our Guests

Market-leading pharmacy with growing Saudi-made, Private Label

- Access to **97%** of the Saudi population
- **1,222** stores regionally in nearly **150** cities
- High-quality and competitively priced Private Label contributed around **17.4%** of revenue and exceeded **ﷲ 1.7 billion** sales this year

Integrated Omnihealth services delivered through Omnihealth platform

- More than **2 million** Guests visited NahdiCare Polyclinics in 2025 (+43% YoY)
- Digitized self-checkout kiosks provide improved user experience
- **730,000** virtual consultations in 2025

State-of-the-art distribution capabilities

- State-of-the-art distribution center (IMDAD) that delivers more than **159 million** units each year
- System reliability rate of **99.9%**
- Implementation of a Planner View tool for improved inventory management
- Launch of SC Academy program

Robust business and financial profile

- High profitability with above market growth
- **Zero debt**
- Strong cash flow and cash position generated through our operations
- Growing revenue and market share and delivering targets

add beats....

Our Purpose

We exist to add beats to our Guests' lives every day.

Our Vision

To be the most loved and trusted health and wellbeing partner for all our Guests.

Our Mission

To exceed our Guests' expectations by providing superior personalized life care experiences every day, everywhere.

Our core values

- Integrity
- Leading with Purpose
- Care
- Excellence
- Collaboration

Business verticals



Pharmacy Retail



Omnihealth



Omnichannel

Driving growth and continuous improvement

Training our colleagues to contribute to growth and maintain high service standards

Partnering with hospitals, polyclinics and private insurance companies to expand our reach

Introducing innovative products to meet Guest needs and stay competitive

Adopting sustainable practices for ethical growth and stronger brand loyalty

Investing in technology to streamline operations and improve engagement

Expanding our network and opening new locations to tap into untapped markets, including 20 new pharmacies to reach 45 in total in the UAE

for all our stakeholders



Shareholders

Sustainable growth, predictable returns and disciplined capital allocation



Guests

Better access, convenience, personalization and improved health outcomes



Colleagues

Career growth, safety, purpose and engagement



Society

Greater health literacy and support for underserved areas



Suppliers and partners

Stable demand, transparent practices and co-innovation opportunities



Government and regulators

Support for Vision 2030, preventive health, regulatory compliance

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

For our shareholders

Value created

- **ﷲ 2.6** dividend per share for first half of 2025
- Approved second half of 2025 cash dividend distribution of **ﷲ 3.0** per share
- Delivering solid revenue growth (**+8.1%** in 2025), among the best-in-class operational efficiency
- Highest market capitalization within the Saudi pharmacy retail sector reaching **ﷲ 12.35** billion with **30.3%** return on equity
- Continued investment in strategic growth initiative, including Omnihealth, UAE and digitalization
- Maintaining market leadership position with high brand equity score and Guest engagement score
- Enabling direct communication with the IR team for retail investors, analysts and institutions, ensuring transparency and upholding high standards of corporate governance

Key priorities

- Regular updates on key company matters and financial performance
- Transparent communication with regulatory bodies and market authorities
- Active engagement and information sharing with investors and analysts
- Expand analyst coverage and increase engagement with international institutional investors
- Increased visibility among local and global investors and expanding local and international shareholder base

Engagement channels

- AGM
- Local conference in Riyadh (SCMF 2025)
- Four earnings calls
- Quarterly disclosures (IFSAH, press release, investor presentation and fact sheet)
- Annual Report
- Open channel for a one-on-one meeting with investors (current and potential) and analysts
- Site visits to our facilities (polyclinics, pharmacies and IMDAD Distribution Center)
- IR website, email and direct telephone

How we engaged

- Maintaining active communications with the Capital Market Authority (CMA) and Tadawul
- Hosting four earnings calls and regular investor and analyst meetings
- Operating a dedicated IR department with multiple communication channels
- Annual General Assembly Meeting 2025
- Dedicated section for FAQs and investor tools on the IR website

Engagement frequency

- Daily for market requirements and investor inquiries and meetings
- Quarterly for announcements
- One conference for 2025
- One AGM for 2025
- Twice a year for dividend distribution
- Timely responses to evolving market conditions and regulatory updates
- Key updates as needed

For our Guests

Value created

- Accessible, reliable Omnihealth supported by trusted pharmacists, high-quality medication and affordable generics
- Enhanced value and choice through Private Label tailored to individual needs
- Modern care pathways, including digital consultations, Home Healthcare and integrated primary care through NahdiCare Polyclinics
- Improved adherence and outcomes via Ez-pill and clinically guided medication support
- Seamless Omnichannel experience through e-pharmacist, e-commerce, quick delivery and personalized digital services
- High product availability and fast fulfilment, enabled by IMDAD's best-in-class supply chain capabilities
- Strong trust and loyalty, demonstrated by consistently high NPS scores of **90**
- Curated international assortment, made accessible through Nahdi Global's cross-border platform

Key priorities

- Easy access to medication, healthcare products and trusted advice
- Convenient, efficient and reliable care across physical and digital touchpoints
- Personalized value, offers and experiences through Nuhdeek offering more than **3,500** SKUs and continuously capturing global wellness and consumer trends
- Quick, frictionless fulfilment and home delivery options
- Trusted polyclinical guidance and support for chronic conditions
- Simple, intuitive digital journeys for everyday health needs

Engagement channels

- Pharmacies
- Primary care polyclinics
- Nahdi website
- Nahdi Online app
- Guest Care Center (phone / email / social)
- Digital health services (telemedicine, e-pharmacist)

How we engaged

- Serving more than **84 million** Guests annually across a national Omnichannel network
- Providing care and advice through our pharmacists, polyclinics and digital platforms
- Conducting more than **650,000** telemedicine sessions
- Delivering more than **19 million** monthly e-pharmacist sessions
- Supporting convenience with more than **120,000** Home Healthcare visits
- Powering personalized engagement via Nuhdeek, contributing **67%** of 2025 revenue
- Enabling continuous digital interaction through more than **231 million** annual app and website sessions
- Offering multi-channel support through phone, email and social media guest care centers

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

continued

For our colleagues

Value created

- A safe, inclusive and supportive workplace recognized among the top “Best Places to Work in Saudi Arabia” and achieved the “Best Place to Work in Saudi Arabia for Women” certification
- Enhanced ethical, regulatory and cybersecurity standards across the organization through improved training programs
- Strong career growth supported by structured learning pathways, including the Talent Magnet program, Nahdi Leadership program and succession planning initiatives
- Continuous professional development through workshops and store-crew programs that build both technical and personal capabilities
- Significant internal mobility and advancement opportunities
- Empowerment of young national talent through partnerships with SCFHS and training programs under the WAD II initiative in collaboration with the Ministry of Human Resources and Social Development
- Clinically advanced learning opportunities delivered through scientific healthcare conferences and NahdiCare Polyclinics’ accreditation as a top-performing Life Support Training Center

Key priorities

- Advancing career development through initiatives like the Nahdi Leadership program and the Talent Magnet program
- Providing continuous education opportunities to foster professional growth and skill enhancement
- Maintaining ethical integrity with a strong employee Code of Ethics, cybersecurity training and competition law compliance
- Promoting a safe, inclusive environment with a focus on empowering women in the workplace
- Cultivating a positive culture by investing in internal talent and earning top employee satisfaction through Best Places to Work recognition
- Expanding national workforce development initiatives

How we engaged

- Achieved outstanding engagement results, with **95%** Best Place to Work (BPTW) score in 2025 and **96%** among national pharmacists, reflecting high employee trust and satisfaction

- Delivering **575,000** training hours in 2025, reinforcing employee growth and skill development
- Reinforced ethical and regulatory awareness through comprehensive Code of Ethics, cybersecurity and Competition Law Compliance training
- Supported employee development through the Talent Magnet program, with more than **1,700** participants exploring six career domains and **50** promotions achieved over the past three years
- Developed future leaders through the Nahdi Leadership program, reaching its fourth batch in 2025 and empowering **37** young Saudi talents for dynamic roles
- Enhanced store-crew capabilities through **26** structured training programs, **1,600** workshops and an average of **30** learning hours per crew member
- Promoted strong internal mobility with **700+** employee promotions across store and corporate roles in 2025

- Advancing the pharmacy sector by empowering and developing national talent, training **2,100** pharmacy students across **25** Saudi universities and committing **55,000** training opportunities under the national WAD II initiative
- Empowered national talent through partnership with the Saudi Commission for Health Specialties (SCFHS) to develop Patient Care Technician and Dental Assistant training programs with employment tracks
- Elevated clinical learning excellence through scientific conferences in cardiometabolic health and dentistry and maintained recognition as a top Life Support Training Center by the Saudi Heart Association

Engagement channels

- The “Five I’s” concept empowers our colleagues to align with Nahdi’s vision by Informing them about our goals and values, Involving them in decisions and improvements, Inspiring pride and purpose, Incentivizing desired behaviors through rewards and Instructing them with the training and support needed to succeed, including division-specific engagement calendars with initiatives like Women’s Days, promotion celebrations and more

- “HR Business Partner (HRBP) Closer Than Ever” to be the link between the Human Resources department and other departments and foster a more accessible and supportive HR environment, ensuring our colleagues can easily connect with HR
- Engagement action plans in collaboration with Executive leaders, reviewed quarterly in the talent talk forum to drive continuous improvement



STAKEHOLDER ENGAGEMENT AND VALUE CREATION

continued

For our society

Value created

- Expanded healthcare access across underserved communities and underprivileged individuals in rural areas with screening, chronic care support and essential services. In 2025, Convoys of Hope “Qwafil Al Amal” operated for 93 days across multiple regions, reaching 32,064 beneficiaries, in 21 villages discovering 1,139 undiagnosed diabetic cases
- Advanced preventive health and wellness through the Wazen Hayatak program, providing personalized coaching, digital awareness campaigns and specialized post-operative support for breast cancer patients
- Supported pilgrims during Hajj and Umrah, in collaboration with local authorities, by offering blood glucose tests, blood pressure monitoring and essential health services at high-density holy sites
- Improved the quality of life for vulnerable groups, including 820 orphans in rural communities, by supplying essential goods through nearby Nahdi pharmacies at discounted rates
- Strengthened parental awareness and child development through a dedicated Mom & Baby platform offering expert guidance and digital education

- Recognized nationally for excellence, receiving the Best Company in the Healthcare Sector for Social Responsibility in 2024 and the **Best Practices Track Award (Gold Category)** in 2025 from the Ministry of HRSD (two years in a row)

Key priorities

- Chronic disease screening and control
- Health and well-being of individuals
- Access to wellness services to underprivileged and rural areas
- Accurate medication usage and timing for Guests
- Support for parents
- Healthcare for pilgrims around Makkah and Madinah
- Creating a lasting impact

Engagement channels

- Digital platforms (Nahdi App)
- Social media and online awareness campaigns
- Crowdfunding via Ehsan
- Community outreach and Convoys of Hope “Qwafil Al Amal” mobile medical missions
- Pharmacy and polyclinics footprint
- Collaborations with a Non-Governmental Organization (NGO) and local authorities

How we engaged

- Expanded Wazen Hayatak, achieving **251,302** participants since its inception, collectively achieving **102 tons** of weight loss, complemented by targeted awareness campaigns on obesity, diabetes and healthy lifestyle choices
- Strengthened medication adherence through the free Ez-pill program, helping Guests maintain accurate dosing schedules and improving health outcomes across chronic patient segments
- Launched and scaled the Mom & Baby digital portal, providing professional advice on nutrition, development and parenting to support families across the Kingdom
- Collaborated with the Ehsan platform, enabling Guests to donate to national NGOs supporting chronic disease management, early detection and humanitarian needs
- Delivered mobile healthcare outreach via Convoys of Hope “Qwafil Al Amal” to remote villages, providing essential diagnostics, medication counseling and health education
- Launched the Nahdi volunteering program internally to enable our colleagues to support the community by giving their time, skills and promoting social responsibility

For our suppliers and partners

Value created

- Built strong supplier partnerships with local and global suppliers, serving as a gateway for international businesses to enter the Saudi market via bonded zones or direct distribution models
- Positioned as a preferred partner for medical insurance companies, strengthening mutual benefits through Omnihealth service integration
- Achieved solid growth, fostering mutual success by driving growth for both our Company as well as our local and global suppliers
- Introduced market-leading innovations by collaborating with suppliers to deliver new products and trends, ensuring Guests have access to the latest advances
- Achieved the #1 position in e-Commerce and #1 position in total KSA Pharmacy Advantage Report benchmark, a significant achievement highlighted by The Advantage Group International

Key priorities

- Access to the Saudi market through local channels and infrastructure
- Collaboration with insurance companies to benefit Guests

Engagement channels

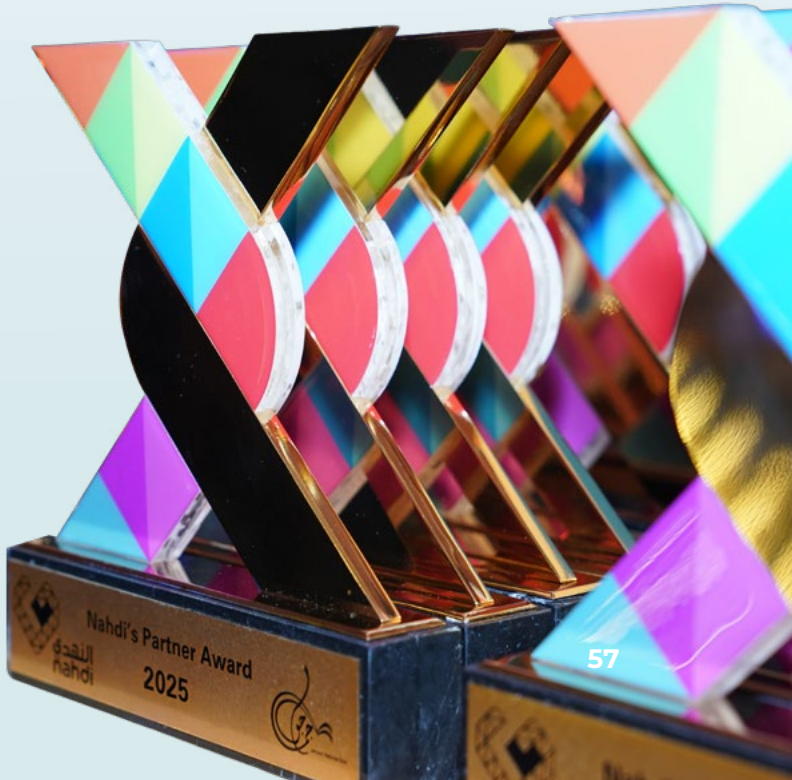
- Engaging through global platforms to build strategic partnerships and enhance collaboration with international suppliers
- Participating in major exhibitions to connect with industry leaders and identify new opportunities for product innovation
- Monitoring global trends to stay ahead of market demands and deliver cutting-edge products to Guests

How we engaged

- Access to Nahdi’s bonded zone through Nahdi Global for global suppliers
- Being named a preferred partner by medical insurance companies

Engagement frequency

- Ongoing, flexible approach to supplier engagement, fostering continuous collaboration without a fixed calendar
- Quarterly reviews with suppliers to understand their needs and explore opportunities for innovation
- Adding ever-increasing value by introducing new products and innovations that benefit Guests



STAKEHOLDER ENGAGEMENT AND VALUE CREATION

continued

For government and regulators

Value created

- Strengthened cooperation with ZATCA to enhance Nahdi Global operations by streamlining customs processes and maintaining full e-invoicing compliance, positioning Nahdi among the early adopters recognized by ZATCA
- With the Ministry of Health (MOH), Nahdi continued aligning our primary Omnihealth services with the Health Sector Transformation program, expanding NahdiCare Polyclinics to **14** polyclinics and supporting national digital health initiatives, such as through active participation in the Global Health Exhibition 2025
- Working to drive Saudization (currently **37.5%** and **21.5%** female contribution)
- With HRSD, Nahdi progressed national workforce development to provide 55,000 training opportunities by 2028 under the WAD II initiative and received the HRSD Best Practices Track Award (Gold Category) in recognition of positive community impact and leadership in social responsibility
- With SFDA, Nahdi maintained full compliance with RSD (Drug Track & Trace) and strengthened collaboration on medication safety and Guest awareness
- With CHI, Nahdi fully activated the National Platform for Health and Insurance Exchange Services (NPHIES) and NahdiCare

- Polyclinics were selected for the pilot phase of the Population Health Management program
- With MODON, collaboration continued to enhance IMDAD's capabilities in support of Saudi Arabia's National Industrial Strategy and the Saudi Green Initiative
 - Building strategic partnerships and fostering effective collaboration with regulatory bodies to strengthen compliance, activate Nahdi's integrated Omnihealth ecosystem and expand its national impact
 - Supporting local production by enhancing the visibility and availability of high-quality Saudi-made pharmaceutical and wellness products across Nahdi pharmacies

Key priorities

- Enhancing healthcare accessibility and improving service quality across the Kingdom
- Ensuring fair competition and adherence to laws and regulations
- Compliance with healthcare regulations on data security standards
- Promoting innovation in health data exchange and cybersecurity

- Ensuring full compliance with national regulatory frameworks and competition policies
- Strengthening cybersecurity and adherence to NCA guidelines through the Himaya program
- Supporting digital transformation initiatives such as health data exchange and e-services
- Advancing workforce nationalization with MOH and upskilling our colleagues in cooperation with HRSD
- Strengthening the presence of Saudi-made products across the network to support national goals for industrial localization and economic diversification

How we engaged

- Aligned with the Ministry of Health's healthcare strategic objectives and participating in national committees, including the Health Sector Committee under the Sector Skills Councils
- Complied with regulations set by the General Authority for Competition and other government bodies
- Partnered with key regulators and stakeholders (e.g. Ministry of Health, SFDA, insurance companies, etc.)

- Adhered to the National Cybersecurity Authority's (NCA) regulations with the Himaya program
- Activated the NPHIES platform for health insurance data exchange
- Implemented the Drug Track and Trace System (RSD) with the Saudi Food and Drug Authority
- Co-created the first bonded zone within IMDAD with ZATCA, to enhance import efficiencies and ensure transparency through digital platforms
- Collaborated with MODON to build the IMDAD Smart Distribution Center, supporting food and medical security for the Kingdom
- Expanded dedicated "Made in Saudi" product displays and increased collaboration with local manufacturers to broaden locally produced SKUs

Engagement channels

- Forming partnerships, MoUs and strategic alliances and regulatory working groups
- Collaborating through diverse programs and events, such as industry conferences, exhibitions and committees
- Engaging through digital platforms (e.g. NPHIES, RSD, e-invoicing, etc)
- Licensing and regulatory support
- Welcoming site visits and high-level delegations



- Participation in government-led conferences and exhibitions
- Integration with digital platforms such as NPHIES, RSD and e-invoicing
- Hosting government delegations and site visits to IMDAD and Nahdi facilities
- Direct collaboration with the Saudi Export Development Authority, providing "Made in Saudi" brands in Nahdi pharmacies, along with joint visibility and sourcing programs

Engagement frequency

- Ongoing/continuous: Monthly insurance operations, continuous licensing, regulatory compliance and policy discussions with MOH, SFDA and the Council of Health Insurance, active participation in regulatory

- programs and continuous work on local sourcing and product availability
- Periodic: Key conferences, exhibitions and ongoing Public Private Partnership (PPP) initiatives...

STRATEGY

A robust foundation for accelerating growth and value creation

Nahdi’s outstanding strategic progress over the last five years, reinforced by another year of focused execution in 2025, has created a diversified, integrated and future-ready platform for long-term value creation. We are building on this momentum to accelerate our evolution into a next-generation Omnihealth and retail leader – expanding access, elevating quality and unlocking new engines of growth in line with the Kingdom’s Vision 2030 transformation.



Our Purpose

We exist to add beats to our Guests’ lives every day.



Our Vision

To be the most loved and trusted health and wellbeing partner for all our Guests.



Our Mission

To exceed our Guests’ expectations by providing superior personalized life care experiences every day, everywhere.



Our Values

Integrity

We aim to deliver on our promises and do what is right - in Nahdi and for our Guests and the entire community.

Leading with purpose

We aim to lead with curiosity and innovation in all that we do for the benefit of our Guests, while remaining true to our mission.

Care

We aim to care for our Guests and respect their preferences, needs and values. We are committed to “going the extra mile” for our Guests each and every day.

Excellence

We aim to work for our Guests with a high level of efficiency and effectiveness and to take ownership of everything we do, while striving to be the “Best in Class”.

Collaboration

We aim to work collaboratively among ourselves, with our business partners and with the entire community to achieve shared success.

OUR STRATEGY AND KPIs IN 2025

During another year of outstanding strategic focus and execution, Nahdi took major strides in expanding our business and proposition to create value for our Guests.



Pharmacy Retail

We will grow our core Pharmacy Retail business, expanding our Guest base and cultivating our Guests' loyalty.



Omnichannel

We will transform our Omnichannel retail footprint - in stores and online - to make a difference to our Guests' shopping and well-being experience.



Omnihealth

We will become a leading Omnihealth platform; the next generation healthcare and wellness hub, building our ecosystem around our Guests.



Strategic Enablers

We will build the right capabilities and capacities to ensure we can deliver on our strategic growth plan and progress towards our vision.

KPIs	• 8.1% growth in total revenue for Nahdi • First Private Label medicine by Nahdi • ﷼ 1.7 billion Private Label contribution • 2M+ new Nuhdeek members • 6.9 equity score • 90 Guest NPS	• 35.5% growth in UAE • 25.8% online contribution to Nahdi with a growth of 26% • 80 new pharmacies bringing total to 1,177 pharmacies in KSA • 20 new pharmacies in the UAE bringing total to 45 pharmacies • 13.8% growth in Providers pharmacies	• 75.3% growth in polyclinics • 4 new polyclinics, bringing the total number to 14 polyclinics in the Kingdom • 8x growth in Wellness Card program • 730,000+ online consultations • 80 Guests NPS • 2 million Guests visited	• 37.5% nationalization • 93% shelf availability • Compliance with new information security regulations • 650+ newly hired national pharmacists • 21.5% female colleagues
2025 Strategic progress	• Strengthened our core retail offering by boosting strategic product categories, enhancing brand image and loyalty and increasing the contribution of Private Label to elevate Guest engagement and drive differentiation • Achieved 8.1% total revenue growth for Nahdi, a 3.9% growth in the medicine category and successfully launched the first Private Label medicine by Nahdi, marking a significant milestone in our product portfolio	• Successfully expanded our Omnichannel retail footprint by achieving significant growth across Saudi Arabia and UAE • In Saudi Arabia, we added 80 new pharmacies, bringing the total to 1,177 pharmacies and achieved a 13.8% growth in Provider pharmacies and delivered a seamless Omnichannel experience with a 26% growth in online contribution representing 25.8% of Nahdi's business • In the UAE, we achieved 35.5% growth, with 20 new pharmacies bringing the total to 45	• Evolved into a leading Omnihealth platform by expanding health services through polyclinics and Home Healthcare, achieving 75.3% growth in polyclinics services and launching 4 new polyclinics, bringing the total to 14, the largest polyclinics expansion in the Saudi market • Further enhanced Nahdi's virtual medical consultation services and introduced Wellness Cards to provide comprehensive and accessible Omnihealth solutions	• Nahdi's Supply Chain division delivered outstanding performance by achieving 93% reliability and 100% planned preventive maintenance • Hiring 650+ national pharmacists, increasing the total to 32.6%, of which 12.6% are females • Significant improvements in technology by migrating key operations to advanced cloud platforms, boosting scalability and efficiency, incorporating AI and machine learning
Risk factors	• Intense market competition • Supply chain disruptions owing to global political environment	• Continuing expansion in a new market (UAE) with different market dynamics against core market (KSA)	• Cybersecurity and data privacy • Medical errors • Market competition	• Regulation changes and requirements • Cybersecurity and data privacy

FIVE YEARS OF STRATEGIC PROGRESS AND GROWTH

A period of disciplined strategic execution and accelerated transformation

Over the past five years, we delivered on our strategic plan and built a stronger, more diversified platform for long-term growth. This period marked a shift from a primarily retail-led business to an integrated health and wellness ecosystem, supported by Omnichannel capabilities, advanced digital infrastructure and a rapidly expanding Omnihealth footprint. Our performance reflects our ability to execute with discipline while investing in the capabilities required to lead the next horizon of healthcare and retail in the Kingdom.

Our progress was driven by strong momentum across core retail, where we enhanced competitiveness, upgraded the in-store experience and strengthened our value proposition for Guests. Digital sales channels became a major engine of growth, transforming the way Guests shop and interact with our brand and enabling a more seamless, integrated journey across platforms. We also expanded our presence beyond the Kingdom, entering new regional markets and laying the groundwork for future profitability.

We advanced meaningful diversification across the business. Private Label evolved into a key success lever of the core, becoming a major driver of differentiation and financial contribution. Our move into Omnihealth reshaped Nahdi, establishing a modern, Guest-centric Omnihealth ecosystem that widens access, deepens engagement and captures high-growth markets aligned with national healthcare priorities. Collectively, these advancements strengthened our foundations and positioned us to scale a more integrated model across retail, digital and Omnihealth.

This five-year transformation created a platform that is stronger, more agile and more future-ready, enabling us to enter the next strategy cycle with confidence and clarity of direction.



Pharmacy Retail

- ~30% market share
- Achieved the highest brand equity score of 6.9
- Implemented strategic pricing adjustments to strengthen competitiveness
- Expanded assortment, quadrupling the number of SKUs
- Doubled Private Label penetration, reaching a 17.4% contribution
- Voted as the most Preferred Retailer Partner in an Advantage Group survey



Omnichannel

- More than tripled e-commerce business, reaching a 25.8% contribution vs. initial target of 12%
- Strengthened market position through the successful launch of the Nahdi Global platform
- Tripled revenue from Provider pharmacies to reach ₪ 1.2 billion
- Generated ₪ 190 million in sales in the UAE
- Improved NPS from 79 to 90
- Delivered ₪ 330 million in revenue from incremental openings



Omnihealth

- Reached ₪ 350 million in Omnihealth revenue exceeding the initial target of ~300 million
- Served 2 million Guests and completed one million telehealth calls totaling two million Guests
- Became the first ambulatory care provider in the KSA to achieve CBAHI, ACHSI and CAP quality accreditations
- Accelerated polyclinics expansion to 14 locations across 9 cities, surpassing the initial target of 10 polyclinics
- Disrupted the diagnostics market by launching a new Lab-at-Home model



Strategic Enablers

- Certified among the “Best Places to Work” in the Kingdom and “Best Places to Work for Women”
- Savings from Refuel program reinvested to power future growth
- Improved retail cash conversion cycle
- Increased overall nationalization from 33% to 37.5%
- Upgraded IT infrastructure through cloud migration and a composable architecture
- Global and bonded-zone supply chain, underpinned by advanced digital infrastructure, delivering resilient operations with 99.9% system reliability, 99% delivery accuracy and 90% on-time performance through end-to-end digitization

OUR 2030 HEART BEATS STRATEGY

Our new 2030 Heart BEATS strategy, launching in 2026, marks the next major phase in Nahdi's evolution and is designed to reshape both our business and the wider healthcare landscape of the Kingdom. It places our Guests at the center of every decision and sets a clear direction built on five strategic pillars: delivering a best-in-class retail offering, elevating our Omnichannel experience, accelerating the growth of Omnihealth, building a technology-enabled future and seeding new opportunities for long-term expansion.

Heart BEATS reflects a bold and disciplined roadmap that will strengthen our leadership across core categories, deepen engagement with female Guests, scale a modern ambulatory care model, transform digital journeys and unlock new business horizons. It aligns closely with Saudi Arabia's Vision 2030 transformation and positions Nahdi to deliver greater value, broader access and improved health outcomes for communities across the Kingdom.

Guests at the Heart of all we do



Drive female-first superior experience



Elevate our Guests from solo to omni-engagement



Empower our colleagues to innovate, grow and elevate every Guest experience



Win with our community by building trust, ensure compliance and be the partner of choice

Best-in-class retail offering



Reinforce leadership in core traffic building categories (Medicine, M&B and PC)



Boost Wellness and Beauty engagement with affluent females



Expand into new categories by leveraging Nahdi Online



Fuel growth by enhancing profitability mix

Elevated Omnichannel experience



Exceed Guest expectations towards seamless convenience



Deliver unique, best-in-class shopping experience for female Guests



Strengthen Nahdi's leadership across key geographies



Enhance store profitability to fuel growth

Accelerate Omnihealth



Position NahdiCare as a national leader in modern ambulatory care



Redefine healthcare through retail growth, innovation and technology



Build a seamlessly connected health ecosystem focused on high-LTV Guest segments



Drive operational excellence to sustain profitable growth

Tech-enabled tomorrow



Transforming Guest and patient experience through personalized and intuitive interactions



Driving sustainable business growth and value capture



Achieving operational excellence and building a scalable platform



Developing a high-performing, data-driven and cyber risk aware organization

Seeding for the future



Explore expansion into relevant new business opportunities

DELIVERING ON THE KINGDOM'S HEALTHCARE VISION

VIBRANT SOCIETY	Vision 2030 Goal	Nahdi's contribution	Planned initiatives
	Healthy lifestyles (preventive health) - Promote preventive healthcare - Increase physical activity - Reduce lifestyle-related disease burden	- Wazen Hayatak enrolled more than 250,000 participants; 102 tons cumulative weight loss achieved - Wellness Cards introduced to expand early diagnostics - Convoys of Hope "Qwafil Al Amal" reached more than 32,000 individuals across 21 villages, identifying 1,139 undiagnosed chronic cases - Launch of Wasfaty across all pharmacies	- Expand Wazen digital screening to increase early detection of pre-diabetes by 20% - Reduce average A1C among enrolled diabetics by 1% - Scale rural outreach to support national prevention KPIs and reach more underserved communities
	Enhanced healthcare access and quality - Improve access to integrated care - Reduce burden on health systems - Strengthen primary and chronic care	- Ez-pill medication adherence increased from 30% → 65%; 56% diabetic adherence 96,000 refills, 700,000 dose reminders delivered 14 NahdiCare Polyclinics operating across 9 major cities 120,000 Home Healthcare visits	- Increase chronic medication adherence to ≥50–60% across target cohorts - Expand integrated chronic care pathways combining pharmacies, polyclinics, digital health - Extend Home Healthcare offering for elderly and chronic patients
	Elevated pilgrim services Enhance experience and health services for pilgrims	- Convoys of Hope "Qwafil Al Amal" mobile medical missions supporting peak-season pilgrim care ~18,000 pilgrims served	- Expand polyclinic and pharmacy support during Hajj season - Enhance on-site diagnostics and medication accessibility at key crowd zones

THRIVING ECONOMY	Vision 2030 Goal	Nahdi's contribution	Planned initiatives
	Investment, innovation and private sector participation - Increase private sector role in healthcare (25% to 65%) - Drive innovation and technology adoption	- Pioneered the region's first Omnihealth platform integrating pharmacies, polyclinics, telemedicine, diagnostics and home care - a model directly supporting HSTP's private sector expansion mandate - Expanded telemedicine to 130+ cities, with 730,000+ virtual consultations delivered	- Scale Omnihealth ecosystem to cover more cities and patient segments - Introduce more advanced digital health journeys to support Vision 2030's digital-first mandate
	Fiscal sustainability and affordability - Reduce healthcare system costs - Improve affordability of essential medicines	- Launch of new Private Label medicines offering cost-effective alternatives - Partnerships with 12 local manufacturing companies to strengthen national drug localization	- Expand Private Label formulary to reduce medicine expenditure for households and national health systems. - Strengthen local manufacturing partnerships supporting Saudi industrial diversification
HSTP	Logistics and supply chain transformation - Position KSA as global logistics hub - Advance special economic zones and healthcare supply chain resilience	- IMDAD delivered improved Days of Stock control and automation upgrades 422,000+ diagnostic tests conducted under CAP standards (supporting quality infrastructure) - Launch of Nahdi Now 30-minute delivery service across the Kingdom	- Advance IMDAD digital automation and predictive planning - Expand bonded zone operations supporting localization and faster medicine availability nation-wide
	Digital transformation targets - Achieve 100% population coverage of unified digital health records - Enable integrated digital health journeys	- e-prescriptions implemented at 1,177 pharmacies with full synchronization 1.5+ million NahdiCare members accessing integrated digital health records via Nahdi App	- Expand unified digital medical records access across the full Omnihealth ecosystem - Introduce deeper patient history integration, diagnostics visibility and treatment reminders
	Increasing national coverage of health services Expand coverage across all regions, including peripheral and rural areas	- NahdiCare Polyclinics increased from 9 to 14 locations - Pharmacy network coverage across 140+ cities and villages - Telemedicine offering now reaches 140+ cities	- Open new polyclinics in underserved cities - Extend rural Convoys of Hope "Qwafil Al Amal" outreach to more villages - Increase digital health coverage to minimize geographic barriers

STRATEGIC PARTNERSHIPS

Strengthening the healthcare ecosystem with our partners

In 2025, we deepened and expanded a powerful network of public, private, academic and industry-leading partners who share our commitment to advancing healthcare in Saudi Arabia.

These partnerships enabled stronger integration, broader access, enhanced compliance and meaningful innovation across every part of our ecosystem. Together, they reinforced our role as a trusted national operator aligned with Vision 2030 and strengthened the foundations for long-term value creation for our Guests, partners and the Kingdom.

Government



Ministry of Health (MOH)

Our collaboration with the Ministry of Health exemplifies effective Public Private Partnership, supporting national healthcare priorities and the goals of Saudi Vision 2030. As a member of the Health Sector Committee, we contributed to skills development, workforce readiness and digital health advancement. In 2025, we took part in the Global Health Exhibition and were recognized by H.E. the Minister of Health for our leadership and impact in the healthcare sector across the Middle East. The recognition also marked the CEO of Nahdi Medical Company's achievement in ranking the 10th among the top 100 Healthcare Leaders in 2025.



Saudi Food and Drug Authority (SFDA)

We continued to collaborate with SFDA on the implementation of the Drug Track and Trace System for pharmaceutical products (RSD), ensuring full end-to-end traceability of medicines and reinforcing safety, quality and compliance across our pharmacy network. This partnership remains central to strengthening medication integrity, preserving the reliability of pharmaceutical supply chains and upholding national pharmaceutical standards.



Council of Health Insurance (CHI)

In 2025, Nahdi became the first pharmacy sector provider to fully implement insurance operations through the NPHIES platform. This initiative facilitated the seamless exchange of health and insurance information and strengthened operational efficiency. CHI selected NahdiCare Polyclinics for the pilot phase of the Population Health Management program and Nahdi won the CHI award for primary care providers. We also co-hosted the first NahdiCare Cardiometabolic Symposium in Riyadh, reflecting a practical commitment to improving healthcare outcomes.



Ministry of Human Resources and Social Development (HRSD)

Our collaboration with HRSD focused on empowering national talent, including providing 55,000 training opportunities under the WAD II initiative. HRSD awarded Nahdi the Best Practices Track Award (Gold Category), recognizing our positive community impact and leadership in social responsibility.



Zakat, Tax and Customs Authority (ZATCA)

We strengthened cooperation with ZATCA through ongoing activation of the first Free Customs Zone at IMDAD and adoption of digital regulatory solutions, including e-invoicing. In 2025, we advanced bonded-zone expansion in Riyadh in collaboration with SMSA, enhancing transparency and supply-chain efficiency.



Saudi Export Development Authority - Made in Saudi Program

Our partnership with the Saudi Export Development Authority, representing the Made in Saudi program supported the expansion of national pharmaceutical and medical products and boosted local manufacturing. In 2025, we achieved a 20% Local Sourcing Ratio and enhanced the visibility of Saudi-made items with dedicated in-store displays, reinforcing national industrial diversification.



Saudi Commission for Health Specialties (SCFHS)

Our partnership with SCFHS advanced national talent development through accredited Health Academy programs, including Patient Care Technician and Dental Assistant pathways. In 2025, NahdiCare Polyclinics organized a medical symposium and conference, accredited by the Commission as part of Continuing Medical Education (CME) programs, this initiative aimed to advance the professional development of healthcare practitioners, expand training opportunities and support the qualification of Saudi talent to join the healthcare workforce. This collaboration strengthens clinical capability and aligns with Vision 2030 workforce priorities.



National Unified Procurement Company (NUPCO)

Our strategic partnership with NUPCO activated nationwide Wasfaty services across Nahdi pharmacies, enabling broader access to digital prescription dispensing. The collaboration expanded healthcare reach and now supports the dispensing of nearly 830,000 medical prescriptions monthly, enhancing convenience and national medication accessibility.



MODON (Saudi Authority for Industrial Cities and Technology Zones)

We continued working with MODON to advance IMDAD's best-in-class logistics infrastructure in alignment with the National Industrial strategy, supporting Saudi Arabia's ambition to become a global logistics hub through an advanced operational framework that enhances supply chain efficiency.

STRATEGIC PARTNERSHIPS continued

Corporates



Cross-continental partnership: Raia Drogasil (Brazil) and Clicks (South Africa)

In 2025, we launched a first-of-its-kind global pharmacy partnership with Raia Drogasil (Brazil) and Clicks (South Africa), driving mutual learning across AI, private label, commercial growth and healthcare services. This alliance lays the foundation for joint innovation and operational excellence across continents.

Emerge (Masdar-EDF joint venture)

We partnered with Emerge to develop a three megawatt-peak (MWp) rooftop solar installation at IMDAD, supporting the Saudi Green Initiative and reducing our carbon footprint. This project deepens our commitment to sustainable energy, operational decarbonization and minimizes environmental impact.



Microsoft

Our strategic collaboration with Microsoft accelerated our data and analytics transformation, modernizing our data warehouse and governance framework. This partnership enhances AI-driven insights and personalization across our ecosystem and strengthens the foundations for long-term digital growth.



Gartner

We partnered with Gartner to benchmark global best practices and develop a future-ready Supply Chain Excellence Model, supporting our ambition to build one of the region's most advanced logistics operations.

Non-profit organizations

Our partnerships with leading charities enabled nationwide support for vulnerable populations. Through the Convoys of Hope “Qwafil Al Amal” which launched during the Hajj season of 1446 AH, we delivered medical care to remote areas and Hajj pilgrims en route to Mecca. Our Hajj Convoys of Hope “Qwafil Al Amal”, in participation with Al Hayat NGO won second place for Excellence in Serving the Pilgrims. We also partnered with Zahra Breast Cancer Association on awareness and care initiatives.

Accredited universities

We expanded academic partnerships to strengthen early-career development across pharmacy, healthcare and related fields. Through collaborations with 25 pharmacy colleges, the Nahdi Academy trained 2,100 students. In 2025, Harvard Business School selected Nahdi as a national case study to examine the integrated Omnihealth ecosystem, while we renewed our partnership with King Saud University to deepen academic cooperation.

Suppliers and vendors

In 2025, we deepened our healthcare collaboration by forming 13 new partnerships with hospitals, medical centers and polyclinics,

bringing the total number of healthcare partners to 70. This expansion added 26 new provider pharmacies and digitally linked 6.9 million prescriptions, further enhancing convenience, strengthening continuity of care and elevating the overall guest experience.

Polyclinics and hospitals

We expanded integrated care by partnering with 13 new hospitals and polyclinics, growing our network to more than 70 provider partners. In 2025, we added 26 new Provider pharmacies and digitally linked 9.6 million prescriptions, improving convenience, continuity of care and chronic-condition support.

Medical insurance companies

Our partnerships with leading medical insurance companies strengthened chronic-care management and medication adherence. In 2025, we signed a strategic agreement with Bupa Care Connect to activate the Ez-pill service, improving support and treatment continuity for insured Guests.



TECHNOLOGY AND INNOVATION

Enabling the integrated ecosystem

Technology and innovation solidified its role as the central engine driving Nahdi's corporate strategy in 2025, enabling a fully integrated, digital-first Omnihealth and retail ecosystem.

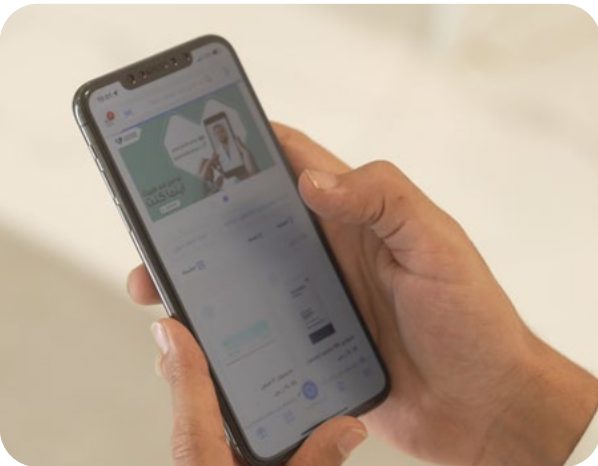
Our approach ensures seamless interactions across the Omnihealth ecosystem, achieving both operational efficiency and unparalleled value delivery for our Guests.

Building upon the successful modernization of our enterprise data platform, we advanced the adoption of innovative solutions powered by AI and machine learning (ML) throughout the year. By leveraging our cloud-based data and AI platforms, we have moved beyond foundational capability to unlock advanced features that drive greater efficiency, scalability and significantly enhanced Guest experiences.

Our technology and innovation strategic roadmap

Our technology and innovation strategic roadmap reflects our deep commitment to leveraging advanced technologies to generate value for our Guests, partners and stakeholders. This roadmap is designed to drive rapid scalability, continuously improve the Guest experience and sustain operational excellence, positioning us at the forefront of technological innovation in health and retail.

With a focus on enhancing agility and resilience, our approach to technology and innovation is built on a solid foundation that includes:



Composable architecture

We continue to utilize a composable architecture to ensure agility and system scalability. This supports our flexible e-commerce structure and enables the creation of a digital-first Omnihealth ecosystem leveraging interoperability. In 2025, we modernized our cloud-based microservices integration layer, a critical step that enabled real-time communication between the mobile application and fulfillment points.



Cloud-first approach

Our cloud transformation continued to reshape operations across the business. Guest engagement platforms and store operations rely on cloud technology for heightened reliability and enhanced scalability. We successfully upgraded our in-store infrastructure to the latest generation platform, introducing self-checkout and mobile-enabled tools for our store teams, resulting in a faster, more connected retail environment.



Enterprise data and AI partnership

The partnership with Microsoft, established in 2024, continued to accelerate our ambitions in advanced analytics, leveraging state-of-the-art AI technology to drive deeper insights and provide personalized experiences for our Guests.

Technological transformation and achievements in 2025

Our execution focused on advancing five primary technological pillars:



Enterprise data and analytics maturation

We achieved the full rollout of the Data Intelligence Hub, enabling enterprise-wide reporting, visualization and performance insights through Power BI. This transformation successfully democratized data access and embedded analytics directly into everyday decisions, empowering teams to act with heightened confidence and speed.



AI and machine learning at scale

AI and ML are now integrated into Nahdi's core business processes. Our advanced analytics engines actively power demand forecasting, inventory optimization and location intelligence for smarter planning and execution. We deployed AI-powered promotion optimization and merchandising analytics, which refined offer design, measured campaign performance and improved product mix decisions, driving incremental sales across both retail and e-commerce.



Generative AI (GenAI) adoption

We introduced Generative AI (GenAI) tools to enhance productivity, insight generation and Guest engagement. GenAI is set to act as a digital co-pilot for teams across our Company, automating reporting and enabling conversational access to data for executive decision-making and self-service analytics. Furthermore, we advanced AI integration across key corporate functions, including smarter candidate matching in HR and real-time AI validation in insurance.



Omni-integration and Q-commerce excellence

We successfully relaunched the Nahdi App with a modernized cross-platform architecture, prioritizing ease of use, faster navigation and reduced checkout time. This redesign integrated new features, notably Buy Now, Pay Later (BNPL), offering Guests greater flexibility. Our Q-Commerce initiative, Nahdi Now Delivery, was successfully launched, providing rapid 30-minute delivery across key cities, powered by automated, real-time order orchestration and leveraging enhanced supply chain operations. We also introduced Nuhdeek Shop, an innovative digital marketplace for redeeming loyalty points at special rates.



Secure ecosystem and compliance

We achieved a major milestone in 2025 by obtaining both ISO 27001 and ISO 22301 certifications. These certifications underscore our unwavering commitment to meeting global information security standards and reflect the maturity of our Information Security Management System (ISMS), ensuring we safeguard data and maintain a resilient cybersecurity posture.

TECHNOLOGY AND INNOVATION

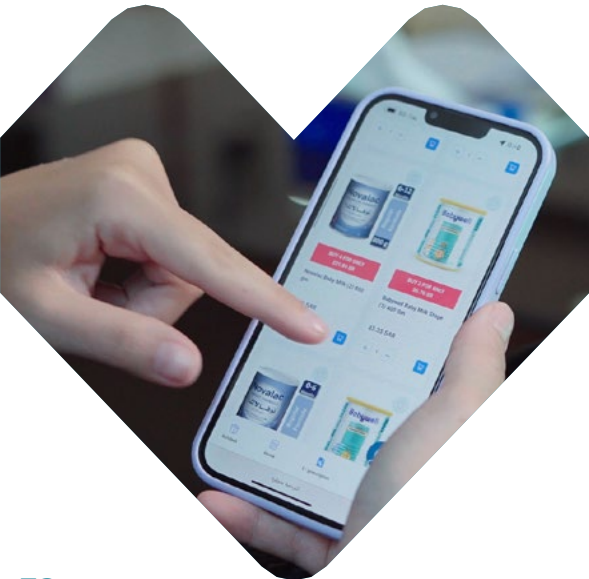
continued

Amplifying value for our guests

We continue to amplify value for our Guests by applying our technology strategy in targeted ways that create more personalized digital journeys, enhance accessibility across every touchpoint and reinforce the trust placed in us when Guests share their data. Our vision is to build a smarter, more intuitive ecosystem that adapts to individual needs while delivering consistently seamless experiences across channels.

A major focus this year was advancing intelligent personalization. We evolved our AI-powered loyalty and engagement ecosystem by integrating data, analytics and automation to deliver tailored interactions at scale. The Nuhdeek Digital Wallet now acts as the central hub of this ecosystem, unifying rewards, cashback and personalized offers into one cohesive digital experience that strengthens engagement and helps Guests make better informed choices.

We also improved digital convenience across our platforms. The relaunched Nahdi App now features faster navigation, quicker load times and a significantly reduced checkout experience, helping Guests complete their journeys with minimal friction. Inside our stores, next-generation systems introduced self-checkout capabilities and mobile-enabled tools for our store crews, enabling faster service and greater efficiency.



Seamless and integrated digital Omnihealth

Our digital ecosystem is transforming healthcare access by creating a seamless, fully integrated experience that connects Guests to the services they need with greater efficiency, trust and convenience. By unifying polyclinic, retail and digital touchpoints, we are building a model that supports the Kingdom's digital health ambition while making care more accessible and intuitive for every Guest.

A key milestone this year was establishing national interoperability and digital integration across our Omnihealth platforms. We developed the integration backbone that connects Nahdi's systems with major government healthcare infrastructure, including Wasfaty. This achievement enables real-time and secure prescription validation, improves the accuracy and speed of service delivery and positions us as an active contributor to Saudi Arabia's Vision 2030 digital health objectives. It also reinforces our role as a trusted partner within the broader healthcare ecosystem.

We continued to expand our wellness offerings through deeper integration across our Omnihealth platform. By linking the Wellness Card ecosystem with third-party laboratories, Guests can now book, purchase and redeem lab-based wellness services seamlessly through NahdiCare Polyclinics. This integration broadens our reach across the Kingdom, strengthens the connection between wellness and polyclinical care and enhances accessibility for Guests seeking preventive and diagnostic services.

We also amplified loyalty value through the launch of Nuhdeek Shop, which enables Guests to redeem accumulated points for differentiated products and services. This enhancement strengthens engagement within our ecosystem and increases the everyday utility of our loyalty program, reinforcing our commitment to rewarding and elevating the Guest experience.

Accelerating operational and financial value creation

By executing our technology roadmap, we generated meaningful operational and financial value while strengthening our market position and building a more scalable, intelligent and resilient enterprise. These advancements reflect our focus on applying technology where it delivers the greatest impact for our Guests, our teams and the overall performance of the Company.

We made significant gains in operational efficiency through targeted automation and AI-enabled decision-making. Our composable architecture, built on a new microservices layer, now allows us to scale systems seamlessly and maintain stronger backend reliability as our ecosystem grows. These improvements reduce friction, support smoother digital experiences and prepare our platforms for future expansion.

Our commercial performance also benefited from the integration of advanced analytics across key functions. AI-powered promotion optimization and merchandising analytics contributed directly to improved commercial outcomes, while smarter supply chain and location intelligence tools enabled more accurate, demand-driven planning. These capabilities enhanced product availability, reduced inefficiencies and strengthened execution at scale.

We continued to accelerate insight generation across the organization by deploying GenAI tools as digital co-pilots. Conversational insight engines and GenAI-enabled executive dashboards now speed up data interpretation and decision-making, helping teams respond faster to trends and operational needs. This shift elevates the quality, accuracy and timeliness of strategic and tactical decisions.

Loyalty performance also improved meaningfully. Increased Nuhdeek Wallet activation, deeper personalization and automated engagement journeys contributed to stronger Guest retention and higher program value, reinforcing the central role of loyalty within our ecosystem.

Technology and innovation in 2026

In 2026, we will build on the foundations established this year by scaling our core capabilities and ensuring that our technology investments create compounding value for the business, our Guests and all stakeholders. Our focus will be on enabling a future powered by technology solutions, accelerating the impact of AI, deepening platform integration and strengthening the digital resiliency required to support our long-term growth ambitions.

A major priority will be advancing AI-driven personalization. We aim to scale predictive and prescriptive analytics, enhance the intelligence of our engagement engines and further expand the capabilities of our loyalty and digital wallet platforms. This will allow us to deliver even more precise, timely and relevant interactions while creating stronger, more differentiated Guest experiences.

We also intend to broaden the organizational adoption of Generative AI. By embedding GenAI across additional functions, we expect to unlock smarter automation, richer insights and faster decision cycles. These tools will act as digital accelerators, helping teams work more efficiently and focus on higher-value activities.

Omnichannel expansion will remain another area of emphasis. We plan to scale the Nahdi Now delivery service to reach a wider Guest base, reinforcing our position as a convenience leader and ensuring that Guests can access care and retail services whenever and however they need them.

We will continue strengthening secure ecosystem integration, deepening the connections across our health and retail platforms. These efforts will move us closer to a truly connected Guest journey, where information, services and interactions flow seamlessly across touchpoints.

Finally, we will advance the resilience and scalability of our digital platforms. By maintaining a cloud-native architecture and enhancing analytics, automation and system reliability, we will ensure that our technology backbone continues to support sustainable growth and the expanding needs of our Omnihealth ecosystem.

ADVANCING NAHDI'S DISTRIBUTION NETWORK



In 2025, Nahdi's Supply Chain demonstrated exceptional agility and excellence, achieving record service and efficiency levels that empowered Nahdi's highest sales performance to date.

Through advanced replenishment, strategic partnerships such as SMSA and Gartner and continuous optimization across logistics and imports, we enhanced availability and maintained cost efficiency despite market challenges. The inauguration of our UAE Distribution Center, ISO certification and Wasfaty enablement reinforced our regional leadership and commitment to quality. With a focus on innovation, sustainability and collaboration, Nahdi's Supply Chain continues to set new benchmarks for operational excellence in Omnihealth.

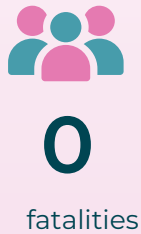
Nahdi's distribution network

Five Strategic Distribution Centers	162 active trucks fully equipped to deliver healthcare and pharmaceutical products	~150 cities and villages covered	2,000+ Nahdi Global daily transactions
140,000 sqm	3,000+ pallets received/day	14 NahdiCare Polyclinics	1,222 Nahdi stores
800,000+ units picked/day	3,000+ delivery drops/week	48,000 km/day	



2025

Operational performance



ADVANCING NAHDI'S DISTRIBUTION NETWORK

continued

Building a resilient, efficient and future-ready supply chain

In 2025, Nahdi's Supply Chain delivered one of its strongest performances to date, achieving record service, efficiency and reliability levels that directly enabled our highest sales growth. The year was marked by significant advancements in replenishment accuracy, logistics excellence and strategic partnerships, all of which strengthened Nahdi's ability to serve Guests nationwide and support the expansion of our Pharmacy Retail, Omnichannel and Omnihealth businesses.

Through disciplined execution and investment in digital capabilities, the division increased availability to 93%, the highest level recorded in two years, while maintaining cost efficiency despite volume growth, inflationary pressures and rising diesel prices.

Powering growth through an advanced distribution network

Nahdi operates one of the largest and most advanced Omnihealth distribution networks in the region, providing fast, reliable and nationwide fulfillment. The network spans five strategic distribution centers across Riyadh, Jeddah, Abha and Dubai, covering 140,000 square meters and serving nearly 150 cities and villages. It supports 1,222 pharmacies, 14 NahdiCare Polyclinics and more than 2,000 daily transactions for Nahdi Global, operating around the clock on a 24/6 basis to ensure uninterrupted product availability.

Every day, the network receives more than 3,000 pallets and processes approximately 800,000 units with delivery routed through a fleet of 162 trucks fully equipped for healthcare and pharmaceutical products, traveling more than 48,000 kilometers daily. With over 3,000 drops completed each week, the logistics backbone is a critical enabler of Nahdi's Omnihealth and Omnichannel model, supporting rapid delivery services, store-to-home fulfillment and our expansion across both Saudi Arabia and the UAE.

Enabling strategic expansion across the region

A major milestone of 2025 was the inauguration of the new UAE Distribution Center, which enhances regional supply resilience, supports the growing pharmacy network in the Emirates and unlocks future cross-border capabilities. At over 2,000 square meters, the regional facility in the UAE extends the level of services we aim for our Guests using the latest system WMS. The Dubai hub strengthens last-mile efficiency, improves replenishment cycles for UAE pharmacies and reinforces Nahdi's emerging regional footprint.

Across Saudi Arabia, bonded-zone operations in Riyadh improved inbound logistics speed and reduced cycle time for high-penetration markets, contributing to the division's strong availability performance. Extending our global strategic partnership with SMSA to enable our supply chain to provide closer, yet reliable service to our Guests in Riyadh and the UAE.

Driving excellence through the PULSE strategy

Nahdi advanced our multi-year PULSE strategy, which focuses on Planning, Utility, Logistics, Safety and Quality and Excellence.

In **Planning**, we implemented AI-powered simulations, lean inventory modeling and integrated forecasting to support improved demand planning and smarter replenishment.

In **Utility**, we expanded renewable energy initiatives by powering the IMDAD Distribution Center with solar panels contributing to the reduction of CO₂ annually and contributing to Vision 2030 sustainability goals.

In **Logistics**, we strengthened our network to support more than 50% projected online growth through optimized routing, smart fulfillment models and enhanced coverage across Saudi Arabia, the UAE and GCC markets.

Safety, Quality and Compliance remained a priority, with best-in-class safety practices, full Total Quality Management (TQM) integration and strict regulatory compliance embedded across every operational step.

Finally, **Excellence** focused on optimizing cost-to-serve, reducing waste, automating manual processes and maintaining supply chain costs below 2% of revenue. These operational improvements have directly enhanced the performance of our frontline teams.

Outstanding operational performance

Nahdi's Supply Chain delivered strong results across all KPIs in 2025. System reliability reached 99.9%, delivery accuracy was maintained at 99% and on-time delivery performance reached 90%. Inventory accuracy at distribution centers rose to 99%, supporting smooth operations, improved cost control and effective stock management.

Guest defect rates were exceptionally low at 0.01%, reflecting rigorous quality control and a strong culture of operational excellence. Regulatory audits achieved 100% compliance with zero non-conformities, supported by ISO 13485, ISO 9001, ISO 14001 and ISO 45001 certifications that underscore the robustness our quality and safety systems. Nahdi closed the year with a strong safety record, reporting only one Lost Time Accident and zero fatalities, with 241 consecutive days of safe operations.

Integrating the above has allowed us to improve the responsiveness and reliability of the entire operational process, thereby enhancing the services with the front lines which supported an eight point increase in our NPS score to reach 78 this year.

Sustainability and environmental stewardship

In 2025, Nahdi advanced a comprehensive sustainability agenda across our supply chain, completing the full transition to a paperless Quality Management System. This shift delivered real-time visibility, faster approvals and measurable reductions in environmental impact, reinforcing the division's commitment to efficiency and responsible operations.

Energy optimization and resource conservation were prioritized through expanded conservation programs, on-demand automation controls and enhanced recycling processes. These initiatives resulted in the recycling of more than 1,084 tons of carton, 1,631 tons of wood pallets and 76 tons of plastic. The elimination of diesel forklifts further reduced emissions by approximately 2,568 tons of CO₂ per year, strengthening Nahdi's low-carbon transition.

The IMDAD Green Initiative delivered additional environmental gains, including the development of more than 8,000 square meters of green landscaping. Water stewardship improved through IMDAD's on-site water treatment facility, which processed an estimated 3.7 tons/year of grey water annually for reuse.

Sustainable packaging also became a core focus area. Nahdi committed to transitioning to biodegradable shopping bags, reducing nearly 1,690 tons of traditional plastic annually, while reusable packaging programs replaced carton boxes with durable plastic containers - saving approximately 5.45 million cartons in 2025 alone.

A major milestone was achieved through Nahdi's partnership with Emerge to deploy rooftop solar panels at the IMDAD facility. The three MWp distributed solar project will supply clean energy and avoid more than 3,000 tons of CO₂ emissions annually. This investment reflects Nahdi's alignment with Vision 2030's sustainability goals and further positions Nahdi as a national leader in environmentally responsible Omnihealth operations.



ADVANCING NAHDI'S DISTRIBUTION NETWORK continued

Enhancing value through partnerships, technology and innovation

Strategic partnerships continued to strengthen the Supply Chain's capabilities. Collaborations with SMSA enhanced delivery reliability, while engagement with Gartner supported long-term capability building and benchmarking against global supply chain leaders. Partnerships with key suppliers, including P&G and Unilever, advanced joint innovation efforts and enabled the first-ever trial of electric truck deliveries to support the sustainability agenda. Nahdi also organized our first international retail pharmaceutical logistics conference with global players Clicks and Ria, positioning Nahdi as a thought leader in regional supply chain transformation.

Investments in digitization and AI enhanced visibility and decision-making across the value chain. End-to-end dashboards provided real-time insights into inventory and orders, supporting pharmacists and improving Guest experience. Machine learning tools optimized replenishment and route planning, reducing stock-outs and improving transportation efficiency. AI models were also deployed to validate ingredients of imported items for ZATCA compliance, avoiding an estimated ₪ 5.9 million in costs over five years.

The supply chain demonstrated strong agility, supporting a 25% increase in seasonal and exceptional activity while maintaining investment at only 1.5% of total supply chain costs, in line with international benchmarks, enabling national healthcare transformation

Empowering the national transformation in healthcare

Supply Chain played a central role in supporting the rollout of the Wasfaty e-prescription platform. Advanced temperature-controlled logistics and a central control tower ensured compliance with cold-chain requirements, monitored delivery conditions in real time and safeguarded medication integrity across all journeys. Seamless integration with digital order management enabled accurate fulfillment, efficient prescription processing and high service reliability for Guests and providers.

Looking ahead, the division is optimizing our network of more than 1,220 stores and 14 polyclinics to strengthen our readiness to support emerging national healthcare initiatives, with the flexibility to integrate with platforms such as the Council of Health Insurance (CHI) and the Ministry of Health.

Developing talent and capabilities for the future

The Supply Chain Academy continued to build a strong pipeline of talent, delivering more than 4,700 learning hours to 120 participants in 2025. The program expanded its leadership tracks and achieved measurable improvements in competency, reflecting our impact on professional development, career progression and succession planning.

2026 Outlook

Nahdi's supply chain focus in 2026 will place a stronger emphasis on scale, intelligence and sustainability, as we continue to serve as the backbone of the Omnihealth ecosystem. The network will build on the PULSE model to deliver faster fulfillment, reduce structural costs and create a more adaptive operating environment that supports our expanding retail, digital and polyclinical platforms.

Planning will become AI-orchestrated, with advanced simulations, lean inventory modeling and integrated demand-supply planning rolled out across the entire network. These capabilities will allow us to respond dynamically to shifts in Guest demands, ensure the right products are positioned closer to consumption points and align fulfillment planning with financial and operational targets.

Utility optimization will remain a core focus, with accelerated deployment of renewable energy solutions and energy-efficiency programs across the supply chain. Logistics capabilities will scale to support +50% online growth, enabled by expanded bonded-zone operations, improved cross-border flow from the UAE and GCC and smarter last-mile routing.

Safety, quality and compliance will remain uncompromising priorities. In 2026, we will embed best-in-class safety and TQM protocols across every fulfillment node, supported by vendor-assurance programs, enhanced cold-chain management and full integration of Omnihealth handling standards.

Excellence will guide every aspect of operational execution, with a targeted reduction in supply chain costs as a percentage of revenue-driven by automation, robotics, SKU-level optimization and refined inventory placement. Collectively, these initiatives will position Nahdi to operate one of the most advanced and resilient supply chain networks in the region.



MARKET OVERVIEW

A dynamic healthcare landscape creating long-term growth potential

Saudi Arabia's healthcare and retail environment is undergoing a rapid structural change driven by shifts in demographics, rising expectations for convenience and digital access and strong national momentum under Vision 2030. These forces are expanding market demand and creating significant opportunities for integrated, technology-enabled healthcare platforms.

01

Female empowerment and demographic shifts

Female Guests are the primary decision-makers in pharmacy and healthcare, responsible for 85% of household purchases and 80% of healthcare decisions. Their influence continues to grow as women take on an even greater role in economic life.

Female employment is rising from 35% today toward 40% by 2030, while total female disposable income is expected to reach ﷲ 383 billion by 2030.

The number of women aged 15 and above will also increase from 9.2 million to 10.9 million, supported by average salaries rising from take over 75,000 in 2022 to approximately ﷲ 90,000 by 2030.

Demographics amplify these trends. A full 57% of females in Saudi Arabia are under 30 and younger consumers are driving strong growth in front-shop categories such as beauty, wellness and Mom & Baby. Their preferences are evolving quickly, creating increased demand for digital, convenient and experience-led healthcare retail.

Female economic power transformation (2022–2030)

Growth in women aged 15+ (9.2 million to 10.9 million)

Rising female employment (35% to 40%)

Increase in female disposable income (to ﷲ 383 billion)

How Nahdi responds

- Prioritizing winning with female Guests across the Kingdom by tailoring experiences, products and services to their evolving needs.
- Understanding and addressing the shifting expectations of younger generations whose preferences increasingly shape front-shop demands.
- Delivering differentiated offerings across the female life cycle - emphasizing beauty and wellness for Millennials (1981–1996) while providing more integrated health solutions for Gen X Guests (1965–1980).

02

Increased competition from within and adjacent sectors

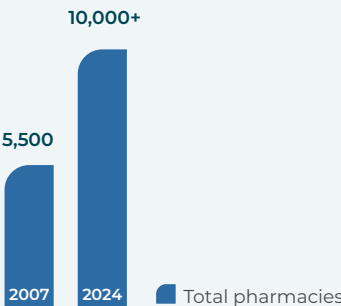
Competition in pharmacy retailing is intensifying. More than 1,000 new pharmacies have opened in the last five years, contributing to market growth from 5,500 pharmacies in 2007 to more than 10,000 in 2024.

New pressures are coming from multiple fronts. Smaller pharmacy chains are capitalizing on government programs such as Wasfaty to drive traffic. Supermarkets are expanding

into pharmacy using their existing footfall advantage. Quick-commerce platforms are raising expectations for delivery speed and convenience.

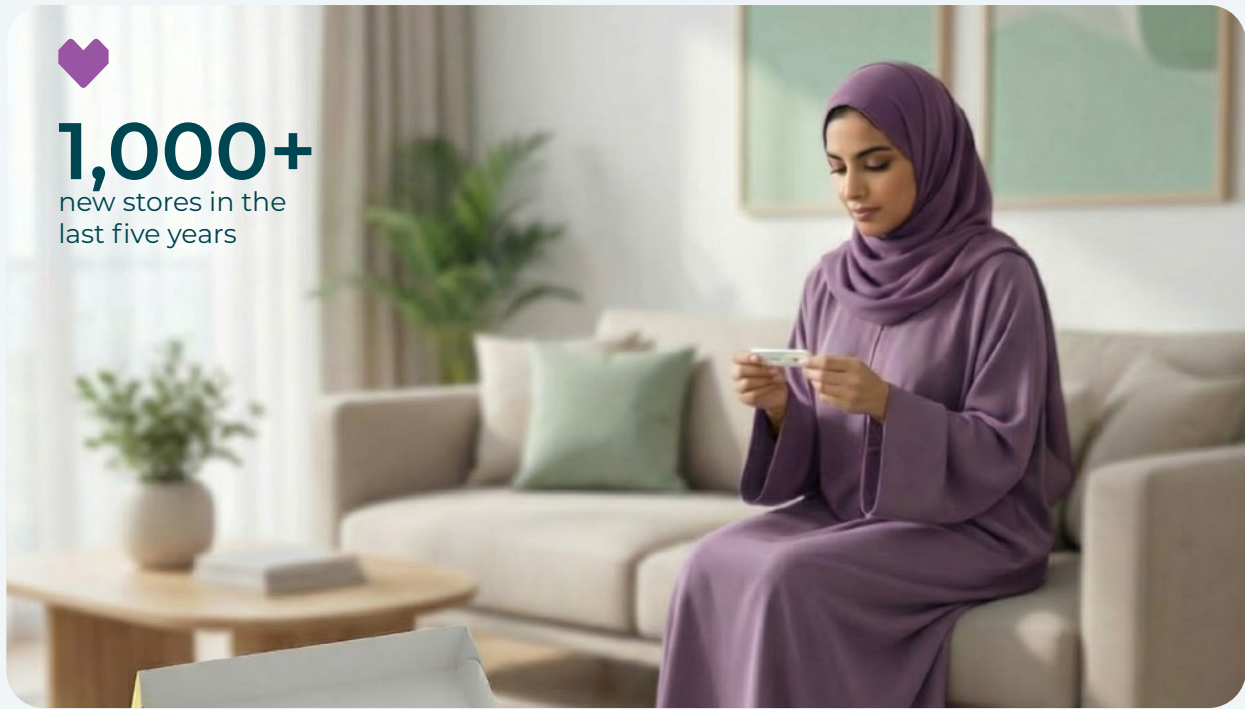
Discounters are influencing value perception, particularly in front-shop categories, while mall-based beauty retailers are attracting female Guests with experiential formats and specialized assortments. Internationally, similar dynamics in the US and UK have led to consolidation, store closures and profitability pressures, highlighting the importance of scale and differentiation.

Pharmacy market expansion and competitive pressure (2007–2024)



How Nahdi responds

- Proactively engaging with Guests on emerging traffic drivers in beauty and wellness to reinforce Nahdi's leadership.
- Driving a more profitable category mix and expanding Private Label to support further investment in scale and differentiation.
- Defending and strengthening pharmacy leadership by deepening convenience, value and proximity advantages.



1,000+
new stores in the
last five years

MARKET OVERVIEW continued

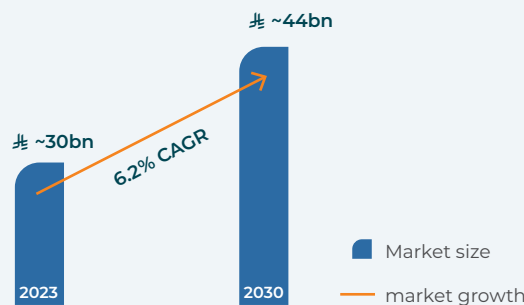
03

Rising demand for convenient outpatient and digital health services

Healthcare presents one of the strongest growth opportunities in the Kingdom. The outpatient private market is expected to grow from approximately SAR 30 billion today to nearly SAR 44 billion by 2030 at a 6.2% CAGR.

Rising chronic disease prevalence is increasing demand for primary care. Adults with diabetes are projected to grow from 4.7 million in 2024 to 6.1 million by 2030, with related outpatient spending expanding at a CAGR of 7.3%.

Outpatient healthcare market growth (2023–2030)



Insurance coverage is also rising sharply and is expected to more than double by 2030, intensifying competition for prescription ownership among providers. In parallel, beauty-related cash services are gaining momentum, reaching an expected SAR 12.6 billion by 2030 at a CAGR of 6.5%.

Consumer preferences continue to shift toward prevention and longevity. Telemedicine has become a standard part of care delivery, reflecting the growing demand for connected, convenient and flexible access to healthcare services.

How Nahdi responds

- Embracing the significant opportunity to expand within outpatient healthcare and elevate Nahdi's role as an integrated health ecosystem provider.
- Building circular traffic between pharmacies and Omnihealth services to increase utilization, loyalty and Guest lifetime value.
- Strong Partnership with major private and public insurance providers.



04

Acceleration of emerging technologies and analytics

Technology and analytics are becoming decisive competitive advantages. Digitally advanced retailers achieve 3.3 times higher revenue growth than digital laggards over a three-year period, while companies implementing digital retail innovations see average revenue increases of 23%.

Consumers in Saudi Arabia are highly receptive to data-enabled services, with 71% willing to share personal data in exchange for improved experiences. Organizations with digitally fluent workforces outperform the market 2.7 times over three years and are 5.4 times more likely to sustain that performance.

AI and automation are creating meaningful operational efficiencies. Retailers using AI-powered inventory management report 25-30% reductions in inventory costs alongside improved accuracy and availability.

Yet many organizations struggle to scale digital transformation due to outdated systems, talent gaps, cultural resistance and limited investment. This widens the competitive gap between digital leaders and laggards.

How Nahdi responds

- Enhancing the end-to-end digital Guest experience to increase touchpoints, improve convenience and drive higher engagement and transactions.
- Leveraging technology, automation and analytics to unlock efficiencies, improve decision-making and reinvest savings into priority growth initiatives.
- Scaling our core capabilities and ensuring that our technology investments create compounding value for the business, our Guests and all stakeholders
- Accelerating the impact of AI, deepening platform integration and strengthening the digital resiliency required to support our long-term growth ambitions.

05

Growth of synergistic networks and loyalty ecosystems

The Middle East loyalty market is expanding rapidly, rising from roughly USD 2.8 billion in 2024 to an estimated USD 6.2 billion by 2030 at a CAGR of 13.8%. Retailers across the region are integrating loyalty and engagement platforms to create deeper Guest relationships.

Companies are moving beyond core offerings by bundling health and wellness services and launching digital ecosystems that increase relevance and frequency of interaction. These platforms enhance stickiness, extend the relationship across more touchpoints and improve long-term monetization potential.

Collaborative networks are becoming more common as retailers seek to expand reach, broaden benefits and capture more value through partnership-driven loyalty propositions.

How Nahdi responds

- Exploring and expanding wellness-focused offerings to strengthen the overall Nahdi wellness proposition.



CFO’S REVIEW

Investing for sustainable, long-term value creation

“2025 was a pivotal year for Nahdi, marked by acceleration under our long-term investment strategy.

Mohammed Al-Khubani
Chief Financial Officer



₹831M in net profits



8.1% increase in revenue

Anchored by the strength of our retail offering, we expanded our BEATS and advanced our transformation into a fully integrated Omnihealth platform, while creating long-term value for shareholders through solid financial performance, strong cash generation and disciplined capital allocation.

Our 2025 results underscore the momentum of Nahdi’s core retail business, the primary engine of our performance. Revenue grew by 8.1%, while gross profit grew slightly ahead by 8.3% year-on-year, with a solid gross margin almost maintained at 37.3%, despite challenging market conditions and continued investment. This was driven by value-led growth and disciplined execution, while effective cost management delivered a 6.1% increase in absolute operating profit. Together, these results reinforce the resilience and cash-generative strength of the core business.

Building on this foundation, our growth platforms continued to scale. Mature polyclinics delivered robust profitability, Private Label increased its contribution and our UAE pharmacy network continued to expand. Digital channels gained momentum, strengthening operational leverage as scale continues to build. All of this supported a solid financial performance across our diversified portfolio.

Nahdi enters 2026 with a strong platform for growth, underpinned by a healthy balance sheet, efficient operations and a clear investment roadmap. With continued focus on expanding Omnihealth, enhancing digital capabilities, strengthening core retail, bolstering our UAE operations and deepening partnerships with payers and regulators, we remain confident in our ability to deliver sustainable growth and long-term value for all stakeholders.

A resilient financial performance anchored by diversified growth

Nahdi delivered another year of solid top-line performance, with revenue reaching ₹ 10.2 billion, an increase of 8.1% compared to 2024. This growth was supported by the continued strength of our core Pharmacy Retail business, which remained market-leading within a competitive and evolving retail environment.

Omnihealth revenue grew by 75.3% year-on-year and our UAE operations expanded by 35.5%, reinforcing the strategic importance of our regional footprint. The combined contribution of these newer growth platforms reflects the increasing diversification of our portfolio and the progress we are making toward a more balanced, multi-segment business model.

Gross profit grew slightly ahead of the revenue growth to reach ₹ 3.8 billion, with margins almost maintained at 37.3%, driven by strong top-line growth and the expanding contribution from Private Label. This performance was achieved despite the strong growth in strategic business channels, in particular polyclinics, digital platforms and Wasfaty, highlighting the resilience of our profitability as we scale platforms with significant long-term value potential. Operating profit grew to ₹ 927 million, reflecting disciplined operational efficiency initiatives and strengthening operating leverage across our mature businesses.

Net profit increased by 1.2% to reach ₹ 831 million, reflecting the underlying strength of operating performance. Below the operating profit line, income from Islamic Murabaha time deposits continued to support the bottom-line. However, higher finance costs, together with increased IFRS lease interest, moderated overall profitability growth.

Meanwhile, EBITDA grew by 7.9% to ₹ 1,721 million, reflecting strong underlying operating performance and continued investment across the business.

Sustained investment, accelerating momentum

2025 marked another year of acceleration under our long-term growth strategy. We continued to deploy capital across priority initiatives, including accelerated polyclinic openings, enhanced digital infrastructure, technology enablement, expansion of our UAE operations and the implementation of Wasfaty in the final quarter, delivering strong early results. Together, these investments support the expansion of BEATS and reinforce our ambition to redefine healthcare from a position of core retail strength.

This focus is translating into tangible operating momentum. Mature polyclinics delivered healthy net margins, online penetration exceeded 25% of total sales and access to Wasfaty Guests increased store traffic and strengthened ecosystem engagement.

In parallel, disciplined cost management supported operating leverage with the expense ratio maintaining at 28.4% of revenue, reflecting the inherent scalability of our platform. Our Refuel and Road to Efficiencies Excellence programs (R2E) also continued to deliver efficiency gains, generating meaningful cost reductions and savings that were reinvested to support growth.

CFO'S REVIEW continued

A strong and flexible financial position

Nahdi ended the year with a zero-debt balance sheet, strong liquidity and solid cash flow generation. Working capital increased in a controlled and deliberate manner, driven by preparation for 2026 seasonality, accelerated Private Label growth and readiness for the rollout of Wasfaty. CAPEX remained disciplined at 4.1% of revenue, fully funded through internal cash generation. These financial strengths continue to provide the flexibility to pursue high-return investments across core retail, Omnihealth, supply chain and digital.

Cash and cash equivalents stood at ₪ 554 million by year-end 2025, impacted by the working capital investments and dividend distribution. Disciplined liquidity management enabled Nahdi to generate ₪ 61 million in line with the prior year from Islamic Murabaha time deposits, despite a lower cash balance and a lower interest rate. Total assets increased 8.4% to ₪ 6,691 million, supported by continued investments in retail expansion, Omnihealth growth and digital capabilities. Total equity rose to ₪ 2,744 million, while total liabilities stood at ₪ 3,947 million, underscoring our solid capital structure and long-term financial resilience. These fundamentals were further reinforced by industry-leading performance metrics, with return on assets reaching 12.4% and return on equity 30.3%, demonstrating the effectiveness of Nahdi's balanced investment strategy and sustained value creation.

Following a comprehensive review of the Company's performance, the Board of Directors approved a final dividend distribution of ₪ 390 million for the second half of 2025, bringing the total dividend distribution to ₪ 728 million with an increase of 1.8%. This payout reflects a robust payout ratio of 88% and delivers a dividend per share (DPS) of ₪ 5.60, underscoring Nahdi's ongoing commitment to delivering strong returns to shareholders.

Positioning for long-term value through the 2030 Heart BEATS strategy

Our refreshed 2030 Heart BEATS strategy is designed to create long-term growth by scaling multiple engines across Nahdi. The strategy emphasizes diversified revenue streams,

operational excellence, technology enablement and deeper engagement across the full Guest journey. It also advances our role in the Kingdom's healthcare transformation by expanding our polyclinic network, strengthening our digital capabilities and accelerating integrated care pathways across medication, labs, wellness and home health.

The value created in 2025 reflects the strength of our strategic direction and the foundations we continue to build for long-term growth. In addition to our top and bottom-lines, we continued to grow our physical footprint with the opening of 100 new stores and 4 polyclinics, while Omnihealth services recorded significant gains in volume, reach and Guest engagement. At the same time, we strengthened market share in core retail, navigating sector-wide pressures with agility, value discipline and an unwavering focus on serving our Guests.

Looking forward to 2026

In 2026, Nahdi will build on the strongest drivers of performance from the past year, doubling down on the areas that are shaping our long-term value creation. We will continue executing targeted investments across our core and growth platforms - particularly Nahdi Online, Private Label, Wasfaty, Omnihealth and our expanding UAE operations - to reinforce our market leadership and unlock future growth potential.

A major focus for the year will be technology. IT is now a central pillar of our strategy, with investment directed toward AI-enabled personalization, more seamless digital journeys and enhanced operational efficiency. These capabilities will play a critical role in improving demand planning, optimizing stock velocity, strengthening employee productivity and elevating the overall Guest experience across channels.

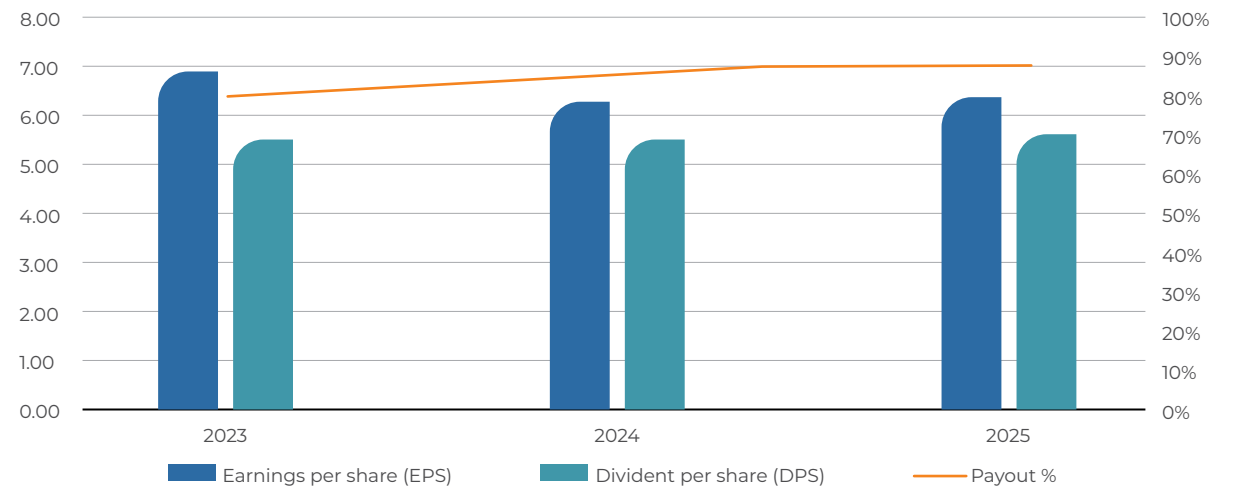
As we scale these initiatives, we will maintain financial discipline while ensuring that our ecosystem becomes more connected, data-driven and future-ready. This balanced approach positions Nahdi to deliver stronger performance in 2026 and continue expanding our BEATS and advancing our ambition to redefine healthcare from its strong core.

Outstanding financial fundamentals

Financial metric	2023	2024	2025
Revenue (₪ million)	8,714	9,446	10,213
EBITDA (₪ million)	1,581	1,595	1,721
EBITDA margin	18.1%	16.9%	16.9%
Net profit (₪ million)	893	821	831
Net profit margin	10.2%	8.7%	8.1%
CAPEX (₪ million)	384	383	417
Cash flow from operations (₪ million)	1,316	1,491	1,134
Total assets (₪ million)	5,371	6,173	6,691
Total equity (₪ million)	2,463	2,586	2,744
Total liabilities (₪ million)	2,909	3,587	3,947
Return on assets	16.6%	13.3%	12.4%
Return on equity	36.2%	31.7%	30.3%

Earnings and dividend summary	2023	2024	2025
Net profit for the year (₪ million)	893	821	831
Dividends			
Interim dividends distribution	325	325	338
Final dividends distribution	390	390	390
Total dividends distribution	715	715	728
Dividend per share (interim)	2.50	2.50	2.60
Dividend per share (final)	3.00	3.00	3.00
Dividend per share (total)	5.50	5.50	5.60
Earnings per share (EPS)	6.87	6.31	6.39
Dividend per share (DPS)	5.50	5.50	5.60
Payout %	80%	87%	88%

Dividends payout %

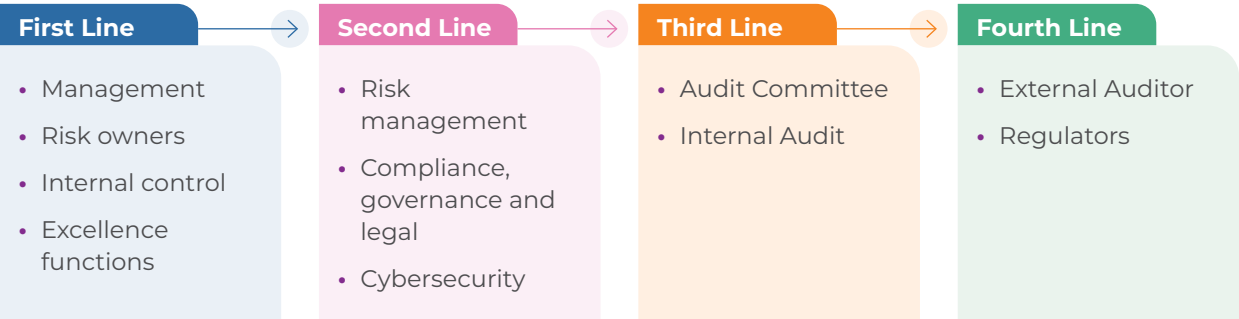


RISK MANAGEMENT

Nahdi embeds risk management into every part of our business, ensuring that decision-making, operations and long-term planning remain tightly aligned with our strategic ambitions and our responsibilities to Guests, investors and partners. Our comprehensive framework supports business continuity, reduces financial and operational exposure and reinforces our reputation as a trusted partner in healthcare.

We take a proactive and structured approach to identifying and assessing the risks that could influence our ability to create sustainable value. The Executive team continuously evaluates external forces such as economic trends, regulatory developments, political shifts and evolving consumer expectations, as well as internal factors including organizational capabilities, processes, systems and talent. By maintaining this disciplined oversight, we strengthen our resilience, respond quickly to change and preserve the strategic clarity required to operate confidently in a dynamic market environment.

Four Lines of Defense Model



Enterprise risk management

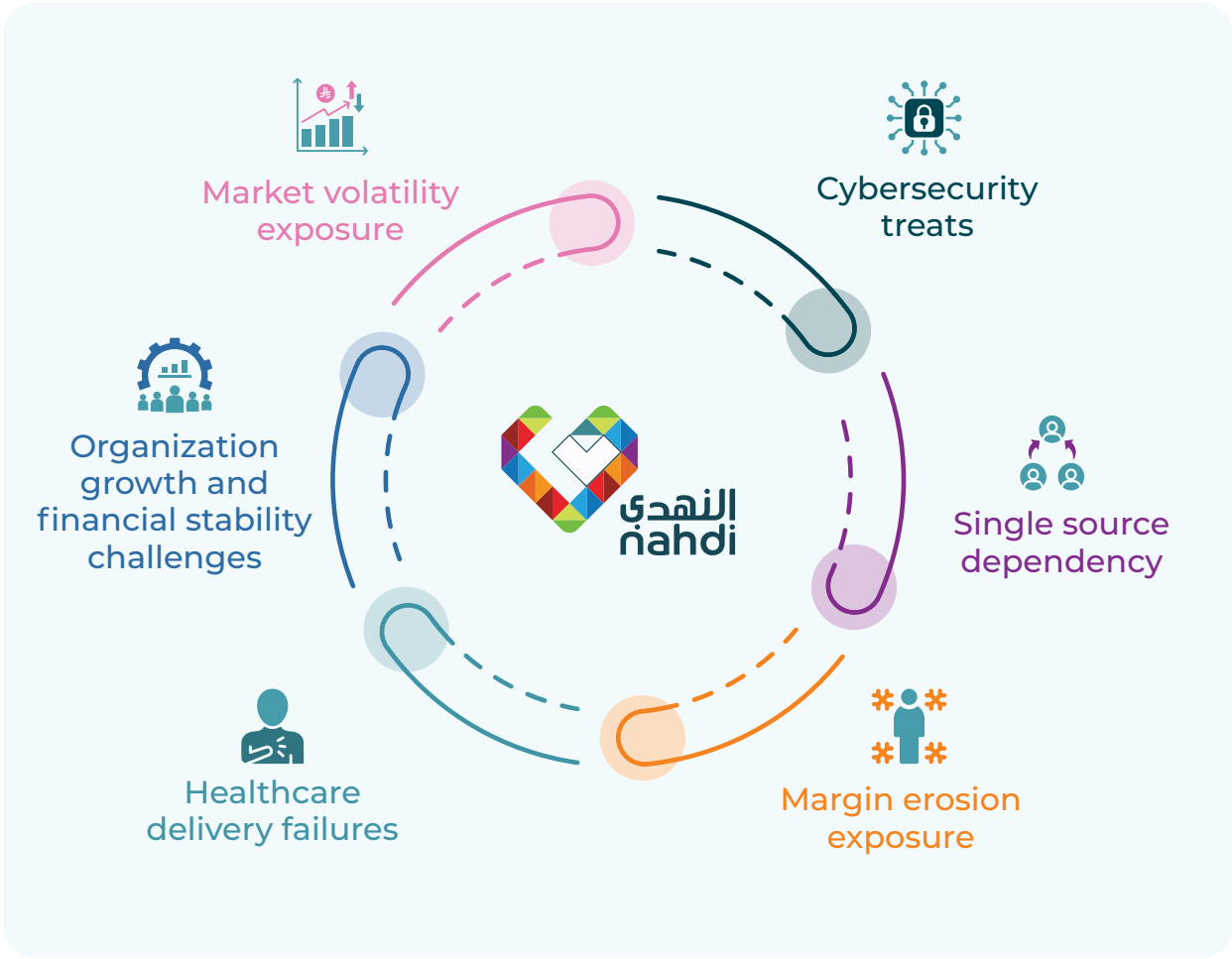
Nahdi views risk management as a core driver of value, embedding it across all areas of the organization to support informed decision-making and disciplined execution. Enterprise risk management is a central pillar of our governance framework, reinforcing the oversight of the Board and Executive team and ensuring that challenges and opportunities are addressed with foresight and rigor.

This approach is supported by robust frameworks and a clearly defined operating model that safeguards our strategic objectives while enabling agility and innovation. Risk management is treated not only as protection, but as a source of competitive strength and organizational resilience. At the heart of this system is the Four Lines of Defense Model, which underscores the essential role of Internal Audit in providing independent assurance and strengthening the effectiveness of our risk and control environment.

Nahdi has established a well-defined risk appetite framework that helps balance innovation and caution - allowing Nahdi to pursue growth opportunities without exceeding acceptable risk limits. It also promotes consistency in decision-making, ensuring that risks related to operations, finance, compliance and reputation are assessed and managed within agreed thresholds. This enables Nahdi to make informed, transparent and balanced decisions while safeguarding their long-term sustainability and public trust.

Principal risks

As we execute our strategy and operate across a rapidly evolving healthcare landscape, we encounter a range of risks that may influence our performance and long-term objectives. We address these risks through a proactive approach that emphasizes early identification, continuous monitoring and disciplined mitigation. Our Enterprise Risk Management framework, aligned with leading global standards and industry best practices, guides this process and ensures that risk considerations are fully integrated into our strategic and operational decisions.



RISK MANAGEMENT continued

Market volatility exposure



Risk description

Nahdi operates within a highly competitive retail pharmacy and healthcare industry, facing strong pressure from both local and international players. Rising competition, industry consolidation, new market entrants and strategic partnerships pose potential risks that could significantly impact Nahdi's market position and financial performance.

In addition, changes or inefficiencies in the strategy, guest engagement approaches, digital transformation pace and partner alignment - could limit our ability to respond effectively to evolving consumer behaviors and market dynamics. Successfully navigating these risks requires agility, continuous innovation and strategic foresight to ensure that Nahdi remains relevant, scalable and competitive.

Mitigation and management approach

To mitigate these risks, Nahdi continuously enhances our offerings to stay aligned with market needs and strengthen our Guest loyalty program. The Executive team closely tracks competitor pricing and promotional activities, using data-driven insights to fine-tune strategic decisions. Through investments in emerging technologies and a dynamic, tech-enabled risk management framework, Nahdi proactively responds to disruptive innovations, ensuring agility, regulatory compliance and a sustained competitive advantage.

We also review and adapt to ensure optimal channel mix, efficient resource allocation and a seamless Guest experience across physical and digital platforms. Through ongoing investments in emerging technologies, advanced analytics and a dynamic, tech-enabled risk management framework, Nahdi proactively responds to disruptive innovations and market shifts – ensuring agility, regulatory compliance and a sustained competitive advantage.

Cybersecurity threats



Risk description

Cybersecurity is critically important for Nahdi because Nahdi handles a unique combination of sensitive health information, personal data and Omnihealth services to the community. Protecting this data is not just a matter of privacy but also of Guest (patient) safety and trust. A single breach can expose confidential medical histories, prescription details and payment records, leading to identity theft, financial loss and reputational damage.

Moreover, Nahdi has expanded antagonistically on digital platforms, online ordering systems and virtual Omnihealth services, all of which expand the potential attack surface. Cyber risks such as ransomware, phishing and data breaches can disrupt essential services, prevent guests from accessing their medical records and medication and violates strict regulatory requirements like National Cybersecurity Authority regulations and privacy laws. Therefore, strong cybersecurity measures are essential to safeguard operations, maintain compliance and uphold guest confidence in an industry where trust and confidentiality are paramount.

Mitigation and management approach

In 2025, Cybersecurity remained one of Nahdi's most significant risks. Nahdi continues our approach of a zero-tolerance stance on misinformation and disinformation.

Nahdi has adopted a comprehensive and proactive approach that combines technology, policy and awareness. We have made significant progress in enhancing measures by investing in advanced technologies and immutable solutions to detect and mitigate potential threats, ensuring full compliance with stringent security standards and regulations.

We not only enhanced our protection but significantly increased our maturity in responding to any cybersecurity-related crisis and rapid recovery capabilities through our Business Continuity program.

By combining these preventive and responsive strategies, Nahdi managed to reduce cyber risks and ensured the safety, privacy and trust of our Guests.

Single source dependency



Risk description

Nahdi has transformed from a traditional in-store retailer into a multi-channel business, offering Guests diverse engagement options, including digital platforms. Despite this expansion, our heavy reliance on our brick-and-mortar presence in Saudi Arabia presents a potential vulnerability; any erosion of our leadership in this area could impact overall performance. As the retail landscape continues to shift toward Omnichannel and differentiated models, staying ahead of evolving Guest preferences and competitive advancements is vital to sustaining Nahdi's market position and growth.

Mitigation and management approach

As a mitigation Nahdi is committed to providing a seamless, convenient shopping experience across all channels. We continue to invest in enhancing Guest-facing technologies to stay aligned with evolving trends and expectations, while further strengthening our e-commerce capabilities.

In parallel, Nahdi is accelerating the nationwide expansion of our Omnihealth model and exploring adjacent growth opportunities - such as diagnostics and geographic diversification - to build a more balanced, resilient and future-ready business. The continued expansion of NahdiCare Polyclinics contributes to the diversification strategy of Nahdi.



RISK MANAGEMENT continued

Organizational growth and financial stability challenges



Risk description

Nahdi faces potential risks related to sustaining steady organizational growth while maintaining financial stability. Rapid expansion, significant capital investments or fluctuations in revenue streams could strain resources, impact cash flow or affect profitability.

External factors such as market volatility, economic downturns, regulatory changes and competitive pressures may further challenge our ability to achieve long-term growth objectives.

Mitigation and management approach

Nahdi safeguards financial stability by minimizing reliance on institutional loans and limiting exposure to foreign currency fluctuations.

Our Treasury function, closely overseen by the CFO along with the Executive leadership, actively monitors and manages the risks that could affect the financial health of the organization.

This disciplined approach allows Nahdi to maintain a robust financial position while confidently pursuing strategic initiatives and long-term growth objectives.

Healthcare delivery failures



Risk description

Nahdi operates in a highly regulated and sensitive healthcare sector which poses significant challenges to guest safety, service quality and organizational resilience. These risks include clinical errors, such as mistakes in diagnosis or medication administration, which can directly endanger patients. Operational issues like staff shortages, equipment failures or operational disruptions can delay treatment and reduce the quality of care.

Mitigation and management approach

Nahdi ensures Guest safety through a robust clinical team, with doctors' activities closely monitored and supported by advanced technologies. By integrating technology-driven processes and oversight, we proactively minimize medical errors and reinforce high standards of clinical care.

Nahdi continues to enhance our robust risk management framework to identify, assess and mitigate potential threats before they impact operations or Guest outcomes. We operate strong clinical governance practices and regular staff training that helps reduce medical errors and improve the quality of care.

To tackle operational risks, Nahdi maintains adequate staffing levels, has established contingency plans for disruptions and performs routine maintenance on critical equipment. Moreover, Nahdi manages a strong accreditation program towards Guest safety and adapts industry standards towards quality management.

Margin erosion exposure



Risk description

Margin erosion is a significant risk for healthcare retailers, as it directly affects profitability and long-term financial stability. This risk occurs when operating costs rise faster than revenue, reducing profit margins over time.

For Nahdi margin erosion can result from increased competition, price pressures from insurers and suppliers and regulatory controls on drug pricing and other government healthcare programs.

Mitigation and management approach

Nahdi focuses on operational efficiency, cost optimization, continuous process improvement and strategic pricing while investing in digital transformation to streamline supply chains and enhance Guest engagement.

Diversifying product offerings, forming partnerships with healthcare providers and leveraging data analytics for inventory and pricing management, also helps Nahdi sustain margins in a highly competitive and regulated environment.





03

BUSINESS REVIEW

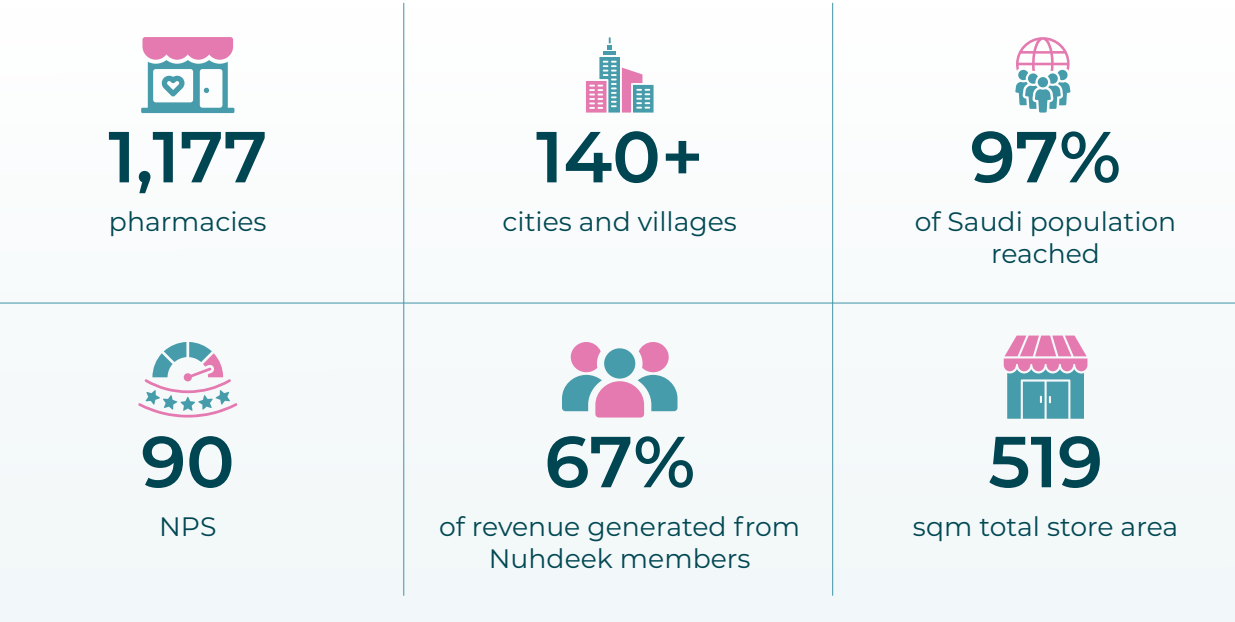
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PHARMACY RETAIL



At Nahdi, every decision begins with our Guest. Through our evolving ecosystem, we are redefining the retail experience, turning every visit into a personalized and memorable journey of care, well-being and quality of service. Our ambition is not only to serve our Guests, but to revolutionize how retail healthcare feels, looks and lives in their everyday moments, becoming a source of lasting trust for them and their families.

Saudi Arabia's most extensive pharmacy network



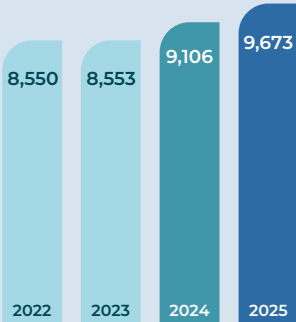
Strategic expansion in UAE



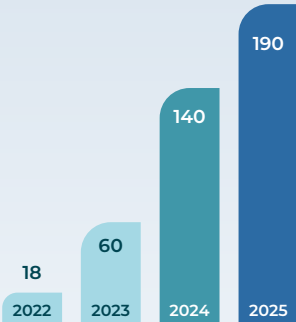
Nahdi's Private Label powerhouse



Saudi Arabia Pharmacy revenue (ﷲ million)



UAE Pharmacy revenue (ﷲ million)



Redefining pharmacy from a strong and expanding core

Pharmacy Retail remained a central driver of Nahdi's performance in 2025, delivering disciplined growth, deepening Guest trust and strengthening our role as the first preferred destination for healthcare services and products across the Kingdom. This focus on proximity, accessibility and hybrid retail-Omnihealth experiences guided all aspects of retail execution throughout the year and contributed directly to our progress toward our 2030 Heart Beats strategy.

A year of leadership and disciplined growth

In 2025, Pharmacy Retail sustained market leadership and delivered a year marked by steady commercial expansion and disciplined operational performance. Nahdi remains ranked #1 among in-store retailers and pharmacies, supported by an enriched product assortment, a clear and fair pricing strategy and a consistent focus on delivering value for Guests.



PHARMACY RETAIL continued

Guest advocacy continued to strengthen, with an NPS of 90 reflecting meaningful improvements in experience, service quality and pharmacist engagement across the network. Brand strength remained a defining advantage, with Nahdi achieving a Brand Equity Score of 6.9 and maintaining our position as one of the top brands in Saudi Arabia's retail sector.

During the year, Nahdi pharmacies served more than 84 million Guests, reaffirming our role as the first line of healthcare access for communities across the Kingdom. Total transactions reached 84 million in 2025, reflecting sustained trust in Nahdi's Omnichannel model and the continued appeal of our convenience-led retail and Omnihealth experience.

Revenue increased by 6.2% year-on-year, supported by balanced growth across both the Pharma and Front Shop segments. The Riyadh Leadership strategy continued to deliver outsized impact, with the city achieving a revenue increase of 9.2% versus 6.2% across the wider region, reinforcing Riyadh's role as a primary engine of growth within the portfolio.

Our extensive retail network reached 1,222 pharmacies across nearly 150 cities and villages in Saudi Arabia and the UAE, ensuring access for 97% of the Saudi population. Nahdi opened 100 new pharmacies in 2025 while strategically rationalizing underperforming locations to strengthen profitability and sales per square meter. The Haramain footprint also expanded, with two new stores in Makkah and Madinah supporting rising pilgrim volumes and aligning with Vision 2030's ambition to welcome more Hajj and Umrah visitors. At the end of 2025, Nahdi's regional retail footprint totaled more than 519 square meters.

Nahdi delivered strong momentum in the UAE during 2025, with revenue reaching ₪ 190 million, an increase of 35.5% year-on-year. We added 20 new pharmacies during the year, expanding our network to 45 locations and establishing a broad geographic presence across all major Emirates.

Guest advocacy remained exceptionally high, with an NPS of 91 reflecting the strength of Nahdi's service, assortment and brand trust in the market. To support continued growth and operational excellence, Nahdi also established a best-in-class distribution center in Dubai Investment Park, enhancing supply efficiency and strengthening our regional platform.

Strengthening the core retail offering

Nahdi continued to expand and differentiate our retail proposition through a combination of wider assortment, localized offerings and a stronger emphasis on value. Private Label contributed nearly ₪ 1.7 billion in revenue, representing a 37.5% increase compared to 2024 and 17.4% of total 2025 Pharmacy Retail sales. The year also marked the introduction of 170 new Private Label medicines, strengthening local availability, supporting affordability and reinforcing our commitment to expanding high-quality Saudi-made healthcare products.

The Pharmacy Retail portfolio grew to more than 48,500 SKUs across 69 categories, while we expanded our presence in the medicine category to support national manufacturing and enhance medicine availability. The business added scale and depth to our adjacent assortment aimed at meeting Guests' needs through a unified platform by adding new categories such as fragrances, wellness products, household essentials, chargers, blenders and bottled water. Entry into the ₪ 7 billion Saudi fragrance market added a new growth platform, supported by enhanced supply chain readiness and upgraded logistics capabilities.

We deepened our commitment to local content in 2025, expanding the contribution of Saudi-manufactured products across key categories and introducing a growing portfolio of Private Label medicines produced in the Kingdom. We signed agreements with 12 Saudi manufacturers to support this expansion and successfully shifted several categories, including diapers, to local production. Nahdi also advanced the Saudi-made initiative in the UAE, broadening the



reach of Saudi products beyond the Kingdom and in collaboration with the national "Made in Saudi" program. These efforts strengthen supply resilience, enhance affordability and reinforce Nahdi's role in supporting national industrial and healthcare objectives.

Omnichannel leadership and digital acceleration

Further enhancing the convenience proposition, Nahdi introduced Nahdi Now, a 30-minute delivery service available nationwide, with nationwide expansion planned for the coming year.

Digital fulfillment became significantly faster and more accurate through the integration of advanced technologies and AI-enabled tools, including Solution AI, FarEye, Go Green and Delivery Beats. These platforms improved routing efficiency, reduced order-cycle times and strengthened operational visibility across the delivery journey.

Advancing Omnihealth through pharmacy

Pharmacy Retail continued to play a major role in expanding access to healthcare services across Saudi Arabia, supporting the wellness ambitions of Saudi Vision 2030 and the Healthcare Sector Transformation program. The Provider business exceeded expectations in 2025, adding 26 new Provider pharmacies and grew by 13.8% compared to the previous year. Prescription linkage strengthened, with 6.9 million digital prescriptions processed through the Provider network, ensuring Guest convenience and supporting the national shift toward out-of-hospital care.

Nahdi strengthened our adherence ecosystem through enhanced digital tools, integrated refill programs and deeper coordination between polyclinics, pharmacists and home services. These improvements drove an estimated 17% increase in medication adherence among chronic patients. Evidence shows that every 20% improvement in adherence can reduce health complications by roughly 10%, underscoring the significant clinical and economic impact of Nahdi's efforts to support continuity of care.

PHARMACY RETAIL continued

Programs such as Ez-pill, Refill Reminder and Salemtum Adherence Buddy (E-Sab) provided support to 805,000 chronic patients throughout the year and achieved an average adherence rate of 79%. The new E-Sab service improved refill accessibility and continuity of care, especially for chronic disease patients requiring timely and reliable medicine access.

A major advancement in 2025 was the launch of Wasfaty across 100% of eligible pharmacies. Wasfaty, the Ministry of Health's national e-prescription service, digitally connects government-issued prescriptions to Nahdi's nationwide pharmacy network. The rollout followed months of operational readiness, including full system integration, pharmacist upskilling and process redesign across the network. Frontliners received rigorous training to operate the platform, as well as to support Guests with Wasfaty prescriptions and resolve issues with care and professionalism. In its first year, more than 2.3 million electronic prescriptions were processed by Nahdi, achieving an NPS of 88 with high availability.

Promoting wellness and preventive health

Wellness and preventive care continued to gain momentum, with the Wellness Card delivering 85 million in revenue and serving more than 230,000 Guests across key cities. The program provided access to laboratory tests, dental, dermatology and medical consultations, supporting early detection and healthier lifestyles. InBody measurement services expanded to 500 stores in 2025, completing 673,000 assessments for 274,000 Guests and reinforcing our role in preventive care. Integrated with the Nahdi App, the service enables Guests to track progress while linking results to Wellness Card programs and Daleel AI for personalized recommendations. Nahdi is also building partnerships with fitness, nutrition and insurance providers to create a more seamless, end-to-end well-being journey.

Transforming the in-store experience

The in-store experience continued to advance in 2025 through the ongoing Liberation program,

which equipped more than 650 pharmacists and beauty experts to serve as Health Coaches. These frontliners delivered more personalized consultations, empathetic engagement and holistic wellness guidance, strengthening Guest trust and elevating service consistency across all regions.

Convenience was further enhanced through the rollout of Self-Checkout (SCO) across 460 pharmacies, with more than 1.9 million Guests using the service during the year and driving an NPS of 90 at SCO-enabled locations. Drive-Thru pharmacies also expanded to 76 sites, providing a fast, private and convenient experience for prescriptions and wellness.

Deepening engagement with Guest loyalty and community impact

Nuhdeek maintained its position as one of the largest loyalty ecosystems in Saudi Arabia. Active membership reached 6.5 million in 2025, contributing 67% of total Pharmacy Retail revenue. Personalization enhanced engagement, with frequency rising 5% and redemption rates increasing 23%. Omni Guests demonstrated 23% higher basket value and 255% more visits than single-channel Guests, reflecting the power of integrated journeys spanning in-store, online and home delivery touchpoints.

Across the 1,222 pharmacies, Guests could make seamless contributions through Nuhdeek points, in-store donation boxes or instant payments on the Nahdi App, with all proceeds directed to the Ehsan national donation platform. In 2025, Nahdi strengthened this impact by linking donations to key national and international health days, channeling support to specialized NGOs and advancing awareness around the Kingdom's most critical health priorities.

Technology, AI and operational excellence

Technology remained an essential enabler of Pharmacy Retail's performance. Solution AI enhanced consultation quality and increased average basket size by 6.6% and adherence ratios to 64.8%. The launch of Daleel AI

equipped pharmacists with real-time product insights, facilitating faster and more informed recommendations. FarEye improved delivery routing precision, Go Green supported paperless online fulfillment and Delivery Beats introduced standardized dashboards to monitor the entire order lifecycle.

The GCC Voice of Guest platform continued to strengthen Nahdi's understanding of evolving Guest needs by providing real-time insights that informed ongoing experience enhancements across the retail network. Complementing these insights, the GCC-based Guest Care Center delivered industry-leading responsiveness and service quality throughout 2025, achieving an average response time of 74 seconds and a satisfaction score of 95%, well above regional benchmarks and reflecting our commitment to exceptional Guest care.

Recognition and awards

Pharmacy Retail's achievements in 2025 were reflected in a series of prominent regional and international awards highlighting Nahdi's leadership in customer experience, digital innovation and brand strength. At the Retail Asia Awards 2025, we won In-Store Customer Experience of the Year, Retail App of the Year and CEO of the Year Across Asia, reinforcing our position as a regional benchmark for retail excellence. Nahdi also earned two Loyalty360 Awards for Customer Loyalty Transformation and Personalization, Strategy and Innovation, recognizing the ongoing evolution of the Nuhdeek loyalty ecosystem.

Further strengthening our reputation, Nahdi was named among the Top 10 Most Influential Global Brands in Saudi Arabia by Ipsos and was recognized nationally as one of the Best Places to Work and Best Workplaces for Women for 2025-2026. Additional accolades at the Gulf Customer Experience Awards included Gold for Employees at the Heart of Everything, Silver for Customer at the Heart of Everything and Silver for Best Contact Center.

Nahdi Online achieved a perfect 100% compliance score from the Ministry of Commerce with zero reopened complaints, underscoring operational excellence, service integrity and strong consumer protection standards. Collectively, these recognitions reflect a year of sustained leadership in experience, innovation and trust, solidifying

Nahdi's position as one of the most influential and admired retail healthcare brands in the region.

Nahdi's position as one of the most influential and admired retail healthcare brands in the region.

Looking forward to 2026

Looking ahead, Pharmacy Retail will play an increasingly pivotal role in advancing Nahdi's 2030 Heart BEATS strategy and supporting the national ambitions of Saudi Vision 2030 and the Health Sector Transformation program. The division will broaden Nahdi's reach, elevate Guest experiences and advance the Omnihealth ecosystem through four strategic pillars: seamless convenience, excellence for female Guests, geographic leadership and profitable growth.

In 2026, the business will accelerate expansion through AI-enabled network planning to identify new physical and digital white-space opportunities while strengthening the Provider ecosystem through deeper partnerships with leading hospitals, clinics and insurers. At the same time, enhanced digital tools, refill programs and services, such as Ez-pill and E-Sab, will continue to reinforce medication adherence and long-term healthcare continuity, advancing Nahdi's contribution to improving access, affordability and population health outcomes across the Kingdom.

A key priority will be to elevate the experience for female Guests by modernizing mall stores, expanding beauty hubs and enhancing personalized digital engagement through the Nahdi App. Leadership in Riyadh will be reinforced through targeted initiatives that deepen penetration and service quality while the Haramain Ta'zeez program will expand offerings for pilgrims and visitors, supporting the Kingdom's ambition to welcome increasing numbers of Umrah and Hajj travelers.

Pharmacy Retail will also continue to prioritize sustainable profitability through higher throughput per square meter, disciplined cost management and self-funded network investments. This next phase marks a shift toward intelligent orchestration that seamlessly connects people, data and technology to deliver a next-generation retail healthcare experience - one that is fully aligned with the Kingdom's vision for a more empowered, preventive and digitally enabled healthcare future.

PHARMACY RETAIL continued

Case study: Private Label

A market ready for better value

How Private Label became a growth engine



A growing need for accessible, high-quality alternatives

Saudi Arabia’s health and wellness market has been primarily driven by imported branded products. In recent years, Guests have sought affordable, reliable and high-quality alternatives across essential categories such as Healthcare, Wellness, Beauty, Personal Care and Mom & Baby. At the same time, shifting demand patterns and inconsistent international supply exposed operational risks that threatened availability and continuity.

For Nahdi, this presented a clear opportunity: establish a robust Private Label portfolio that improves accessibility, enhances affordability and strengthens long-term brand equity. This ambition directly supported the 2030 growth strategy, advancing Guest-centricity, localization and operational excellence while aligning with Vision 2030’s goals for healthcare transformation and economic diversification.

A unified model to build, differentiate and localize value

In 2025, the Private Label team executed Private Label 2.0. The framework focused on “Develop, Defend and Differentiate”, supported by standardized sourcing, improved specification alignment and digitized product lifecycle management through a leading platform.

We refined and relaunched key value-item categories, strengthened partnerships with Saudi manufacturers and invested in new tooling and packaging capabilities to raise product quality and expand local production. Cross-functional collaboration became a core accelerator, with commercial planning, quality oversight, supply chain optimization and in-store execution working in coordinated rhythm to deliver consistent Guest experience and faster speed-to-market across more than 6,625 newly launched or expanded SKUs.

Transformational outcomes and strong momentum in 2025

Private Label became one of Nahdi’s strongest engines of growth in 2025, reflecting nearly **ﷲ 1.7 billion** in sales - a 37.5% increase year-on-year - and contributing 17.4% to total Pharmacy Retail revenue. Wellness products represented over 44%

of portfolio revenue with the highest repeat rates, while Personal Care added six percentage points of category contribution growth through fair pricing and multi-tiered assortments.

Medicine saw its business double due to significant NPD launches and improved planning, ensuring stronger availability for core health needs. Guests benefited from better pricing, improved product quality and high trust in clinically aligned and consistently packaged brands. Suppliers gained predictable demand and more efficient collaboration, while Saudi manufacturers increased their role through expanded local sourcing, including the successful transition of Nahdi’s largest import SKU to domestic production in Q4 2025.

Strengthening our ecosystem and creating long-term value

The Private Label expansion reinforced Nahdi’s leadership by widening access to high-quality, best-value alternatives and reducing reliance on global supply chains. It also enhanced differentiation inside the pharmacy, strengthened the Omnichannel offering and laid the foundation for future extensions into Omnihealth, where education and professional endorsement will deepen brand equity. As a strategic pillar of Nahdi’s 2030 ambition, the program is set to expand into new categories, enhance local manufacturing share and explore export opportunities across GCC markets, strengthening sustainable growth and reinforcing Nahdi’s regional presence.

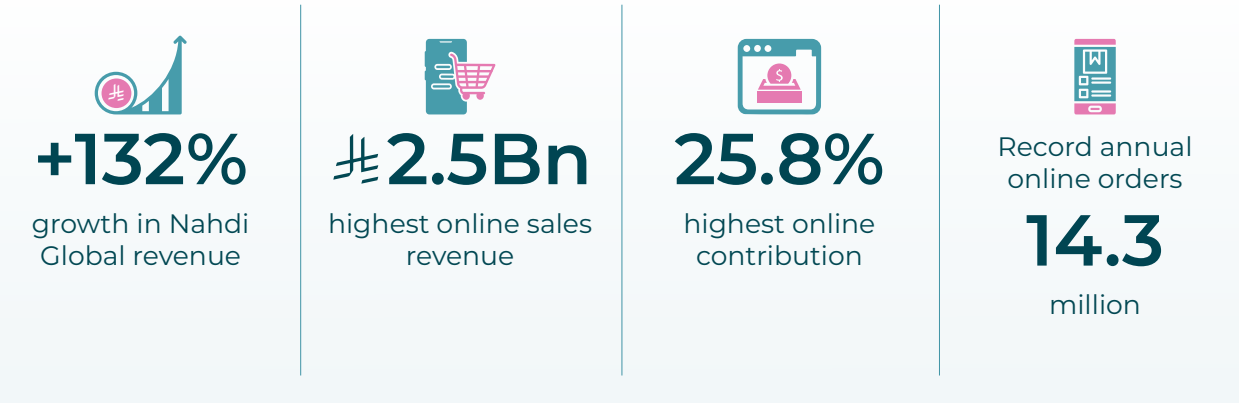
Private Label delivered nearly **ﷲ 1.7 billion in value this year - a clear demonstration of how Guest-centric innovation and local capability-building can reshape accessibility and deliver sustainable growth.**

OMNICHANNEL



Omnichannel is no longer a channel strategy for Nahdi – it is the infrastructure that unifies our entire Omnihealth ecosystem. By integrating retail, polyclinics, digital care and last-mile fulfilment into one intelligent platform, we are building the region’s most accessible and personalized Omnihealth experience. This model allows us to meet Guests wherever they are, anticipate their needs and deliver care with a level of speed, trust and consistency that sets a new benchmark for the GCC.

Digital growth at record levels



Delivering seamless guest experiences



Building the region’s most advanced Omnihealth platform

In 2025, Nahdi strengthened its position as Saudi Arabia’s undisputed leader in Omnichannel retail, outperforming pure online players and setting a new benchmark for integrated digital Guest experience. Nahdi accelerated the evolution of our Omnichannel ecosystem, strengthening the integration between physical stores, digital platforms and last-mile fulfillment to create one of the most advanced Omnihealth retail models in the region. This transformation reflects our ambition to deliver a unified, convenient and personalized Omnihealth journey that meets Guest needs across every touchpoint.

This fully connected platform includes Nahdi Online, Nahdi Global, e-pharmacist consultations, Store-to-Home delivery, Click & Collect and a rapidly growing portfolio of digital health and wellness services. Nahdi recorded more than 19 million sessions and visits every month, positioning Nahdi as the largest digital Omnihealth retailer in the GCC.

To maintain speed leadership, we launched the 30-minute Nahdi Now delivery service in major cities. Unlike rapid-delivery competitors, Nahdi

fulfills all orders directly from our nationwide pharmacy network, a structurally advantaged model that required full integration of inventory, store operations, fulfillment and workforce capability.

Record digital performance driven by scale and speed

Digital performance reached unprecedented levels in 2025 as we strengthened our position as the largest Omnihealth retailer in the region. Online revenue contribution increased to 25.8% of Pharmacy Retail revenue, supported by growing Guest preference for a seamless digital and in-store experience. Nahdi Online and Nahdi Global together contributed ﷼ 2.5 billion in revenue, demonstrating strong traction across all channels.

With real-time inventory across 1,200+ pharmacies, more than 14.3 million online orders were placed this year, the highest annual online volume in our history. Home Delivery surged by 46.5% year-on-year, supported by differentiated fulfillment options, with a total of 8.38 million deliveries in 2025. Meanwhile app adoption rose sharply with three million downloads, up 50% year-on-year.



OMNICHANNEL continued

Leading online penetration and transaction volume

Nahdi Online contributed 25.8% of total sales in 2025 and is expected to continue its growth momentum in 2026. While several regional retailers report similar online penetration, Nahdi's smaller average basket size indicates significantly higher transaction volume, positioning it among the highest-volume digital retailers in the Middle East.

Nahdi Global added more than 17,000 new SKUs for a total of more than 38,000 and contributed 11% of online sales, with delivery windows ranging from same-day to four days depending on destination.


+130%
growth in Nahdi
Global


11%
contribution to
online sales


Leading traffic scale
19M+
monthly sessions

A fully integrated store and digital network

Physical stores across the Kingdom continued to serve as the backbone of the Omnichannel platform. Network planning was optimized using AI and machine-learning models that predict the incremental value of each new store based on demand, online penetration and last-mile potential. Digital enablement also advanced across the network.

Self-Checkout was deployed in 460 pharmacies, receiving more than 1.9 million uses in 2025 and achieving an NPS of 91. Mobile Point-of-Sale (X-Mobile) and Scan-and-Go features further reduced wait times and enabled frictionless in-store experiences. Together, these tools strengthened our ability to operate a fully unified ecosystem across physical and digital touchpoints

Strengthening supply chain and technology infrastructure

Nahdi invested more than ﷲ 50 million in technology to reinforce our Omnichannel backbone. Enhancements included Algolia for faster product search, Mastercard's Dynamic Yield engine for real-time personalization and upgraded digital communication that improved conversion rates.

Operational capabilities were strengthened through a long-term partnership with SAMSA, improving global stocking and delivery reliability. A new bonded zone in Riyadh accelerated processing for the Kingdom's highest-penetration city.

Nahdi also expanded in the UAE through the inauguration of a new distribution center, providing higher service consistency and supporting cross-border fulfillment growth.

Advancing integrated Omnihealth and digital wellness

Omnichannel played a critical role in enhancing medication adherence and chronic care management. E-pharmacist consultations increased, enabling Guests to access clinical guidance digitally. Ez-pill, Refill Reminder and E-Sab were fully integrated across channels, supporting chronic patients with reminders, tracking and seamless medication access.

Lab-to-Home wellness services gained significant traction, establishing a new category for convenient diagnostic testing. Provider pharmacies also expanded, linking hospital prescriptions with digital fulfillment and home delivery, reinforcing Nahdi's role in the Health Sector Transformation program.

Nahdi continued to play an important role in educating the next generation of health-aware Guests through our Omnichannel platforms. We expanded our library of digital health education content, making reliable guidance easily accessible to families across the Kingdom. The e-pharmacist hotline also remained a trusted resource, particularly for mothers seeking real-time advice on medication, symptoms and everyday health concerns.

A more valuable Nuhdeek ecosystem

The Nuhdeek loyalty platform continued to grow as one of the region's most comprehensive loyalty ecosystems. The new Nuhdeek e-shop enabled members to redeem points for special offers and discounted products, supporting strong engagement and repeat visits, achieving

ﷲ 2 million in sales in its first 12 months. The Nuhdeek Wallet, launched in December, will unify refund processes and coupon management across online and in-store channels. New partnerships with banks and external platforms will allow members to convert external points into Nuhdeek points, deepening the loyalty ecosystem and enhancing Guest value.

Awards and recognition

Nahdi's Omnichannel excellence was recognized at the Gulf Customer Experience Awards, where we received the Gold Award for the Omnihealth Ecosystem. The award highlighted the impact of initiatives such as Solution AI and Daleel AI in advancing accessibility, personalization and integration across the Omnihealth journey.

Looking forward to 2026

In 2026, Nahdi will accelerate Omnichannel expansion by growing Nahdi Online, deploying new AI modules for network development, strengthening Wasfaty integration, expanding private-label medicines digitally and increasing the number of adjacent categories served by Nahdi Now.

The Nahdi App will also evolve into a trusted digital companion for women, offering virtual try-on tools, expert content, wellness insights and seamless access to beauty and health services. This next phase will reinforce Nahdi's leadership as the region's most integrated Omnihealth retailer, connecting physical care, digital convenience and personalized wellness into one unified ecosystem.

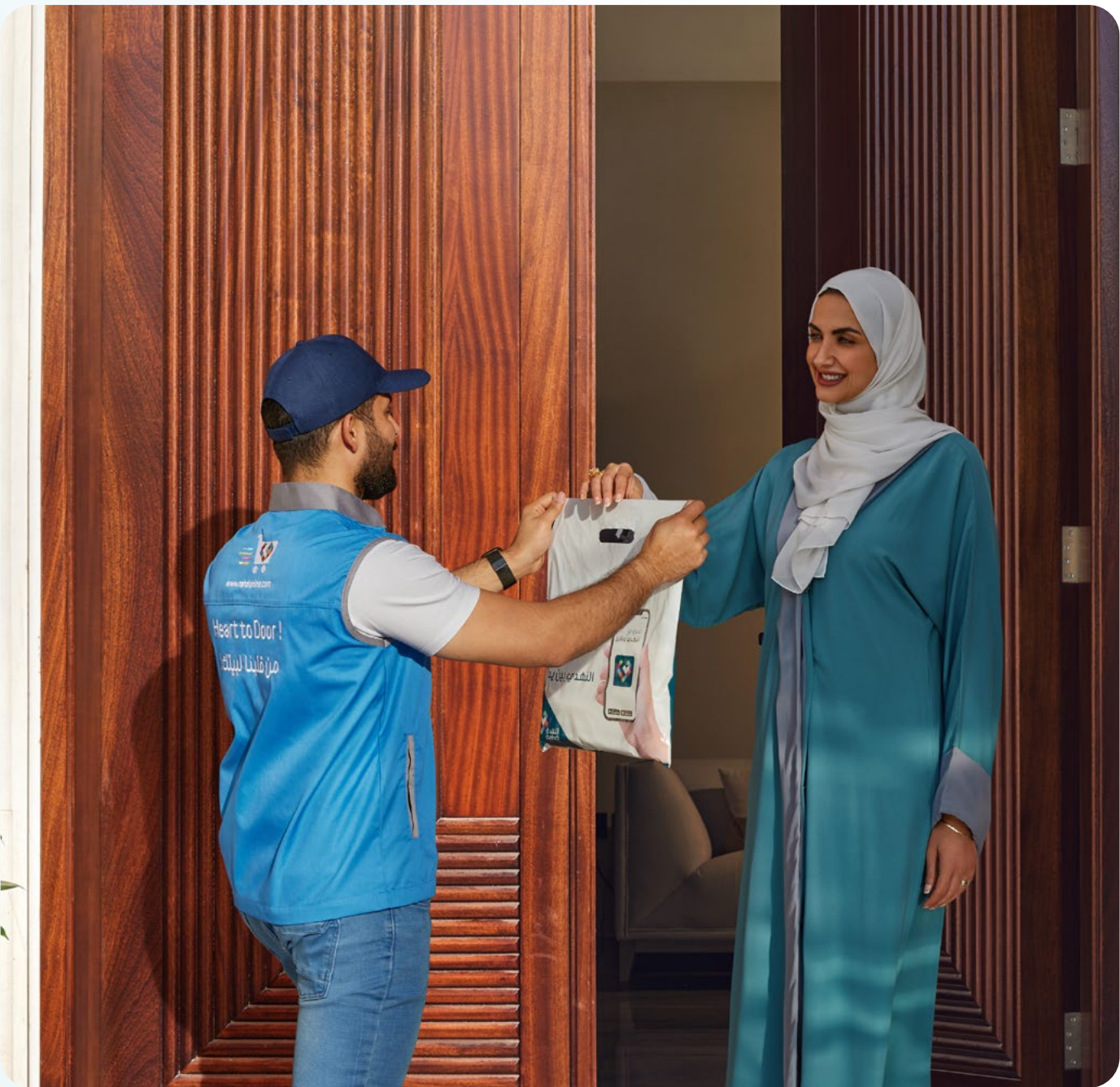


OMNICHANNEL continued

Case study: Nahdi Online

Reimagining digital care

Transforming Nahdi Online into a national Omnichannel powerhouse



A digital platform ready to break through

Over the past few years, Saudi Guests have been rapidly shifting from traditional pharmacy visits to digital-first personalized journeys. Nahdi already anticipated this evolution and built early digital capabilities.

Nahdi Online was handling millions of monthly sessions, complex loyalty integrations and fast-growing ecommerce demand. What began as a foundational digital channel now needed to become a nationwide ecosystem. The opportunity was clear: redesign Nahdi Online into a scalable, intelligent and deeply integrated health and wellness platform aligned with Saudi Arabia's digital health ambitions.

A fully re-engineered Omnichannel experience

During 2025, Nahdi Online underwent its most significant transformation to date. A native app experience delivered faster navigation, higher stability and seamless transitions between shopping, Omnihealth and loyalty journeys.

AI-powered personalization reshaped how Guests discover products, receive recommendations and engage with the brand. The introduction of Nuhdeek Shop integrated loyalty more deeply than ever, enabling Guests to redeem points for differentiated products and services.

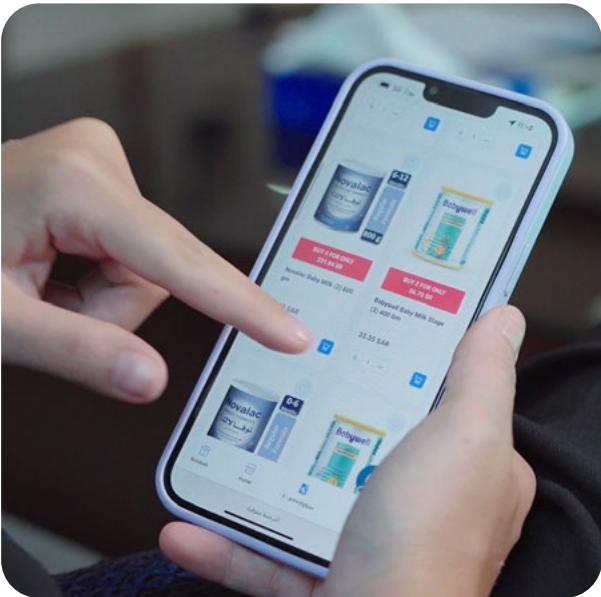
The launch of Nahdi Online-NOW marked Nahdi's entry into quick commerce, offering 30-minute delivery windows supported by real-time order orchestration and synchronized store-level inventory. Together, these upgrades elevated Nahdi Online from a digital storefront into a connected, data-driven ecosystem.

Scale, leadership and national impact

By year-end 2025, Nahdi Online achieved record performance: over **ﷲ 2.5 billion** in online sales, accounting for more than 25.8% of revenue and more than 14 million annual transactions. Traffic surpassed 19 million monthly sessions, with the app ranking #1 in the Apple Store's "Shopping" category during Ramadan. On average, Guests spend 3x more when they move from brick and mortar to Omnichannel.

These enhancements deepened Guest trust by improving speed, reliability and availability. Chronic patients gained smoother prescription journeys, urban families benefited from fast delivery and mobile-native consumers embraced the convenience of Nahdi Online-NOW.

External recognition reinforced Nahdi's leadership, including Best Retail App at the 2025 Retail Asia Awards and #1 Drug & E-commerce Retailer in the Advantage Group 2025 ranking. Nahdi Online now stands as the most advanced digital health and wellness platform in Saudi Arabia, shaping the future of Omnihealth access.



Nahdi Online's transformation enabled us to deliver more than **ﷲ 2.5 billion** in digital sales while creating a smarter, faster, more connected Omnihealth experience for our Guests.

OMNIHEALTH



Omnihealth is redefining how care is delivered in the Kingdom. By uniting polyclinics, digital platforms, wellness programs and home services into one connected ecosystem, we are building an Omnihealth model that is more accessible, more preventive and more personal for every Guest we serve.

Advancing national healthcare leadership

14
polyclinics

75.3%
revenue growth

80
NPS

350
million net revenue

2M+
encounters
↑ 43% growth

650,000
telemedicine consultations

318
million dispensed medication value

Wellness Card innovation

85M+
revenue

8x
growth

2 million
Guests

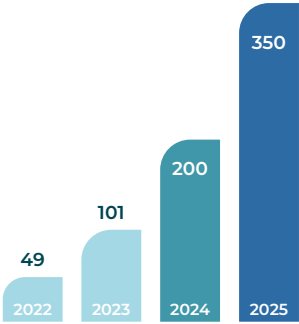
Building a strong and diverse Omnihealth workforce

1,000+
colleagues

35%
Saudi Nationals

57.5%
women

Omnihealth revenue
(S million)



Advancing and expanding Omnihealth from our strong core

In 2025, Omnihealth accelerated Nahdi's transformation from a pharmacy-led retailer into a fully integrated Omnihealth ecosystem that delivers accessible care across polyclinics, digital platforms, wellness programs and home services. Building on our deep retail footprint and trusted Guest relationships, Omnihealth advanced its role as a national gateway to preventive, primary and chronic care, directly supporting the ambitions of Saudi Vision 2030 and the Health Sector Transformation program.

A breakthrough year for the Omnihealth ecosystem

Omnihealth delivered exceptional growth, representing 3.4% of Nahdi's sales in 2025. The division's revenue increased by 75.3% year-on-year, supported by expansion in polyclinics, wellness programs, digital care and home health.

The ecosystem served more than two million Guests, an increase of 43% and added more than 500,000 million unique Guests during the year, demonstrating rapidly growing trust and adoption. This growth reflects the shift from standalone services toward a unified model where pharmacy, Omnichannel and polyclinical care reinforce one another.

Expanding a quality polyclinic network

Nahdi expanded our polyclinic network to 14 facilities across 9 cities in the Kingdom, adding capacity in key metropolitan and underserved districts to strengthen access to primary and specialty care. This year four new outlets were added in Riyadh and the southern region.

The polyclinics collectively delivered more than two million outpatient visits and continued to achieve high Guest satisfaction, with a NPS of 80 in 2025. The polyclinic network also played a strategic role in enabling pharmacy growth. More than S 318 million in prescription flow was generated for Pharmacy Retail through coordinated care pathways between polyclinics, pharmacists and digital channels, reinforcing the synergies at the heart of Nahdi's Omnihealth model.

Nahdi polyclinics proudly employed more than 1,000 professionals, including general practitioners, specialists and consultants covering more than 20 specialties. Saudi Nationals represented 35% of Omnihealth colleagues and women accounted for 57.5%, reflecting Nahdi's commitment to building a diverse and inclusive Omnihealth workforce that mirrors the communities it serves.

Scaling preventive health across the Kingdom

Preventive health experienced a major step change in 2025 as the Wellness Card platform expanded rapidly. More than 2 million Guests were served during the year, representing an eightfold increase compared to 2024. The program helped to deliver more than 4.1 million diagnostic laboratory tests and became one of the most comprehensive and affordable wellness offerings available in the Kingdom. Fully integrated into the Nahdi App, Guests can now access test results, follow personalized wellness plans and receive guideline-based recommendations supported by Daleel AI.

OMNIHEALTH continued

The Wellness Card portfolio also expanded into targeted health areas, including weight management and metabolic health. The Wazen program combined BMI tracking, structured diet plans, lab diagnostics and medication supervision to support obesity reduction, aligning closely with national public health priorities. This expansion underscores Nahdi's commitment to empowering Guests with early detection, data-driven prevention and lifestyle support.

Elevating virtual care and digital health

Digital care continued to play a central role in Omnihealth's growth. More than 650,000 telemedicine consultations were delivered during the year, maintaining one of the highest virtual-care volumes in the private sector. Integrated digital pathways connected Guests to pharmacists, physicians, nutritionists and wellness coaches, creating a seamless experience across primary care and ongoing condition management.

Medication adherence remained a national priority and Omnihealth advanced adherence programs through E-Sab, Ez-pill and Refill Reminder services. These solutions supported more than 65,000 chronic patients with digital reminders, refill scheduling and ongoing follow-up. The integration of e-prescriptions, digital consultations and pharmacy fulfillment ensured that Guests could move smoothly between polyclinical advice and medication access.

Scaling Home Healthcare to meet diverse Guest needs

Home healthcare expanded meaningfully in 2025, completing more than 120,000 home visits and increasing reach across priority regions. Services included nursing, physiotherapy, chronic disease monitoring and post-discharge care.

Home healthcare is now directly connected to Wellness Card programs and digital care pathways, enabling a continuum of care that supports elderly, chronic and mobility-limited Guests. This model strengthens preventive outcomes and reduces the need for unnecessary polyclinic or emergency visits.

Clinical talent, education and sector leadership

Strengthening national clinical expertise remained a priority in 2025. The NahdiCare Cardiometabolic Conference brought together healthcare professionals across a range of specialized topics and featured leading local and international experts, achieving strong satisfaction from both attendees and sponsors. Nahdi also hosted the inaugural NahdiCare Dental Conference, advancing best practices in dental care and underscoring our commitment to clinical education.

Strategic collaborations with the Saudi Commission for Health Specialties, King Saud University and various medical and healthcare societies continued to elevate medical talent and clinical capabilities, deepen professional development and support the Kingdom's medical education agenda.

Quality remained a core differentiator for Nahdi Omnihealth. Two polyclinics received a 100% score in the Saudi Central Board for Accreditation of Healthcare Institutions assessment for the first time resulting in a total of 10 polyclinics now accredited, demonstrating full compliance with national healthcare quality and safety standards. We also renewed accreditation by the Australian Council on Healthcare Standards International and diagnostic laboratory services maintained accreditation from the College of American Pathologists (CAP). As a result, Omnihealth continued to build a strong reputation for consistent, reliable and high-quality care across the Kingdom.



Building a connected Omnihealth ecosystem

Nahdi strengthened our role as a system-level Omnihealth partner through expanded collaborations with hospitals, insurers, local manufacturers and clinical societies. Partnerships with the Saudi Society of Dermatology and AbbVie advanced public awareness and early detection campaigns. Collaborations with 12 local medicine manufacturers supported national localization goals and expanded access to high-quality Saudi-made pharmaceuticals. Provider pharmacies continued to expand across the Kingdom, linking hospital prescriptions to digital and retail fulfillment. These partnerships reinforce the role of pharmacies as an extension of the care continuum and directly support the Health Sector Transformation program's objectives for better access, affordability and medication adherence.

Strategic investment with strong long-term potential

Omnihealth continued to operate in investment mode through 2025, expanding capacity, building capabilities and growing our ecosystem. Despite these investments, mature polyclinics delivered solid net margins and contributed meaningfully to overall profitability.

The business remains on track to open four polyclinics in 2026, progressing toward the long-term ambition of doubling polyclinics by 2030. Omnihealth expects revenue to grow in 2026, with further improvements in polyclinic performance and gradual enhancement of bottom-line contribution over the medium-term.

Looking forward to 2026

In the year ahead, Omnihealth will accelerate the expansion of our polyclinic network, with new polyclinics planned for Jizan, the Eastern Province, Makkah and Riyadh. Prevention will remain a central focus, with plans to double the reach of the Wellness Card platform, expand diagnostic capabilities and deepen integration with the Nahdi App. Virtual care will advance through enhanced telemedicine services and expanded chronic care pathways. Provider pharmacy partnerships will continue to grow and more services will be integrated with Wasfaty to strengthen digital prescription access nationwide.

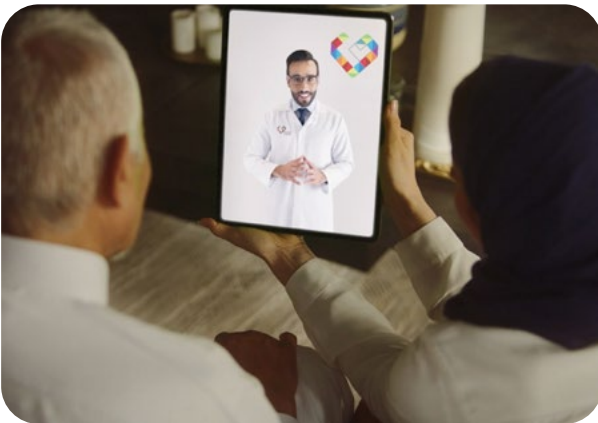
These efforts will reinforce Nahdi's position as a national leader in primary and preventive care and support the Kingdom's goal of building a healthier, more empowered population. Omnihealth will remain a central pillar of our 2030 Heart BEATS strategy, reimagining care across Pharmacy Retail, polyclinics, digital health, wellness and home services to deliver a modern Omnihealth experience rooted in convenience, quality and trust.

Case study

A recognized model of excellence



In 2025, the Harvard University T.H. Chan School of Public Health, featured a case study on Nahdi's integrated healthcare ecosystem (Omnihealth) as part of its academic curriculum. The case study explores Nahdi's model as a real-world example of how pharmacy services, digital solutions and healthcare delivery can be seamlessly integrated within a unified operating framework. This academic recognition highlights the growing global interest in Nahdi's approach to building a technology-enabled, integrated healthcare model.





04

SUSTAINABILITY REVIEW

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OVERVIEW

Sustainability at the heart of long-term value

Sustainability is embedded in every aspect of how we operate, shaping the choices we make and the impact we create for our Guests, our communities and the Kingdom. It reflects our belief that advancing health and well-being requires more than care at the point of service; it demands responsible business practices, resilient systems and long-term investment in people and the planet.



Best Practices Track Award (Gold Category)
received for the second consecutive year from
the Ministry of HRSD



575,000
training hours
delivered to

2,100
students across

25
universities



2,718
tons of cartons and
wood pallets eliminated,
helping preserve nearly

46,200
mature trees



93
operating days of
Convoys of Hope "Qwafil
Al Amal",
benefiting

32,000+
in underserved areas

Environmental stewardship

We strive to reduce our ecological footprint and we continue to establish various initiatives that reflect this commitment across all our operations, supply chains and networks.

Social responsibility



Guests

We prioritize the health and well-being of our Guests with initiatives like the Wazen Hayatak weight loss program, e-pharmacist services and year-round donations.



Communities

We are committed to serving our communities through initiatives like Convoys of Hope "Qwafil Al Amal", providing essential healthcare to underserved areas, in addition to supporting vulnerable groups with donations and collaborations.



Colleagues

We work towards equipping our people with the tools and guidance they need. Through training initiatives such as the Nahdi Academy mobile app, we help them cultivate both technical and leadership skills and support their ongoing growth.

Aligning with Vision 2030 and global goals

Across Saudi Arabia, the burden of lifestyle-related diseases continues to grow. Nearly 23.7% of adults live with diabetes, a rate among the highest in the world, while obesity and metabolic disorders are rising across younger generations. Nahdi recognizes that these challenges require more than treatment; they demand prevention, education and early intervention. Through programs that empower Guests to make informed health decisions, we transform pharmacies into community health hubs - places of guidance as much as of service.

Every day, Nahdi's more than 1,220 pharmacies and NahdiCare Polyclinics operate as extensions of the national healthcare infrastructure. Our pharmacists are not only dispensers of medicine but also educators who promote healthier lifestyles and adherence to treatment. The scale of our reach extending to every major region and hundreds of towns makes Nahdi a strategic partner in achieving Vision 2030's goals for public health transformation.

Nahdi's strategy directly contributes to Vision 2030's National Transformation and Health

Sector programs as well as the UN Sustainable Development Goals. We support Goal 3 (Good Health and Well-being) through preventive-care campaigns and digital health innovations; Goal 5 (Gender Equality) through our commitment to women's empowerment; and Goal 13 (Climate Action) through decarbonization initiatives.

Our focus is not on scale alone but on significance - how each initiative advances the Kingdom's sustainability journey. Whether introducing electric forklifts at IMDAD or creating the Convoys of Hope "Qwafil Al Amal" program to serve remote communities, every achievement reflects our alignment with the nation's long-term vision of prosperity grounded in well-being.

A culture of accountability and care

As the healthcare landscape continues to evolve, Nahdi's role will expand beyond retail and polyclinical services into preventive and digital care. The coming years will see increased investment in renewable-energy integration, advanced data analytics for supply-chain optimization and community-based health programs that leverage technology for inclusivity.

OVERVIEW continued

Our ambition remains clear: to be the most trusted Omnihealth partner contributing to a sustainable and healthier Kingdom - one that thrives economically, socially and environmentally.

From sustainability to strategic ESG

For Nahdi, sustainability defines how we grow and thrive with our Guests and all our stakeholders. By embedding environmental, social and governance (ESG) principles across our operations, we strengthen resilience, drive innovation and create value that endures. Our ESG strategy integrates measurable objectives across all business units:

Environmental

Energy efficiency, waste management and carbon reduction.

Social

Community health, inclusion and workforce development.

Governance

Ethical conduct, transparency and accountability at every level.

Each initiative we undertake - from electrifying logistics to training pharmacists - is guided by the understanding that long-term competitiveness depends on responsible stewardship.

Recognition for sustainable excellence

Our commitment to social responsibility continues to earn national recognition. In October 2025, Nahdi received the Best Practices Track Award (Gold Category) from the Ministry of HRSD, presented by His Excellency Engineer Ahmed bin Sulaiman Al-Rajhi during a ceremony held in Riyadh. This marks the second consecutive year that Nahdi was honored by the Ministry, following our 2024 recognition as the Best Company in the Healthcare Sector for Social Responsibility during the inaugural Social Responsibility Awards.

Note: Nahdi is working towards alignment with international ESG standards.

These awards reflect our alignment with the social impact aspirations of Saudi Vision 2030 and underscore the strength of our contribution in a highly competitive landscape that included more than 1,758 companies across sectors and size categories. They also reinforce the depth of our commitment to expanding access to quality healthcare and delivering meaningful community impact. This recognition motivates us to further scale our efforts in 2026 and beyond, ensuring that an even broader segment of society benefits from our programs, partnerships and long-standing dedication to social responsibility.

What sustainability means to Nahdi

Sustainability for Nahdi is a strategic force that protects our future, strengthens our model and deepens the value we create for society. It is how we build resilience across our operations, safeguard continuity and reduce exposure to ESG risks. It drives cost efficiency through smarter resource use, digital enablement and circular practices. It reinforces compliance with national priorities and regulatory expectations, ensuring we contribute to Vision 2030 outcomes with integrity and accountability. Most importantly, it strengthens Guest trust. By investing in healthier people, safer environments and responsible growth, we uphold our promise to serve communities with care today while shaping a stronger, more sustainable tomorrow.



ENVIRONMENTAL STEWARDSHIP

Nahdi's sustainability journey is rooted in the conviction that protecting the environment is inseparable from promoting health. A healthy society cannot exist without a healthy planet and our environmental practices reflect this truth every day across our operations, logistics and facilities.

Through data-driven management and forward-looking design, we continue to reduce our carbon footprint, conserve resources and align with the Kingdom's transition to a circular and low-carbon economy under Vision 2030. Environmental stewardship at Nahdi is not an obligation; it is an act of care for our Guests, our people and the generations to come.

In 2025, Nahdi targeted several interventions to reduce electricity consumption across our distribution centers and retail network.



Partnership with Emerge to develop a three MWp rooftop solar installation to power the IMDAD Distribution Center



Smart automation systems were installed to monitor and regulate lighting, HVAC and refrigeration loads, optimizing energy use based on occupancy and demand



LED retrofitting was completed in 100% of our IMDAD Distribution Centers and across major retail sites, replacing outdated lighting with energy-saving alternatives



Behavioral campaigns encouraged colleagues to adopt conservation habits, from reduced idle equipment time to temperature-control discipline, embedding a shared sense of ownership over resource use

These operational gains not only lowered environmental impact but also improved reliability and reduced cost volatility, reinforcing the idea that sustainability enhances business resilience.



ENVIRONMENTAL STEWARDSHIP

continued

Commitment to the circular economy

Nahdi's environmental strategy extends beyond energy efficiency to the full lifecycle of materials. We are redesigning how packaging, waste and operational by-products move through our value chain, shifting from linear use toward a circular model that reduces waste, improves resource efficiency and creates long-term environmental value.

In 2025, Nahdi recycled



1,085 tons
of cartons



1,631 tons
of wooden pallets



76 tons
of plastics

all diverted from landfills and reintroduced into industrial use.

Our transition to reusable packaging has yielded one of our most impactful results: by replacing single-use cartons with durable plastic distribution boxes, we saved 5.4 million cartons, equivalent to 2.03 tons of material, advancing our circular economic commitments while

reducing waste-handling costs and logistics emissions.

To further minimize the environmental footprint, Nahdi distributed 1,723 tons of biodegradable shopping bags across its network, supporting the Kingdom's push to reduce single-use plastics and encouraging Guests to adopt responsible consumption habits.

IMDAD Distribution Center - A model of green logistics

Our IMDAD facility in Jeddah remains the beating heart of Nahdi's sustainable operations strategy. Purpose-built for efficiency and certified to ISO 14001 Environmental Management System standards, it exemplifies how technology and discipline can converge to create tangible carbon savings.

100% of forklifts at IMDAD are now electric, eliminating diesel emissions and saving 2.65 tons of CO₂ annually.

Full 100% electrification is on track for completion by next year.

The center's LEED accreditation validates its performance in energy optimization, water conservation and waste diversion.

Every pallet that moves through IMDAD represents a promise kept: to deliver medicines and wellness products efficiently while protecting the environment. The integration of renewable-ready electrical infrastructure positions IMDAD as a cornerstone of Nahdi's long-term decarbonization roadmap.

Urban greenery and water stewardship

Water conservation remains a national priority in Saudi Arabia's arid climate, where responsible use of every drop contributes to long-term sustainability. Through the IMDAD Green Initiative, we advanced our efforts in 2025 by installing on-site gray-water treatment systems that processed 3.74 tons of gray water for reuse in cleaning and irrigation. This approach reduces demand on freshwater resources and enhances the efficiency of our operations.

Across our sites, landscaping projects using native and drought-resistant species reinforce our commitment to sustainable resource management. Each initiative may be modest on its own, but together they reflect our belief that small, consistent actions create meaningful and lasting environmental impact.

Minimizing waste through technology

Environmental stewardship at Nahdi also includes redesigning how we manage paper and process waste. By digitalizing pharmacy documentation and supply chain workflows, we have significantly reduced paper consumption while improving the speed, accuracy and reliability of our operations. This includes transitioning to electronic invoicing and digital prescriptions eliminating thousands of paper forms daily, as well as introducing smart inventory systems that have reduced over-ordering and expired-product waste, ensuring that every shipment serves a purpose. By combining digital innovation with operational discipline, Nahdi continues to demonstrate that sustainability and efficiency are two sides of the same strategy.



SOCIAL RESPONSIBILITY

As a leader in the pharmaceutical sector in Saudi Arabia, Nahdi works diligently to contribute to the community’s overall healthcare through providing high-quality products and services. Our vision is to enhance people’s knowledge and strengthen their belief in their ability to improve their quality of life through innovative and effective health awareness programs. By leveraging our expertise, we aim to bridge the knowledge gap through our extensive network across the Kingdom.

We provide people with tools to improve their health and lifestyle, adding a new beat to their lives. In doing so, we launched our sustainability umbrella Beat of Hope “Nabdat Amal” to add beat to people’s life through a culture of health and wellness, as well as support and empowerment programs within our sustainable social responsibility plan.

Our social sustainability pillars – under Beat of Hope “Nabdat Amal” umbrella



Yesterday

Effective chronic disease management

Our goal is that individuals can live longer, healthier lives, reducing the burden on healthcare systems and strengthening the community.

Our initiatives include, Convoys of Hope “Qwafil Al Amal”, Ehsan donation partnership and Nahdi health ecosystem: Waqfat Ahl.



Today

Activating preventive care and well-being

Our goal is prioritizing well-being, guests can enhance quality of life, reduce chronic diseases risk and contribute to society.

Our initiatives include, Wazen Hayatak program and Nahdi volunteering program.



Tomorrow

Women empowerment in health

Our goal is to empower women as the society’s backbone, shaping futures: caregivers in families, educators in communities and influencers of economies.

Our initiative includes Parenting program “Motherhood Club.”

Yesterday

Creating health equity across the Kingdom

Through this extensive reach, we play a vital role in advancing Vision 2030’s Health Sector Transformation program, which aims to improve access, quality and value across the healthcare continuum. Our commitment to inclusivity ensures that the benefits of modern Omnihealth extend beyond urban boundaries and into the lives of families in smaller communities.

Convoys of Hope “Qwafil Al Amal” – delivering care where it is needed most

The Convoys of Hope “Qwafil Al Amal” initiative is a cornerstone of our social-impact strategy and one of the most visible examples of private and non-profit collaboration in the Kingdom’s healthcare landscape. These mobile Omnihealth missions deliver essential medical services, consultations and awareness programs to communities with limited access to care.

In 2025, Convoys of Hope “Qwafil Al Amal” operated for 93 days across multiple regions, reaching 32,064 beneficiaries, in 21 villages discovering 1,139 undiagnosed diabetic cases. Working in partnership with Al Hayat NGO in the northern region, Enaya NGO in the central region and with Al Ehsan NGO in the southern region, access to medical services was made possible.

During the Hajj season, our Convoys extended their compassion to the pilgrims themselves. Over 34 days, the teams supported nearly 18,000 pilgrims, providing medication and medical consultations at critical points in the pilgrimage route. The initiative showcased Nahdi’s operational agility and capacity to mobilize healthcare infrastructure under demanding circumstances, reinforcing our role as a trusted partner in national health readiness.

The Convoys of Hope “Qwafil Al Amal” initiative, launched during the 1447 Hajj season in partnership with Al Hayat NGO, was awarded the Excellence Award for Serving the Guests of Allah under the Public Health Services category.

This recognition reflects Nahdi’s ongoing commitment to empowering community health initiatives, supporting national goals for healthcare access and contributing to Saudi Vision 2030’s Quality of Life objectives.

Every stop the Convoys make tells a human story: a diabetic patient receiving a long-delayed check-up, a mother learning how to monitor her child’s nutrition, an elderly pilgrim completing his journey with comfort and dignity. These are the quiet but powerful beats of Nahdi’s purpose in motion.



SOCIAL RESPONSIBILITY continued

Partnerships that extend impact

Through the Ehsan donation platform, the National Platform for Charitable Work, Nahdi funds monthly support for chronic disease patients, ensuring medication adherence and continuity. In 2025, we implemented a new strategy where donations were attached to international health days for enhancing health awareness and maximizing direct donation to specific NGOs related to each cause. Our partnerships during the year included:



Chronic diseases

Supporting Enayah Health Society to enhance care and awareness for patients with chronic conditions.



Children's Cancer Month

Partnering with Sanad Children Cancer Support Association to assist young Guests and raise cancer-awareness campaigns.



World Hepatitis Day

Facilitating and directing customer donations collected through Nahdi pharmacies and the Nahdi App, via the Ehsan platform, to the Saudi Charity Society for Liver Patients "Kabidak", supporting treatment access for hepatitis patients.



World Heart Day

Collaborating with the Heart Patients Care Society "Qalbi" by facilitating and directing customer donations collected through Nahdi pharmacies and the Nahdi App, via the Ehsan platform, to support adult cardiac surgeries for Guests in need.



Breast Cancer Awareness Month

Supporting Zahra Breast Cancer Association in education, awareness and early-detection programs for women across the Kingdom.



World Diabetes Day

Partnering with the Society of Diabetic Patient Friends by facilitating and directing customer donations collected through Nahdi pharmacies and the Nahdi App, via the Ehsan platform, to support diabetic patients.



Children with Disabilities

Assisting the Disabled Children Association in providing rehabilitation and support programs for children with special needs.

Digital health ecosystem - extending access through innovation

Our digital health ecosystem - Waqfat Ahl, ecosystem, Waqfat Ahl, starts with e-Pharmacist services to remote consultations through the Nahdi app, including other services such as Ez-pill, Home Healthcare and Wellness Cards. The full health ecosystem helped our chronic patients to adhere to their medications by 65% achieving 8% growth versus last year. Nahdi health ecosystem aligns seamlessly with Vision 2030's digital transformation goals to help our chronic patients have a healthier life.

The platform's secure, user-friendly design makes it especially valuable for chronic disease patients who require frequent follow-ups and medication adherence. In parallel, our digital channels amplify public-health campaigns, turning awareness into action among millions of online followers.

Through this integration of technology and empathy, Nahdi is shaping a new healthcare model, one that is preventive, participatory and personalized.

Today

Preventive health and behavior change

Nahdi's long-term impact lies not only in delivering medicine but in reshaping habits and mindsets. Through our preventive-health programs, we encourage Guests to take active control of their wellness, make informed lifestyle choices and adopt routines that improve quality of life. By prioritizing well-being, individuals can reduce the risk of chronic disease, stay healthier for longer and contribute more fully to their families, communities and the Kingdom's future.

Wazen Hayatak

Wazen Hayatak, our flagship weight management and wellness program has engaged 251,302 participants since its inception, collectively achieving 102 tons of weight loss. The initiative does more than measure kilograms lost; it builds awareness of balanced nutrition and active living, reducing risk factors for obesity and type 2 diabetes.

Building a culture of volunteerism

In 2025, we launched the Nahdi Volunteering program internally to enable our colleagues to support the community by giving their time, skills and promoting social responsibility. The Nahdi Volunteering program connects Nahdi colleagues with initiatives that truly matter. Through compassion and teamwork, simple actions can become life changing moments. At the heart of Nahdi lies a culture of care and volunteering is how we bring it to life.



Tomorrow

Caring for the future

Women are at the heart of every healthy society, shaping families, guiding communities and driving economic progress. At Nahdi, we are committed to supporting women's health through accessible care, tailored wellness services and programs that empower them as caregivers, educators and contributors to the Kingdom's growth. By investing in women's well-being, we help strengthen the backbone of society and enable healthier futures for generations to come.

Motherhood Club program

"Motherhood Club" has connected with over 850,000 parents, providing guidance on pediatric nutrition, prenatal care and early-child development. Our collaboration with the Zahra Breast Cancer Association continues to expand awareness on early detection and to provide access to quality care products for women nationwide. These programs show that when knowledge becomes accessible, prevention becomes possible.

Further, we support orphaned children in rural areas by giving them discounted coupons to purchase their needs from our pharmacies.

Building the healthcare workforce of tomorrow

Nahdi's greatest asset is our people: the pharmacists, clinicians, engineers and support teams whose skills and dedication translate strategy into service. Empowering people is both an ethical commitment and a strategic necessity for a nation building a knowledge-based economy.

Investing in Saudi talent

This year, Nahdi achieved a 37.5% nationalization rate, exceeding market averages and regulatory requirements. We now employ more than 1,300 Saudi pharmacists, representing 32.6% of our pharmacy team one of the largest concentrations of Saudi professionals in the private healthcare sector.

Our investments in Saudi talent align directly with Vision 2030's Human Capability Development program, which aims to enhance employability, productivity and global competitiveness. Nahdi's pharmacies and polyclinics act as real-world training grounds for the next generation of Saudi healthcare professionals under the mentorship of seasoned consultants.

SOCIAL RESPONSIBILITY continued

Championing women in healthcare

Gender inclusion continues to be a defining pillar of our people's strategy. Across Nahdi KSA and NahdiCare Polyclinics, our feminization rate stands at 21.5%, with more than 540 female pharmacists.

Beyond numbers, Nahdi fosters a workplace culture built on respect, mentorship and empowerment. Women leaders actively contribute to shaping company strategy and community outreach, demonstrating that gender equality strengthens organizational performance and innovation, a commitment recognized by Nahdi receiving the Best Place to Work for Women certification (BPTW).

Developing future leaders

The Nahdi Leadership program, now in its fourth cohort, serves as a catalyst for cultivating leadership capabilities across departments. Through experiential learning, coaching and strategic projects, participants develop the managerial mindset needed to lead the healthcare industry into a digital, patient-centric future.

Complementing this, Nahdi's pledge to provide 55,000 training opportunities between 2024 and 2028 under the WAD II initiative of the Ministry of HRSD, underscores one of the Kingdom's most ambitious private sector commitments to human-capital development.

Training partnerships extend to academia:

- Over 2,100 pharmacy students from 25 universities completed internships and field training with Nahdi.
- Approximately 50% of Saudi pharmacists hired by Nahdi originate from these programs, illustrating a seamless pipeline from classroom to career.

Employee well-being and engagement

Caring for our Guests begins with caring for our people. We take a holistic approach to employee well-being that supports physical, emotional and professional health, recognizing that an engaged and resilient workforce is essential to delivering consistent, high-quality care. Our programs are designed to promote balance, build capability and foster a strong sense of purpose, ensuring colleagues feel valued as contributors to a national mission, not simply employees of a company.

This commitment is underpinned by long-term investment in learning, growth and engagement. We are working toward a three-year vision to surpass one million training hours annually, while in 2025 alone we delivered 575,000 training hours to strengthen skills and support career progression across the organization. These efforts translated into outstanding engagement outcomes, with a 95% Best Place to Work score overall and 96% among national pharmacists, reflecting high levels of trust, satisfaction and pride.

Targeted development programs play a central role in building future-ready talent. Through the Talent Magnet Program, more than 1,700 colleagues explored six career domains, with 50 promotions achieved over the past three years. The Nahdi Leadership program empowered 50 young Saudi talents to step into dynamic roles. At the frontline, store-crew capabilities were enhanced through 26 structured training programs, 1,600 workshops and an average of 30 learning hours per crew member.

We also continue to strengthen national workforce development. In 2025, we trained 2,100 pharmacy students across 25 universities. Together, these initiatives reinforce a culture of continuous improvement, engagement and shared responsibility for shaping the future of healthcare in the Kingdom.



GOVERNANCE AND THE ROAD AHEAD

Accountability as competitive advantage

Strong governance is central to Nahdi’s sustainable growth strategy. We maintain clear, transparent frameworks in full alignment with CMA regulations and ESG best practices, protecting stakeholder interests, ensuring operational integrity and securing long-term business continuity.

Key initiatives on the horizon

Transparent governance frameworks

In full compliance with CMA, Vision 2030 and ESG principles, we maintain clear governance structures and internal control systems that safeguard our operations and uphold stakeholder trust.

Board and Executive oversight

Our Board of Directors and Executive leadership actively oversee business strategy, risk management, ESG performance and operational compliance, ensuring informed, responsible decision-making at every level.

Operational resilience and risk management

Proactive risk identification, business continuity planning and crisis management protocols preserve service reliability and operational resilience, protecting our Guests and shareholders in a rapidly evolving market.

Data privacy and cybersecurity

With advanced data security infrastructure and strict privacy protocols, Nahdi safeguards sensitive health and personal data upholding digital trust and operational continuity.

Ethical business conduct

Through employee training, a Company-wide Code of Conduct and anti-corruption programs, we foster a culture of integrity and accountability, ensuring business practices meet the highest ethical standards.

From energy efficiency to community empowerment, from governance reform to digital transformation, Nahdi’s sustainability journey represents a living partnership between business success and societal progress. Every milestone achieved in 2025 stands as evidence that purpose and performance can advance together.

As we look ahead, we carry forward one guiding conviction: by caring for people and the planet, we strengthen the heartbeat of a healthier, more sustainable Saudi Arabia.





05

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

This report has been drafted to comply with the Corporate Governance Regulations issued by Saudi Arabia’s Capital Market Authority and to be compatible with the disclosure and transparency requirements of the registration and listing rules. This report is divided, according to the Corporate Governance Regulations, into several sections, as follows.

Introduction

Nahdi Medical Company has worked on developing its own Corporate Governance Regulations in order to comply with the provisions of the regulations issued by the Capital Market Authority.

The administrative structure of Nahdi consists of the Board of Directors, three Board committees and an Executive Management team. The Board of Directors has the overall responsibility of establishing, supervising and reviewing Nahdi’s governance principles and policies to ensure full compliance with the relevant regulations to enhance the Company’s growth and sustainability.

The Board formed three committees to support its responsibilities: the Audit Committee, the Remuneration and Nomination Committee

and the Digital Transformation and Cyber Security Committee. The performance of these committees is subject to periodic review by the Board of Directors in accordance with the statutory requirements and according to the Board’s need for the recommendations issued by these committees.

Shareholders are considered particularly important in the framework of Nahdi’s governance, as the Board of Directors’ Charter allows “the attendance of the Board Members at the meetings of the General Assembly”. Therefore, the Governance Manual aims for Board Members to meet with shareholders to listen to their suggestions, observations and directions about the Company and its performance.

The Company has also established a dedicated Investor Relations department to strengthen the relationship between shareholders and Nahdi.



Board of Directors, Committee Members and Executive Management

Members of the Board of Directors, committees and Executive Management, their positions in the Company, their qualifications and experience



Saleh Salem
Ahmed Bin Mahfouz
Chairman

Eng. Bin Mahfouz was appointed Chairman of Nahdi’s Board of Directors in 2021. He also chairs the Board of Al Numu Real Estate Development Company, is the Chairman of the Investment Committee, a Board Member of Taba Business Holding Company and a Partner and Board Member at Al Khomasiah International Real Estate Development Company.

Eng. Bin Mahfouz holds a Bachelor’s degree in Civil Engineering from King Fahd University of Petroleum and Minerals, Saudi Arabia.



Abdullah Amer
Abdullah Al-Nahdi
Vice Chairman

Mr. Al-Nahdi was appointed to the position of Vice Chairman of Nahdi’s Board of Directors in 2021. He holds a number of business leadership positions, including Chairman of Al Nahdi Holding Company, Chairman of the Board of Trustees at Al Nahdi Humanitarian Institution and sits on the Boards of King Salman Center for Disability Research and Endowments of King Abdulaziz University. He is also the General Director of Nahdi Transportation Company.

Mr. Al-Nahdi holds a Bachelor of Business Administration (BBA) from King Abdulaziz University, Saudi Arabia.



Abdelelah Salem
Ahmed Bin Mahfouz
Board Member

Mr. Bin Mahfouz was appointed to the Nahdi Board of Directors in 2021. An accomplished business leader, he is also Vice Chairman of SEDCO Holding. In addition, Mr. Bin Mahfouz is Chairman at Methak Holding Company and Vice Chairman at Salem bin Mahfouz Foundation (SBMF), a non-profit organization.

Mr. Bin Mahfouz holds a Bachelor’s degree in Business Administration from Ohio State University, USA.



Yasser Ghulam
Abdulaziz Joharji
**Board Member and
Chief Executive Officer (CEO)**

Eng. Joharji was appointed Nahdi’s CEO in 2014 and as a Board Member in 2021. With over 32 years of sectorial experience, he has held a number of leadership positions at Unilever Saudi Arabia and Savola Group.

Eng. Joharji holds a Bachelor’s degree in Industrial Engineering from King Saud University, Saudi Arabia.



Abdulatif Ali Abdulatif Al-Seif
Board Member

Mr. Al-Seif was appointed to the Nahdi Board in 2021. He is the Chairman of Saudi Investment Bank and he also sits on the boards of Saudi Agricultural and Livestock Investment Company, Wisayah Global Investment Company, Southern Province Cement Company, Arabian Internet & Communications Services Company and Albilad Tourism Fund. Additionally, he is the CEO and Executive Director at Sabeen Investment Company.

Mr. Al-Seif holds an MBA and a Master's degree in Economics from Boston University, USA.



Junaid Ezmat Bajwa
Board Member

Dr. Bajwa was appointed to Nahdi's Board of Directors in 2021, he sits on the boards of Medicines and Healthcare Products Regulatory Agency and University College London Hospital. He is also a Trustee at University College London Charity Hospital and a Director at Essential Guides UK Limited.

Dr. Bajwa holds an MBA from Imperial College London, UK and a Master's degree in Medical Administration from the University of Birmingham, UK.



Romain Voog
Board Member

Mr. Voog was appointed to the Nahdi Board of Directors in 2021. A seasoned digital and retail senior executive, he is a Board Member and Director at GetGo Lte and previously held senior positions at OLX Group, Airbnb, Global Fashion Group and Amazon, after a consulting career with Boston Consulting Group and Bain & Company.

Mr. Voog holds a Master of Science degree, with a major in Economics and Business, from École Centrale Paris, France.

Composition of the Board of Directors and the statement of its members as follows (Executive Board Member | Non-Executive | Independent)

The table below shows the members of the Board of Directors of Al Nahdi Medical Company.

Name	Title	Position
Saleh Salem Ahmed Bin Mahfouz	Chairman	Non-Executive
Abdullah Amer Abdullah Al-Nahdi	Vice Chairman	Non-Executive
Abdelelah Salem Ahmed Bin Mahfouz	Board Member	Non-Executive
Yasser Ghulam Abdulaziz Joharji	Board Member and CEO	Executive
Junaid Ezmat Bajwa	Board Member	Independent
Romain Voog	Board Member	Independent
Abdulatif Ali Abdulatif Al-Seif	Board Member	Independent

Names of companies where a member of the Board of Directors is a member (or was previously a member) of the Board of Directors, or is a member of the Executive Management

Saleh Salem Ahmed Bin Mahfouz	
Company	Title
Al Murabba International Trading Company Limited	Board Member – Present
Nahdi Medical Company	Chairman of the Board of Directors – Present
Al Numu Real Estate Development Company Limited	Chairman of the Board of Directors – Present
Al Khomasiah International Real Estate Development Company	Partner and Board Member – Present
Taba Business Holding Company	Chairman of the Investment Committee – Present Board Member – Present
Saudi Economic and Development Company – SEDCO Holding	Chairman of the Board of Directors – Former
Red Sea Markets Company Ltd.	Chairman of the Board of Directors – Former
Rasm Property Management Company	Chairman of the Board of Directors – Former
Al Mahmal Development Company	Chairman of the Board of Directors – Former
Al Mahmal Facilities Services Company	Chairman of the Board of Directors – Former
Al-Balad Al-Ameen Company	Board Member – Former
Yanbu Saudi Kuwaiti Paper Products Company	Board Member – Former
Yanbu Cement Company	Board Member – Former
Saudi Economic and Development Company (SEDCO Holding)	Chairman of the Executive Committee – Former

Abdullah Amer Abdullah Al-Nahdi	
Company	Title
Nahdi Transportation Company for Logistics Solutions	General Director – Present
Golden Sakhaa Trading & Contracting Company	General Director – Present
Al Nahdi Humanitarian Institution	Chairman of the Board of Trustees – Present
Al Nahdi Holding Company	Chairman of the Board of Directors – Present
Dan Al-Oula Trading Company	General Director – Present
Nahdi Medical Company	Vice Chairman – Present
King Salman Center for Disability Research	Board Member – Present
Endowments of King Abdulaziz University	Board Member – Present

Abdelelah Salem Ahmed Bin Mahfouz	
Company	Title
Board of Trustees of King Abdulaziz Waqf for Al-Ain Al-Aziziyah	Board Member – Present
Mithaq Holding Company	Chairman of the Board of Directors – Present
Al-Mahwar Investment Holding Company	Chairman of the Board of Directors – Present
Ta'alum Association	General Assembly Member – Present
University of Prince Mugrin	Honorary Board Member – Present
Distinguished Initiatives Association	General Assembly Member – Present
SEDCO Holding Company	Vice Chairman – Present
Salem Bin Mahfouz Foundation	Vice Chairman of the Board of Trustees and Chairman of the Executive Committee – Present
Nahdi Medical Company	Board Member – Present
Saudi National Bank	Deputy Regional Director for the Riyadh Region – Former
SEDCO Capital	Chairman of the Board of Directors – Former
National Center for Non-Profit Sector	Board Member – Former

Yasser Ghulam Abdulaziz Joharji	
Company	Title
Nahdi Medical Company	Board Member and CEO – Present
Saudi Unilever Company	General Director – Former
Unilever Arabia Company	Marketing General Manager – Former
The Savola Group	Brand Manager – Former

Junaid Ezmat Bajwa		
Company	Title	
Flagship Pioneering	Senior Partner – Present	
Medicines and Healthcare Products Regulatory Agency	Board Member – Present	
University College London Hospital	Board Member – Present	
University College London Charity Hospital	Trustee – Present	
Essential Guides UK Limited	Director – Present	
Nuffield Health	Board Member – Former	
Microsoft	Chief Medical Scientist – Former	
MSD Health Services Company	Medical Executive Director – Former	

Romain Voog		
Company	Title	
Get Go Lte – Singapore	Board Member – Present	
Ecoalf – Spain	Consultant – Former	
OLX Group	CEO – Former	
OLX BV Group	Board Member – Former	
OLX Global BV Group	Board Member – Former	
OLX India BV Group	Board Member – Former	
Airbnb Inc.	Vice President of Operations, Sales and Global Geography – Former	
Global Fashion Group (Xetra, GFG.DE)	CEO – Former	
Amazon France	President and General Manager – Former	
Carrefour	Management Executive – Former	

Abdulatif Ali Abdulatif Al-Seif		
Company	Title	
Sabeen Investment Company	CEO and Executive Director – Present	
Saudi Agricultural and Livestock Investment Company	Board Member – Present	
Nahdi Medical Company	Board Member – Present	
Wisayah Global Investment Company	Board Member – Present	
Southern Province Cement Company	Board Member – Present	
Albilad Tourism Fund	Board Member – Present	
Arabian Internet and Communications Services Company	Board Member – Present	
Saudi Investment Bank	Chairman of the Board of Directors – Present	
Awqaf Investment Company	Board Member – Former	
Al Rajhi Bank	Board Member – Former	
National Petrochemical Company	Board Member – Former	
Riva Investment	Board Member – Former	
Abdullah Al Othaim Investment Company	Board Member – Former	
Arabian Cement Company	Board Member – Former	
HSBC Saudi Arabia	Board Member – Former	

Abdulatif Ali Abdulatif Al-Seif		
Company	Title	
Al Raidah Investment Company	Board Member – Former	
Shared Vision Company	Managing Director – Former	
Growth Catalyst Company	Board Member – Former	
Alwashim Poultry Company	Board Member – Former	

Board committees

Audit Committee			
Name	Title	Qualifications	
Abdulatif Ali Abdulatif Al-Seif	Chairman	MBA from Boston University	
Wael Kamal Eid	Member	PhD in Risk Management from Durham University	
Walid Abdullah Temairik	Member	Bachelor's degree in Management and Economics from King Abdulaziz University	

Remuneration and Nomination Committee			
Name	Title	Qualifications	
Junaid Ezmat Bajwa	Chairman	MBA from Imperial College Business School	
Walid Ahmed Bahamdan	Member	Bachelor of Science in Electrical Engineering from Purdue University	
Assaf Abdulkareem Alquraishi	Member	Bachelor's degree in Finance and International Business from the McDonough School of Business, Georgetown University	

Digital Transformation and Cyber Security Committee			
Name	Title	Qualifications	
Romain Voog	Chairman	Master's degree in Economics and Commerce from the University of Paris	
Junaid Ezmat Bajwa	Member	MBA from Imperial College Business School	
Juan Carlos Sacristan	Member	Master's degree in Physics from the Autonomous University of Madrid	



Executive Management



Eng. Yasser Joharji
Chief Executive Officer

Eng. Joharji was appointed Nahdi's CEO in 2014 and became a Board Member in 2021. With over 32 years of sectorial experience, he has held several leadership positions at Unilever Saudi Arabia and Savola Group.

Eng. Joharji holds a Bachelor's degree in Industrial Engineering from King Saud University, Saudi Arabia.



Mr. Zuhair Aytah
Chief Network Development Officer

Mr. Aytah joined Nahdi in 2006 and was promoted to his current role in 2016. He has held several leadership positions at Nahdi, including Vice President of Network Development. Previously, he was General Manager of Retail at Abdulatif Jameel Electronics & Air Conditioning.

Mr. Aytah holds a Bachelor of Science from King Abdulaziz University, Saudi Arabia.



Mr. Mohammed Al-Khubani
Chief Financial Officer

Mr. Al-Khubani joined Nahdi in 2013 as Senior Director of Planning and Financial Analysis. Previously, he held a number of managerial positions at Procter & Gamble, including Regional Financial Director of Strategic Planning.

Mr. Al-Khubani holds a Bachelor's degree from King Fahd University of Petroleum and Minerals, Saudi Arabia and is a Certified Management Accountant.



Dr. Hossam Khattab
Chief Commercial and Marketing Officer

Dr. Khattab joined Nahdi in 2016. With 22 years' experience in retail and marketing, he joined the Company from Unilever, where he held several marketing roles, including Head of Personal Care Marketing.

Dr. Khattab holds a Master's degree in Executive Management from the Arab Academy for Science and Technology and a Bachelor's degree in Pharmacy from Alexandria University, Egypt.



Dr. Khalid Tadlaoui
Chief Information Technology Officer

Dr. Tadlaoui has held his current position since 2011. Starting his career in 1993 as an EMEA Communications Project Manager at Procter & Gamble, he subsequently held managerial roles at Hewlett Packard Enterprise and Savola.

Dr. Tadlaoui holds a PhD in Computer Science and an Engineering degree from the Institute National des Sciences Appliquées, France.



Mr. Samer Bokharee
Chief Human Resources Officer

Mr. Bokharee joined Nahdi in 2018. Before joining the Company, he held several HR roles at Pfizer and the National Commercial Bank (NCB).

Mr. Bokharee holds a Master's degree in Information Systems and a Bachelor's degree in Management Information Systems and Decision Sciences from George Mason University, USA.



Eng. Raed Monagel
Chief Corporate Governance and Business Support Officer

Eng. Monagel has more than 24 years' experience across retail, warehouse and supply chain management. He joined Nahdi in 2013. Previously, Eng. Monagel was Vice President of Supply Chain at Panda Retail.

Eng. Monagel holds a Bachelor of Industrial Engineering from King Abdulaziz University, Saudi Arabia.



Eng. Yasir Jamal
Chief Supply Chain Officer

Eng. Jamal has more than 33 years' experience in supply chain. He joined Nahdi from Unilever, where he held several positions, including Vice President of Supply Chain.

Eng. Jamal holds a Bachelor's degree in Chemical Engineering from King Abdulaziz University, Saudi Arabia and a certificate in organizational leadership from INSEAD Business School, Singapore.



Dr. Mohamed Abdellatif
Chief Operations Officer

Dr. Abdullatif has more than 23 years' experience in Nahdi's Operations sector. He is the General Manager for the Riyadh, Jeddah and Makkah regions. Previous Nahdi roles include Senior Director of Omnihealth Excellence.

Dr. Abdellatif holds a Bachelor's degree in Pharmaceutical Science from Tanta University, Egypt and a certificate in Healthcare Management from Yale University, US.



Dr. Mohamed Mustafa
Chief Omnihealth Officer

Dr. Mustafa leads the NahdiCare Polyclinic business. His 21+ years at Nahdi include leading strategy, operations and growth.

Dr. Mustafa holds a Bachelor's degree in Pharmaceutical Science from Mansoura University, Egypt and has conducted advanced studies in leadership, strategy, finance and healthcare management at Harvard Business School, INSEAD, Yale School of Management and the University of Maryland, USA.

Board Committees

Board committees, the tasks and responsibilities of the Committees emanating from the Council, stating the number of their meetings, the date of their convening and attendance data for each meeting

Audit Committee

Developing an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy of this system and ensure it is being used effectively and to make any recommendations to the Board of Directors to further develop the system.

Other committee responsibilities include approving policies and procedures, reviewing risk assessment activities and plans (to reduce the impact of those risks before they are presented to the Board of Directors) and confirming compliance with the rules and practices of corporate governance as detailed by the CMA and the Company's Governance Manual.

Audit Committee responsibilities

Financial reports

- Analyzing the Company's interim and annual financial statements before presenting them to the Board of Directors and providing opinions and recommendations to ensure integrity, fairness and transparency.
- At the request of the Board, providing a technical opinion on whether the Board's report and the Company's financial statements are fair, balanced and understandable and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
- Analyzing any important or unfamiliar issues contained in the financial reports.
- Accurately investigating any issues raised by the Company's Chief Financial Officer (or any person assuming his duties), the Company's Compliance Officer or an auditor.
- Examining the accounting estimates relating to significant matters that are contained in the financial reports and the accounting policies followed by the Company and providing opinions and recommendations to the Board on these matters.

Auditors

- Providing recommendations to the Board on the nomination, dismissal, remuneration and performance of auditors, including reviewing the scope of their work and the terms of their contracts.
- Verifying the independence of auditors and the objectivity, fairness and effectiveness of audit-related activities, while taking into account the relevant rules and standards.
- Reviewing the plans of Company auditors and ensuring they do not undertake any technical, administrative or consulting activities that are outside the scope of their work.
- Responding to queries from the Company's auditors, reviewing auditor reports and comments on financial statements and providing follow-up support.

Internal audit

- Examining and reviewing the Company's internal and financial control systems and risk management system.
- Analyzing the Internal Audit reports and ensuring any appropriate corrective measures are taken in response to the reports' findings.
- Monitoring and overseeing the activities of the internal auditor and the Company's Internal Audit department, ensuring the necessary resources are available for their effectiveness in performing the assigned activities and duties.
- Providing a recommendation to the Board on appointing a manager for the Internal Audit department, or an internal auditor and suggesting remunerations.

Ensuring compliance

- Reviewing the findings from supervisory authority reports and ensuring that the Company has taken the necessary actions to address any issues.
- Ensuring the Company's compliance with relevant laws, regulations, policies and instructions.
- Previewing contracts and proposed related party transactions and providing recommendations to the Board.
- Reporting any issues related to these transactions to the Board and providing recommendations on how these should be addressed.

Risk management

- Defining a comprehensive strategy for risk management in proportion to the nature and size of the Company's activities, verifying its implementation and reviewing and updating it, based on internal and external variables.
- Determining an acceptable level of risk that the Company may be exposed to and ensuring that the Company does not exceed this level.
- Analyzing the ability of the Company to continue performing its activities successfully during the next 12 months and identifying any potential risks.
- Overseeing the Company's risk management system and assessing how effectively the system identifies, measures and monitors potential risks, to determine any shortcomings.
- Periodically re-evaluating the Company's ability to withstand risks; for example, by conducting endurance tests.
- Preparing detailed reports for the Board on risk exposure and the proposed steps to manage these risks and submitting them to the Board.
- Providing recommendations to the Board on issues related to risk management.
- Ensuring adequate resources are available and systems are in place for risk management.
- Reviewing the organizational structure of risk management roles and making

- recommendations before approval by the Board.
- Checking the independence of risk management staff and their involvement in any activities that could expose the Company to risks.
 - Checking that risk management staff members are aware of the potential risks surrounding the Company and working to raise awareness of risk culture.
 - Reviewing issues raised by Audit Committee members that may affect the Company's approach to risk management.

IT control system

- Considering the effectiveness and weaknesses of the Company's information and security systems.
- Exploring any important results and recommendations related to external auditors, internal audit management and management responses, including evaluating any weaknesses observed in controls and security systems and any risks related to the main controls.
- Monitoring the efficiency and adequacy of administrative IT systems.
- Supporting the coordination of review efforts between internal and external auditors to ensure the audit includes the main regulations and risk areas related to IT controls.

Audit Committee meetings and attendance

Name	Title	Meeting 1 25/02/2025	Meeting 2 06/05/2025	Meeting 3 17/06/2025	Meeting 4 29/07/2025	Meeting 5 02/09/2025	Meeting 6 28/10/2025	Meeting 7 25/11/2025
Abdulatif Ali Al-Seif	Chairman	✓	✓	✓	✓	✓	✓	✓
Wael Kamal Eid	Member	✓	✓	✓	✓	✓	✓	✓
Walid Abdullah Temairik	Member	✓	✓	✓	✓	✓	✓	✓

Remuneration and Nomination Committee

The main responsibility of the Remuneration and Nomination Committee is to define policies and procedures related to the nomination of members to the Board of Directors, the Board committees and the Executive Management team. The Committee is also tasked with determining policies and procedures related to compensation.

Remuneration and Nomination Committee responsibilities

- Preparing a clear remuneration policy for members of the Board, the Board committees and the Executive Management team and presenting this policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards, which are linked to performance and disclosing and ensuring the implementation of such policy.

- Clarifying the relationship between the paid remuneration and the adopted remuneration policy and highlighting any financial deviation from that policy.
- Periodically reviewing the effectiveness of the remuneration policy, assessing its effectiveness in achieving its objectives and providing recommendations to the Board in respect of the remunerations for its members, Board committee members and senior executives (in accordance with the approved policy).
- Proposing clear policies and criteria for membership of the Board and Executive Management team.
- Recommending that the Board nominates and re-nominates its members in accordance with the approved policies and standards.
- Taking into account the nomination of any person previously convicted of a breach of trust.
- Preparing a description of the capabilities and qualifications required for Board Membership and Executive Management team positions.
- Determining the amount of time a member should allocate for Board-related work.
- Carrying out an annual review of the necessary requirements of the appropriate skills and experience required for the Board and the functions of the Executive Management team.
- Reviewing the structure of the Board and the Executive Management team and recommending appropriate changes.
- Annually verifying the independence of the Independent members and the absence of any conflict of interest if the member is also on the Board of Directors of another company.
- Developing job descriptions for Executive members, Non-Executive members, Independent members and senior executives.
- Developing special procedures for when a Board Member or Executive Management team position becomes vacant.
- Determining the strengths and weaknesses of the Board and proposing solutions to address them in line with the Company's best interest.

Remuneration policy

Without prejudice to the provisions of the Company's law and the CMA law and executive regulations, the remuneration policy must take the following into account.

1. Remuneration should be provided in line with the Company's strategy and objectives.
2. Bonuses should motivate Board and Executive Management team members to commit to the long-term success and development of the Company, such as linking the variable part of the bonuses to long-term performance.
3. Remuneration should be determined based on the individual's position, their tasks and responsibilities, their scientific qualifications and their experience.
4. Its consistency with the size, nature and degree of risk for the Company.
5. The remuneration process should take into account the bonus practices of other companies, while avoiding the resulting unjustified rises in bonuses and compensation.
6. Remuneration should aim to attract, maintain and motivate skilled individuals' professional competencies while not exaggerating them.
7. In order to prevent individuals from exploiting the situation and obtaining undeserved bonuses, there should be a mechanism for bonus payments to be suspended or refunded in cases where inaccurate information has been provided by a member of the Board or Executive Management team.
8. Organizing the granting of shares in the Company to members of the Board and Executive Management team, whether it is a new issue, or shares purchased by the Company.
9. Proposing clear policies and standards for membership on the Board of Directors and Executive Management.
10. Recommending to the Board of Directors the nomination and re-nomination of members in accordance with the approved policies and standards, taking care not to nominate any person who has previously been convicted of a crime involving breach of trust.
11. Preparing a description of the capabilities and qualifications required for membership on the Board of Directors and holding Executive Management positions.
12. Determining the time a member must devote to the work of the Board of Directors.

13. Annually reviewing the necessary skills or experiences appropriate for membership on the Board of Directors and Executive Management positions.

14. Reviewing the structure of the Board of Directors and Executive Management and making recommendations regarding the changes that can be made.

15. Annually verifying the independence of Independent members and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.
16. Developing a job description for Executive members, Non-Executive members, Independent members and senior executives.

17. Developing special procedures in the event that the position of a member of the Board of Directors or a senior executive becomes vacant.

18. Identifying the strengths and weaknesses of the Board of Directors and proposing solutions to address them in a manner consistent with the Company's best interests.

Remuneration and Nomination Committee meetings and attendance

Name	Title	Meeting 1 25/02/2025	Meeting 2 22/06/2025	Meeting 3 31/08/2025	Meeting 4 30/11/2025
Junaid Ezmat Bajwa	Chairman	✓	✓	✓	✓
Walid Ahmed Bahamdan	Member	✓	✓	✓	✓
Assaf Abdulkareem Alquraishi	Member	✓	✓	✓	✓

Digital Transformation and Cyber Security Committee

The primary responsibility of the Digital Transformation and Cyber Security Committee is to advise the Board of Directors and help the Company to adapt and grow effectively in the digital age.

The Committee reports to the Board and represents it when reviewing and updating the comprehensive digital transformation strategy and recommending its update, taking into account the strategic direction of the Company. Other overarching objectives and responsibilities include the following:

- Reviewing and discussing with management the Company's overall digital and innovation strategy (including goals, strategic initiatives, investments and research and development activities) and providing recommendations to the Board when appropriate. The review and discussion include the following topics:
 - Participating in the strategic planning process for digital transformation and innovation.
 - Recognizing the need to respond quickly to a rapidly evolving market environment and assisting management to prioritize technical support in line with the Company's strategic initiatives.

- Periodically monitoring and evaluating the performance of the Company's initiatives to support its digital strategy and innovation, with a focus on overall capabilities and the improvement of operations (including the provision, consumer acceptance and integration of new products and services).
- Reviewing and discussing with management (as appropriate) the Company's digital risks, key opportunities, emerging issues and trends in the broader market.
- Submitting regular reports to the Board on its work and deliberations.

While carrying out its responsibilities, the Committee's practices and policies should remain flexible in order to effectively respond to changing realities and circumstances.

Digital Transformation and Cyber Security Committee responsibilities

- Building intellectual leadership and guiding, facilitating and inspiring the digital transformation of the Company's retail and healthcare businesses.
- Aligning the Company with local and global technical trends and the data transformation map:

- Contributing to building a dynamic innovation environment that stimulates competitiveness and new areas of growth for the Company.
 - Improving productivity by building an overall healthy environment for the Company, which is automated and digital.
 - Qualifying workers in the field of comprehensive health for the future by developing relevant training programs that improve digital competences.
- Developing partnerships with relevant stakeholders to lead the digital transformation of the retail and healthcare industries.
 - Raising awareness of relevant technical developments that would support the digital transformation of the Company's business through education and awareness (i.e., by inviting technology service providers and fast-growing startups to provide information on the latest sector developments to the Committee members).
 - Collaborating on the development and co-creation of technology solutions capable of positively impacting the Company's business.
 - Communicating with other committees as appropriate on matters related to digital transformation (e.g., governance, people, processes and policies).

Digital Transformation and Cyber Security Committee meetings and attendance

Name	Title	Meeting 1 21/02/2025	Meeting 2 21/06/2025	Meeting 3 06/09/2025	Meeting 4 23/11/2025
Romain Voog	Chairman	✓	✓	✓	✓
Junaid Ezmat Bajwa	Member	✓	✓	✓	✓
Juan Carlos Sacristan	Member	✓	✓	✓	✓

Remuneration Disclosure

Disclosure of the remuneration of Board Members, committee members and senior executives

Member	Title	Annual bonus (ﷲ)	Expense allowance per meeting (ﷲ)
Board of Directors			
Non-Executive Members			
Saleh Salem Ahmed Bin Mahfouz	Chairman	500,000	None
Abdullah Amer Abdullah Al-Nahdi	Vice Chairman	500,000	None
Abdelelah Salem Ahmed Bin Mahfouz	Board Member	500,000	None
Executive Members			
Yasser Ghulam Abdulaziz Joharji	Board Member and CEO	500,000	None
Independent Members			
Junaid Ezmat Bajwa	Board Member	500,000	None
Romain Voog	Board Member	500,000	None
Abdulatif Ali Abdulatif Al-Seif	Board Member	500,000	None
Audit Committee			
Abdulatif Ali Abdulatif Al-Seif	Chairman	125,000	5,000
Wael Kamal Eid	Member	125,000	5,000
Walid Abdullah Temairik	Member	125,000	5,000

Member	Title	Annual bonus (ﷲ)	Expense allowance per meeting (ﷲ)
Remuneration and Nomination Committee			
Junaid Ezmat Bajwa	Chairman	100,000	5,000
Walid Ahmed Bahamdan	Member	100,000	5,000
Assaf Abdulkareem Alquraishi	Member	100,000	5,000
Digital Transformation and Cyber Security Committee			
Romain Voog	Chairman	100,000	5,000
Junaid Ezmat Bajwa	Member	100,000	5,000
Juan Carlos Sacristan	Member	100,000	5,000
Executive Management team			
Five Executive Management team members		23,027,915	

Internal Controls

Annual review of the effectiveness of the Company's internal controls and the Audit Committee's opinion on their efficiency

The above-mentioned audit reports reveal that there are no significant weaknesses in the Company's internal control system concerning financial reporting. The majority of observations focused on enhancing performance, optimizing departmental operations, increasing efficiency and completing documentation of procedures to strengthen the control system and better utilize available resources.

The objectives of the internal control system are to:

- Ensure accurate preparation of accounting records
- Enhance the accuracy and reliability of accounting data
- Safeguard assets and property
- Uphold integrity during transactions
- Improve the Company's efficiency and maximize its resources
- Comply with applicable laws, regulations and contracts

The Audit Committee is of the opinion that the internal control system objectives set by Nahdi Medical Company have been reasonably achieved. The Committee views the overall internal control environment positively, highlighting that most activities are governed by established policies and procedures, with management being open to suggested policy

improvements. Furthermore, there were no conflicts between the Audit Committee's recommendations and the decisions of the Board of Directors during the year.

It is important to note that no internal control system – regardless of its design or implementation effectiveness – can provide absolute assurance. The Committee, along with the Company departments, will continue to enhance and strengthen the internal control procedures to ensure their robustness and effectiveness.

Audit Committee's Recommendation
The Audit Committee's recommendation to appoint an external auditor

The Audit Committee studied the offers submitted by companies approved for annual auditing for the fiscal year ending on 31 December 2025 and made a recommendation to the Board of Directors to change the Company's auditors (and recommend this to the General Assembly).

The Committee recommended the appointment of KPMG Professional Services with total fees amounting to ﷲ 1,686,000.

General Assemblies and Attendance

The dates of the general assemblies of shareholders held during the last fiscal year and the names of the Board Members attending these assemblies

The Company held one General Assembly, the following is a statement of the Assembly and the attendance details.

Assembly type	Date	Board Member attendees
Extraordinary General Assembly	29 April 2025	Saleh Salem Ahmed Bin Mahfouz Abdulatif Ali Abdulatif Al-Seif Yasser Ghulam Abdulaziz Joharji

Subsidiaries and Main Activities

Affiliate	Commercial registration number	Main activity
Nahdi Medical Company (listed company)	7018056114	Selling medical devices and equipment (wholesale); carrying out pharmacy activities; carrying out pharmaceutical warehouse activities; and selling medical devices, equipment and supplies (retail).
Nahdi Care Co. Ltd.	7011034050	Providing administrative and support service activities, human health and social work activities, public administration services, compulsory defense services and social security services.
Sakhaa Golden for Contracting and Trading Co. Ltd.	7001515845	Providing cleaning services for general buildings.
Nahdi Investment Company LLC (UAE)	1384313	Investing in, establishing and managing health and commercial projects.
Sakhaa Integrated Solutions (Egypt)	194304	Providing consultations, technical support, project management and online trading.

The management of each subsidiary company, its capital, the percentage of the Company's ownership therein, its main activity, the country of its main operations and the country of its establishment

The Company practices a group of medical and pharmaceutical activities, in general, in accordance with what is stated in the main activities in the Company's Articles of Association and the articles of association of the subsidiary companies, where the Company owns three companies with full and direct ownership and one company with indirect ownership, inside and outside the Kingdom of Saudi Arabia, as follows.

Nahdi Care Co. Ltd.	
Capital	ﷲ 50,000
Percentage owned by the Company	100%
Main activity	Providing administrative and support service activities, human health and social work activities, public administration services, compulsory defense services and social security services
Main headquarters	Saudi Arabia
Place of incorporation	Saudi Arabia

Sakhaa Golden for Contracting and Trading Co. Ltd.	
Capital	﷼ 1,000,000
Percentage owned by the Company	100%
Main activity	Cleaning services for general buildings
Main headquarters	Saudi Arabia
Place of incorporation	Saudi Arabia

Nahdi Investment Company LLC (UAE)	
Capital	AED 200,000
Percentage owned by the Company	100%
Main activity	Investing in, establishing and managing health and commercial projects
Main headquarters	United Arab Emirates
Place of incorporation	United Arab Emirates

Sakhaa Integrated Solutions (Egypt)	
Capital	EGP 50,000
Percentage owned by the Company	99% (Sakhaa Golden for Contracting and Trading Co. Ltd.) 1% (Nahdi Investment Company LLC)
Main activity	Providing consultations, technical support, project management and online trading
Main headquarters	Egypt
Place of incorporation	Egypt

Debt Instruments

Shares and debt instruments issued for each subsidiary company

Nahdi Care Co. Ltd.	
Number of shares	50
Share details	Cash
Debt instruments	None

Sakhaa Golden for Contracting and Trading Co. Ltd.	
Number of shares	1,000
Share details	Cash
Debt instruments	None

Nahdi Investment Company LLC (UAE)	
Number of shares	100
Share details	Cash
Debt instruments	None

Sakhaa Integrated Solutions (Egypt)	
Number of shares	4,950 (Sakhaa Golden for Contracting and Trading Co. Ltd.) 50 (Nahdi Investment Company LLC)
Share details	Cash
Debt instruments	None

Dividend Policy

Dividend distribution

The Company's dividends are distributed in accordance with Article 48 of the Company's by-laws, which state the following:

- The Ordinary General Assembly, when determining the quota of shares in net profits, may decide to form reserves to the extent that it achieves the Company's interest or ensures

the distribution of fixed profits – as far as possible – to shareholders. The said association also has the right to deduct amounts from net profits to achieve social purposes for Company employees.

- The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
- The Company may distribute semi or quarterly interim dividends to its shareholders and it may authorize the Board of Directors to assume this task.

Board Meetings and Attendance

The Board of Directors held four scheduled meetings for the fiscal year 2025 and Nahdi paid ﷼ 3,500,000 to the Board Members.

Board Member	Meeting 1 09/03/2025	Meeting 2 29/06/2025	Meeting 3 14/09/2025	Meeting 4 07/12/2025	No. of meetings attended
Saleh Salem Ahmed Bin Mahfouz	✓	✓	✓	✓	4 out of 4
Abdullah Amer Abdullah Al-Nahdi	✓	✓	✓	✓	4 out of 4
Abdelelah Salem Ahmed Bin Mahfouz	✓	✓	✓	✓	4 out of 4
Yasser Ghulam Abdulaziz Joharji	✓	✓	✓	✓	4 out of 4
Junaid Ezmat Bajwa	✓	✓	✓	✓	4 out of 4
Romain Voog	✓	✓	✓	✓	4 out of 4
Abdulatif Ali Abdulatif Al-Seif	✓	✓	✓	✓	4 out of 4

Related Party Transactions

Transactions and contracts with related parties

The members of the Board of Directors of the Company acknowledge that all contracts with related parties described in this section do not include any preferential terms and they have been conducted in a regular and legal manner and on appropriate and fair commercial bases. The Company also acknowledges that it is not involved in any dealings, agreements, commercial relationships or real estate deals with any related parties.

In addition, the members of the Board of Directors agree to abide by the Company's laws and the implementation regulations issued by the Capital Market Authority in accordance with any related party transaction. Therefore, the Company acknowledges that all related party transactions have been approved by the General Assembly.

The nature of the Company's transactions with related parties is represented in lease contracts, providing contracting services, engineering labor, supervision services for implementation, construction and finishing, in addition to providing administrative services.

Agreements with related parties

1. The business and contract concluded between the Company and Al Nahdi Company for Commercial Investments, which is a pharmacy rental agreement, noting that the value of the transactions amounts to ٬ 700,000 annually, for a period of one calendar year, representing an indirect interest for the Board Member, Mr. Abdullah Amer Al-Nahdi. The agreement has been executed under prevailing commercial terms and without any preferential benefits.
2. The business and contract concluded between the Company and Mr. Abdulrahman Abdullah Amer Al-Nahdi, which is a real estate consulting agreement, noting that the value of the transactions amounts to ٬ 500,000 annually, for a period of one calendar year, representing an indirect interest for the Board Member, Mr. Abdullah Amer Al-Nahdi. The agreement has been executed under prevailing commercial terms and without any preferential benefits.

3. The business and contract concluded between the Company and Al Nahdi for Transportation Company, which is a goods transportation agreement, noting that the value of the transactions is estimated at ٬ 8,849,863 annually, for a period of one calendar year, representing an indirect interest for the Board Member, Mr. Abdullah Amer Al-Nahdi. The agreement has been executed under prevailing commercial terms and without any preferential benefits.
4. The business and contract concluded between the Company and Red Sea Markets Limited Company, which is a pharmacy rental agreement, noting that the value of the transactions amounts to ٬ 1,102,500 annually, for a period of one calendar year, representing an indirect interest for the Chairman of the Board, Mr. Saleh Salem Bin Mahfouz and the Board Member, Mr. Abdelelah Salem Bin Mahfouz. The agreement has been executed under prevailing commercial terms and without any preferential benefits.
5. The business and contract concluded between the Company and Al Mahmal Facilities Services Company, which is a maintenance services agreement for the facilities of the Company's headquarter building, noting that the value of the transactions amounts to ٬ 695,868 annually, for a period of one calendar year, representing an indirect interest for the Chairman of the Board, Mr. Saleh Salem Bin Mahfouz and the Board Member, Mr. Abdelelah Salim Bin Mahfouz. The agreement has been executed under prevailing commercial terms and without any preferential benefits.
6. The business and contract concluded between the Company and the Scientific Endowment at King Abdulaziz University, which is a pharmacy rental agreement, noting that the value of the transactions is estimated at ٬ 250,000 annually, for a period of one calendar year, representing an indirect interest for the Board Member, Mr. Abdullah Amer Al-Nahdi. The agreement has been executed under prevailing commercial terms and without any preferential benefits.

Acknowledgment

Nahdi Medical Company acknowledges that the account records have been correctly prepared, that the internal control system has been prepared on a sound basis and has been effectively implemented, that the Company is committed to all the articles of the Corporate Governance Regulations and there is no doubt about the ability of the Company to continue its activities.

Auditor's Report Reservations

Nahdi Medical Company acknowledges that the Auditor's Report did not include any reservations about the annual financial statements. In addition, no information was received from the auditor indicating the necessity of taking any order or precautionary measures in accordance with the financial statements audited by them.

Litigation

The Company and its subsidiaries have a number of cases filed with various courts. At the end of 2025, there were 28 cases, with a total value of ٬ 7,634,384.57.

The Company also acknowledges that there are no legal disputes, lawsuits, actual or potential complaints or existing investigation procedures, which could have – collectively or individually – a material impact on the Company. The Company has also not been made aware of the existence of any material legal disputes currently under consideration (or potential material legal disputes) or facts that could – taken together or individually – have a material effect on the Company.

Violations

Since the Company's activities are linked to a wide range of licenses and permits issued by various government agencies, the control of the Company's business is from all of those agencies. Therefore, it is natural for there to be minor violations, which do not pose any threat, fears or risks to the Company's management. These do not affect the validity of the licenses for the Company's facilities, nor does it affect the continuity of the Company's business in any way. At the end of 2025, there were 336 fines and violations, with a total value of ٬ 1,311,100.

Share Book Requests

The Company requested 14 share books in 2025, as follows.

Request number	Date of the request	Reason
1	3 February 2025	Company procedure purposes
2	4 March 2025	Company procedure purposes
3	19 March 2025	Dividends distribution purposes
4	29 April 2025	General Assembly Meeting purposes
5	27 May 2025	Company procedure purposes
6	2 July 2025	Company procedure purposes
7	4 August 2025	Company procedure purposes
8	14 August 2025	Dividends distribution purposes
9	2 September 2025	Company procedure purposes
10	2 October 2025	Company procedure purposes
11	3 November 2025	Company procedure purposes
12	27 November 2025	Company procedure purposes
13	27 November 2025	Company procedure purposes
14	31 December 2025	Company procedure purposes



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FINANCIAL STATEMENTS

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Independent Auditor’s Report

To the Shareholders of Nahdi Medical Company (A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Nahdi Medical Company (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code’s requirements. 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 of the current period. 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.

Existence and Valuation of Inventories

Refer Note 3.7 to the consolidated financial statements for the material accounting policy, Note 2.5 for the significant accounting estimates and Note 11 for the relevant disclosure.

Key audit matter	How the matter was addressed in our audit
As at 31 December 2025, the Group reported gross inventories of ﷲ 2.393 million (2024: ﷲ 1.817 million), with a provision for inventories amounting to ﷲ 115.5 million (2024: ﷲ 106.6 million).	Our audit procedures included, among others:
Inventories are measured at the lower of cost and net realizable value (NRV). NRV represents the estimated selling price less the costs required to complete the sale. Any write-down to NRV is recognized in the consolidated statement of profit or loss.	Assessed the design and operating effectiveness of controls over inventory recording, including daily transaction processing and system reconciliations.
The Group operates a perpetual inventory system and undertakes periodic physical counts at pharmacy stores and distribution sites throughout the year.	- Attended selected physical stock counts at various pharmacy sites to assess the accuracy of the perpetual inventory records, tested count procedures, and reconciled observed results with the inventory system. - Selected samples of inventory items to verify quantities against count records, and validated recorded costs to supporting purchase documentation.

Independent Auditor’s Report

To the Shareholders of Nahdi Medical Company (A Saudi Joint Stock Company)

Key audit matter	How the matter was addressed in our audit
We identified inventory existence and valuation as a key audit matter due to:	- Evaluated management’s methodology for determining NRV by reviewing forecast selling prices, related completion and selling costs, and market data. Tested sample write-down calculations against historical sales records, post year-end selling prices, and current market trends. - Performed testing around year-end to ensure transactions were recorded in the correct accounting period.
- The significant value of inventory held across numerous locations with large volumes of daily transactions, increasing the risk of misstatement in existence; and - The significant judgment applied by management in determining provisions for inventory write-downs, based on NRV assessments, which require evaluating forecast selling prices and related costs.	

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor’s report thereon. The 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.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 that are

endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company’s By-laws 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of directors, 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists.

Independent Auditor’s Report

To the Shareholders of Nahdi Medical Company (A Saudi Joint Stock Company)

Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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 exists, then 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 of Nahdi Medical Company and its subsidiaries.

Independent Auditor’s Report

To the Shareholders of Nahdi Medical Company (A Saudi Joint Stock Company)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company



Dr. Abdullah Hamad Al Fozan
License No. 348

Jeddah, 16 March 2026
Corresponding to 27 Ramadan 1447H

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	31 December 2025 ﷲ	31 December 2024 ﷲ
ASSETS			
Property and equipment	6	1,202,956,432	1,112,587,787
Intangible assets	8	67,615,618	68,616,979
Investment properties	7	255,900,823	255,900,823
Right-of-use assets	9	1,825,289,731	1,607,005,320
Net investment from finance lease	10	10,627,015	--
Prepayments and other non-current assets	13	29,465,214	35,670,011
Non-current assets		3,391,854,833	3,079,780,920
Inventories	11	2,277,875,619	1,710,822,925
Trade receivables	12	261,431,783	135,503,395
Prepayments and other current assets	13	203,816,766	290,432,425
Finance lease - current portion	10	1,460,016	--
Cash and cash equivalents	14	554,443,212	956,809,579
Current assets		3,299,027,396	3,093,568,324
Total assets		6,690,882,229	6,173,349,244
EQUITY AND LIABILITIES			
Equity			
Share capital	15(a)	1,300,000,000	1,300,000,000
Statutory reserve	15(b)	--	369,207,440
Foreign currency translation reserve		111,799	(74,256)
Retained earnings		1,443,426,566	916,969,664
Total equity		2,743,538,365	2,586,102,848
Liabilities			
Lease liabilities	9	1,363,088,843	1,146,279,313
Accruals and other non-current liabilities	18	15,237,863	14,622,549
Employee benefit liabilities	16	421,460,663	420,490,334
Non-current liabilities		1,799,787,369	1,581,392,196
Trade payables	17	1,418,612,325	1,232,626,403
Lease liabilities – current portion	9	420,242,217	383,476,461
Accruals and other current liabilities	18	257,987,135	312,781,825
Zakat and tax provision	19	50,714,818	76,969,511
Current liabilities		2,147,556,495	2,005,854,200
Total liabilities		3,947,343,864	3,587,246,396
Total equity and liabilities		6,690,882,229	6,173,349,244


APPROVED BY:
Abdullah Al Nahdi
DEPUTY CHAIRMAN


APPROVED BY:
Yasser Joharji
CEO


APPROVED BY:
Mohammed Al-Khubani
CFO

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	31 December 2025 ﷲ	31 December 2024 ﷲ
Revenue	20.1	10,213,238,401	9,446,420,046
Cost of revenue	20.2	(6,407,667,002)	(5,934,073,050)
Gross profit		3,805,571,399	3,512,346,996
Other operating income	21	20,272,818	29,446,113
Selling and distribution expenses	22	(2,520,994,689)	(2,321,780,458)
General and administrative expenses	23	(378,307,034)	(346,818,242)
Operating profit for the year		926,542,494	873,194,409
Finance costs	24	(141,863,820)	(115,867,176)
Finance income	25	61,217,959	59,140,721
Other income		9,748	16,479,031
Reversal of impairment on investment properties	7	--	1,596,639
Profit before Zakat and tax		845,906,381	834,543,624
Zakat and tax charge	19	(15,168,821)	(13,820,000)
Profit for the year		830,737,560	820,723,624
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gain on defined benefits obligations	16	54,511,902	16,854,810
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		186,055	768,435
Other comprehensive income for the year		54,697,957	17,623,245
Total comprehensive income for the year		885,435,517	838,346,869
Earnings per share:			
Basic and diluted, earnings per share attributable to ordinary equity holders of the Parent Company	26	6.39	6.31


APPROVED BY:
Abdullah Al Nahdi
DEPUTY CHAIRMAN


APPROVED BY:
Yasser Joharji
CEO


APPROVED BY:
Mohammed Al-Khubani
CFO

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital ﷲ	Statutory reserve ﷲ	Retained earnings ﷲ	Foreign currency translation reserve ﷲ	Total ﷲ
Balance as at 1 January 2024	1,300,000,000	369,207,440	794,391,230	(842,691)	2,462,755,979
Profit for the year	--	--	820,723,624	--	820,723,624
Other comprehensive gain for the year	--	--	16,854,810	768,435	17,623,245
Total comprehensive income for the year	--	--	837,578,434	768,435	838,346,869
Dividends (note 15c)	--	--	(715,000,000)	--	(715,000,000)
Balance as at 31 December 2024	1,300,000,000	369,207,440	916,969,664	(74,256)	2,586,102,848
Profit for the year	--	--	830,737,560	--	830,737,560
Other comprehensive gain for the year	--	--	54,511,902	186,055	54,697,957
Total comprehensive income for the year	--	--	885,249,462	186,055	885,435,517
Transfer of statutory reserve to retained earnings (note 15b)	--	(369,207,440)	369,207,440	--	--
Dividends (note 15c)	--	--	(728,000,000)	--	(728,000,000)
Balance as at 31 December 2025	1,300,000,000	--	1,443,426,566	111,799	2,743,538,365


APPROVED BY:
Abdullah Al Nahdi
DEPUTY CHAIRMAN


APPROVED BY:
Yasser Joharji
CEO


APPROVED BY:
Mohammed Al-Khubani
CFO

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	31 December 2025 ﷲ	31 December 2024 ﷲ
Operating activities			
Profit before zakat and tax		845,906,381	834,543,624
Adjustment to reconcile profit before zakat to net cash flows from operating activities:			
Depreciation of property and equipment	6	289,246,261	258,310,575
Depreciation of right-of-use assets	9	473,926,030	417,607,257
Amortisation of intangible assets	8	31,533,716	27,520,959
Gain on disposal of property and equipment	21	(486,119)	(1,537,363)
Loss / (gain) on termination of leases		1,743,141	(1,007,962)
Reversal of Impairment on Investment properties	7	--	(1,596,639)
Provision for employee benefits	16	75,785,364	63,167,224
Form of provision for inventories	11	61,292,048	32,326,343
Form / (reversal) for Impairment losses on trade receivables	12	2,690,128	(192,863)
Finance costs	24	141,863,820	115,867,176
Finance income	25	(61,217,959)	(59,140,721)
		1,862,282,811	1,685,867,610
Working capital changes:			
Inventories		(628,344,742)	(333,740,018)
Trade receivables		(128,618,516)	37,537,205
Prepayments and other assets		92,820,456	(59,278,034)
Trade and other payables		170,047,519	338,318,825
Accruals and other liabilities		(30,866,934)	5,837,747
Cash from operations		1,337,320,594	1,674,543,335
Finance costs paid	24	(141,863,820)	(115,867,176)
Zakat paid	19	(41,423,514)	(49,382,455)
Employee benefits paid	16	(20,303,133)	(17,939,221)
Net cash flows from operating activities		1,133,730,127	1,491,354,483
Investing activities			
Purchase of property and equipment	6	(387,085,742)	(339,530,890)
Proceeds from sale of property and equipment		486,806	1,566,346
Purchase of intangible assets	8	(30,532,355)	(44,967,392)
Interest received		60,127,214	54,917,083
Principal received from finance lease	10	2,677,452	--
Net cash flows used in investing activities		(354,326,625)	(328,014,853)
Financing activities			
Payment of principal portion of lease liabilities	9	(453,955,924)	(401,960,735)
Dividends paid	15c	(728,000,000)	(715,000,000)
Net cash flows used in financing activities		(1,181,955,924)	(1,116,960,735)
(decrease) / Increase in cash and cash equivalents		(402,552,422)	46,378,895
Net foreign exchange difference		186,055	768,435
Cash and cash equivalents at 1 January		956,809,579	909,662,249
Cash and cash equivalents at 31 December	14	554,443,212	956,809,579
Supplementary non-cash information			
Transfer of statutory reserve to retained earnings	15b	369,207,440	--
Additions to net investment in finance lease	10	13,673,738	--
Additions to right-of-use assets	9	756,615,702	803,663,703


APPROVED BY:
Abdullah Al Nahdi
DEPUTY CHAIRMAN


APPROVED BY:
Yasser Joharji
CEO


APPROVED BY:
Mohammed Al-Khubani
CFO

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

At 31 December 2025

1. CORPORATE INFORMATION

Nahdi Medical Company (the “Parent Company” or the “Company”) is a Saudi Joint Stock Company formed under Companies Law in the Kingdom of Saudi Arabia under Commercial Registration No. 4030053868 dated 1 October 2003 (corresponding to 5 Sha’ban 1424H).

The principal activity of the Group is the wholesale and retail trading of cosmetics, pharmaceutical products, special and healthy foods, and medical equipment. The main shareholders as of 31 December 2025 are AlNahdi Holding Company and Saudi Economic and Development Holding Company with ownership percentage of 38% and 25%, respectively. (31 December 2024: AlNahdi Holding Company and Saudi Economic and Development Holding Company with ownership percentage of 38% and 25%, respectively).

The Group operates mainly in the Kingdom of Saudi Arabia (“KSA”) and the United Arab Emirates (“UAE”), and its Head Office is located at the following address:

Nahdi Medical Company,
P.O. Box 17129,
King Abdulaziz Road, Murjan District, Jeddah 23715
Kingdom of Saudi Arabia.

2.4 Basis of consolidation

These consolidated financial statements comprise the financial position and performance of the Parent Company and the following direct and indirect subsidiaries (collectively referred to “the Group”) in which the Company exercises control as at 31 December 2025:

Subsidiary name	Country of incorporation	Principal business activity	Effective ownership interest	
			31 December 2025	31 December 2024
Nahdi Care Limited Company	KSA	Clinics	100%	100%
Al Sakhaa Golden Trading and Contracting Company*	KSA	Labor Services	100%	100%
Nahdi Investment CO. L.L.C**	UAE	Holding Company	100%	100%

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and other standards and pronouncements that are endorsed in the Kingdom of Saudi Arabia issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) collectively referred to as “IFRS” as endorsed in the Kingdom of Saudi Arabia.

2.2 Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, unless stated otherwise.

The group has prepared the consolidated financial statements using the accrual basis of accounting and the going concern concept.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (“ﷲ”) which is also the functional and presentation currency of the Company.

Notes to the Consolidated Financial Statements

At 31 December 2025

* As at 31 December 2025, Al Sakhaa Golden Trading and Contracting Company has an investment in the following subsidiary:

Subsidiary name	Country of incorporation	Principal business activity	Effective ownership interest	
			31 December 2025	31 December 2024
Al Sakhaa integrated solutions	KSA	IT consulting	99%	99%

The remaining 1% is held by Nahdi Investment CO. L.L.C, who holds the share for the beneficial interest of the company.

**As at 31 December 2025, Nahdi Investment CO. L.L.C also has investments in the following subsidiaries:

Subsidiary name	Country of incorporation	Principal business activity	Effective ownership interest	
			31 December 2025	31 December 2024
Nahdi Drug Store L.L.C	UAE	Drug store	99%	99%
Nahdi Pharmacy L.L.C	UAE	Pharmacy	99%	99%

The remaining 1% is held by Mr. Saleh Mohamed Amer Salmeen Al Hajeri of Nahdi Investment Co. who holds the share for the beneficial interest of the company.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Group, using consistent accounting policies of the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its transactions with the investee and has the ability to affect those returns through exercising its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its transactions with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than

a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Notes to the Consolidated Financial Statements

At 31 December 2025

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to carrying amount of assets or liabilities affected future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Sensitivity analysis disclosures (note 16)
- Financial instruments risk management and policies (note 27)
- Capital management (note 28)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and

affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset). The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

The Group has several lease contracts that include extension and terminations options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercise significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration

Certain contracts for the sale of goods include a right of return and volume rebates 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 most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of goods with volume rebate as the selected method better predicts the amount of variable consideration driven by customers' rebate entitlement based on volume thresholds and purchase made by them during the period.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty, if any, on the variable consideration will be resolved within a short time frame.

Notes to the Consolidated Financial Statements

At 31 December 2025

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material difference in the carrying amounts of assets and liabilities within the next financial period, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Information about the assumptions and estimation uncertainties is included in the following areas:

Useful lives of property and equipment / intangible assets/ investment properties

The management determines the estimated useful lives of property and equipment & intangible assets for calculating depreciation/ amortization. These estimates is determined after considering expected usage of the assets or physical wear and tear. The management reviews the residual value and useful lives annually and future depreciation/amortization charges are adjusted where management believes the useful lives differ from previous estimates.

Determination of inventory net realizable value

Estimates of net realizable value of inventories are based on the most reliable evidence at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly related to events occurring subsequent to the financial position date to the extent that such events confirm conditions existing at the end of year.

Provision for expected credit losses (ECLs) of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information.. For instance, if forecasted economic conditions are expected to deteriorate over the next year which can lead to

an increased number of defaults in relevant sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group trade receivables is disclosed in note 12 & 27.

Defined benefit plan

The cost of the defined benefit plan and the present value of the obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the market yield on Government bonds.

The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about employee benefits obligations are provided in note 16.

Revenue recognition - Estimating stand-alone selling price – Customer loyalty programme

The Group estimates the stand-alone selling price of the loyalty points awarded under the customer loyalty programme. The stand-alone selling

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price of the loyalty points issued is calculated by multiplying the estimated redemption rate and the monetary value assigned to the loyalty points. In estimating the redemption rate, the Group considers breakage which represents the portion of the points issued that will never be redeemed. The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated quarterly and the liability for the unredeemed points is adjusted accordingly. In estimating the value of the points issued, the Group considers the mix of products that will be available in the future in exchange for loyalty points and customers' preferences. The Group ensures that the value assigned to the loyalty points is commensurate to the stand-alone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required). The points issued have an expiry date of one year from the date of issuance.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Group's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based

on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Going concern

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on going concern basis.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Group consistently in preparing its consolidated financial statements except for the new and amended standards and interpretations as disclosed in note 4.

3.1 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification.

Assets

An asset is classified as current when:

- It is expected to be realized or intended to sell or consumed in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to be realized within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to the Consolidated Financial Statements

At 31 December 2025

All other assets are classified as non-current.

Liabilities

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

3.2 Foreign currencies

The Group's consolidated financial statements are presented in Saudi Riyals ("ﷲ"), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange ruling at the reporting date.

All differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency, if any, are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item.

Group Companies - foreign operations

The assets and liabilities of foreign operations are translated to Saudi Riyals at rate of exchange prevailing at the reporting date and their statement of profit or loss and other comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. Dividends received from foreign subsidiaries (if any), are translated at the exchange rate in effect at the transaction date and related currency translation differences are realized in the consolidated statement of other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

3.3 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as items (major components) of property and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within other income in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

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Capital work in progress

Capital work-in-progress (“CWIP”) represents all costs relating directly to the ongoing projects in progress and is capitalized as property and equipment when the project is completed. CWIP is carried at cost, less any recognized impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation of these assets, on the same basis as other same class of assets, commences when the assets are available for their intended use.

Subsequent costs

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of profit or loss as incurred.

Depreciation

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each item of property and equipment. Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required.

For impairment assessment of property and equipment, please refer note 6. Estimated useful lives of property and equipment are as follows:

	Estimated useful lives
Buildings	The shorter of useful life or related lease term (10 – 25)
Leasehold improvement	The shorter of useful life or related lease term (4 – 8)

	Estimated useful lives
Furniture, fixture, office equipment & tools	4
Machinery and equipment	4
Vehicles	4
Computers	4

Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit or loss and other comprehensive income.

3.4 Investment properties

Investment properties is property held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future use but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost less accumulated depreciation and impairment loss, if any. Investment properties are depreciated on a straight-line basis over the estimated useful life of the respective assets.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss in the period of derecognition.

Transfers are made from investment properties to property and equipment only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the property at the date of transfer.

The useful lives and depreciation method are reviewed periodically to ensure that the method

Notes to the Consolidated Financial Statements

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and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets under development consists of costs incurred in relation to development of software which will be eventually transferred to intangible assets. Intangible assets with indefinite useful lives (goodwill) are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognized.

Intangible assets represent computer software and acquisition of pharmacies which have finite useful lives. The estimated rates of amortization of intangible assets are as follows:

Software	4 years
Acquisitions of pharmacies licenses	4 years
Others	5 years

3.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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Lands	5 to 25 years
Pharmacy stores	5 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Lease 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 the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs).

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to

purchase the underlying asset. The unwinding component of finance cost is included in the consolidated statement of profit or loss.

The lease liabilities are presented as a separate line in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to 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 to be 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.

Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

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The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘finance income’.

3.7 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is principally based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value represents the estimated selling price for inventories less the costs necessary to make the sale. Any impairment loss arising as a result of bringing the inventories at their net realizable value is recognized in the consolidated statement of profit or loss.

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

The Company's financial assets comprise of cash and cash equivalents, trade receivables and certain prepayments.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) – debt instruments;
- Fair value through other comprehensive income (FVOCI) – equity instruments; or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or financial liabilities at fair value through profit or loss FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities are classified as “held for trading” if they are acquired for the purpose of selling in the near future. This category includes derivative financial instruments entered by the company that are not designated as hedging instruments as stated in IFRS 9. Other financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities include trade payables, certain accrued expenses and other current liabilities and lease liabilities.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.9 Cash and cash equivalents

Cash and cash equivalents balances comprise of cash at banks, cash on hand and short-term highly liquid deposits with original maturities of three months or less that are held for the purpose of

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meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.10 Cash dividend to shareholders of the Group

Interim Dividends are recorded as liability in the period in which they are approved by the Board of Directors. As per the company’s bylaws, The General Assembly shall determine the percentage that must be distributed among the shareholders from the net profits after deducting the reserves, if any. The company may distribute semi- or quarterly interim dividends to its shareholders, and it may authorize the Board of Directors to undertake this task.

3.11 Pension and other post-employment benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

The Group's obligation under employee end of service benefit is accounted for as an unfunded defined benefit plan and is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in employee costs in the consolidated statement of profit or loss (refer to note 16).

Obligation in respect of Nahdi Investment CO. L.L.C, where applicable are calculated in accordance with the U.A.E Labor Law and are based on current remuneration and cumulative years of service at the reporting date.

3.12 Zakat and tax

The Group (entities registered in Kingdom of Saudi Arabia only) is subject to the Regulations of the Zakat, Tax and Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia. Zakat is provided for in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia and on accruals basis. The zakat charge is computed on Zakat based on a unified return. Any shortfall / excess on finalization of an assessment is accounted for in the year in which assessment is finalized.

The income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Withholding tax

The Group withholds taxes on transactions with non-resident parties in accordance with ZATCA regulations, which is not recognized as an expense being the obligation of the counter party on whose behalf the amounts are withheld.

3.13 Value Added Tax (“VAT”)

Revenues, expenses, and assets are recognized net of the amount of Value Added Tax (“VAT”) except:

- Where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

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The net amount of VAT recoverable from, or payable to the ZATCA is included as part of receivables or payables in the consolidated statement of financial position.

3.14 Revenue from contracts with customers

The Group is engaged in the business of retail trading of cosmetics, pharmaceutical products, special and healthy foods, and medical equipment. Revenue from contracts with customers is recognised when control of the goods is 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 before transferring them to the customer. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 2.5.

The Group’s recognition of revenue from each source of revenue is as follows:

Sale of goods (retail)

The Group operates a chain of retail stores (pharmacies and healthcare stores) selling medicines, perfumes, cosmetics and beauty tools and products. Revenue is recognised at the point in time when control of the asset is transferred to the customer (i.e., at the point the customer purchases the goods at the retail outlet). Payment of the transaction price is due immediately at the point in time when control of the asset is transferred to the customer. However, certain sales are through insurance and other companies. A receivable is recognised by the Group upon transfer of control as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. It is the Group's policy to sell its products to its customers with a right of return within 14 days. However, the management concluded that the expected returns based on pattern of historical returns is deemed immaterial, accordingly the management has not accounted for it.

Loyalty points program

The Group has a loyalty points programme, customer loyalty points, which allows customers

to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the customer loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

The disclosures of significant estimates and assumptions relating to the estimation of the stand-alone selling price of the loyalty points are provided in note 2.5.

Revenue from loyalty points for registered customers in the loyalty program included separate performance obligation.

Revenue is allocated between the loyalty program and the other components of the sale using standalone selling price. It is recognized as revenue when the Group has fulfilled its obligations to supply the discounted products or free goods under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with volume rebates giving rise to variable consideration.

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Volume rebates and rejection

The Group provides volume rebates to certain customers (insurance companies) once their purchase during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method as the selected method better predicts the amount of variable consideration driven by customers' rebate entitlement based on volume thresholds and purchase made by them during the period. The Group then applies the requirements on constraining estimates of variable consideration and recognized a refund liability for the expected rebates.

Revenue is recognized at the estimated net realizable amounts from the third-party payers (like insurance companies) and others for the goods provided or services rendered, net of estimated revenue adjustments (rejection of claims and volume discounts) when the goods are provided or related services are rendered.

Other Income

Other income that are incidental to the Group's business model are recognized as income as they are earned or accrued. This represents profit from sale of scrapped inventory and other miscellaneous income.

Rental Income

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred or incentive in negotiating and arranging an operating lease is considered an integral part of the carrying amount of the leased contract and recognized on a straight-line basis over the lease term.

3.15 Expenses

Cost of revenue

Cost of revenue represents all expenses directly attributable or incidental to the core operating activities of the Group. Cost of sales includes the direct costs incurred to bring the goods in the saleable condition and the direct costs pertaining to the provision of services. Rebates, compensation, other incentives and earned benefits from suppliers are recognized when earned by the Group; which occurs when all

obligations to earn suppliers' support have been discharged and can be measured reliably.

Selling and distribution expenses

These include any costs incurred to carry out or facilitate selling activities of the Group. These costs typically include salaries of the sales staff, marketing, distribution, and logistics expenses.

General and administrative expenses

These are operational expenses which are not directly related to the sale of goods. These also include allocations of general overheads which are not specifically attributed to cost of revenue.

Allocation of overheads between cost of revenue, selling and distribution and general and administrative expenses, where required, is made on a consistent basis.

3.16 Finance costs

Finance costs comprises of finance costs on lease liabilities and financial charges as and when incurred by the Company.

3.17 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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4.1 Amendments to IAS 21 – Lack of exchangeability – Effective date 1 January 2025

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted for certain new standards and amendments; however, the Group has not early adopted them in preparing these Consolidated Financial Statements. The Group is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.

5.1 Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments – Effective date 1 January 2026

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

5.2 IFRS 18 - 'Presentation and Disclosure in Financial Statements' – Effective date 1 January 2027

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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6. PROPERTY AND EQUIPMENT

	Lands ﷲ	Buildings ﷲ	Leasehold improvement ﷲ	Furniture, fixture, office equipment and tools ﷲ	Machinery and equipment ﷲ	Vehicles ﷲ	Computers ﷲ	Capital work in progress ﷲ	Total ﷲ
Cost:									
At beginning of the year	58,172,935	281,300,190	1,580,453,700	74,872,332	250,175,380	986,278	178,873,185	50,010,516	2,474,844,516
Additions	--	10,646,257	195,839,704	7,259,025	47,928,698	255,075	24,116,656	101,040,327	387,085,742
Disposals	--	--	--	(130,470)	(386,986)	--	--	--	(517,456)
Transfer from capital work in progress	--	--	43,225,141	--	--	--	--	(43,225,141)	--
Write-offs*	--	--	(38,730,808)	(813,016)	(2,347,734)	--	(26,050)	--	(41,917,608)
At end of the year	58,172,935	291,946,447	1,780,787,737	81,187,871	295,369,358	1,241,353	202,963,791	107,825,702	2,819,495,194
Accumulated depreciation and impairment:									
At beginning of the year	--	47,853,297	956,097,623	58,121,563	159,527,759	986,278	139,670,209	--	1,362,256,729
Depreciation charge for the year	--	15,154,784	206,933,923	8,173,843	39,716,204	21,256	19,246,251	--	289,246,261
Disposals	--	--	--	(130,465)	(386,304)	--	--	--	(516,769)
Write-offs*	--	--	(31,685,139)	(665,933)	(2,070,337)	--	(26,050)	--	(34,447,459)
At end of the year	--	63,008,081	1,131,346,407	65,499,008	196,787,322	1,007,534	158,890,410	--	1,616,538,762
Net book value:									
At 31 December 2025	58,172,935	228,938,366	649,441,330	15,688,863	98,582,036	233,819	44,073,381	107,825,702	1,202,956,432

*Write-offs during the year relate to non-movable assets disposed of due to the closure of certain pharmacies.

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6. PROPERTY AND EQUIPMENT (Continued)

	Lands ﷲ	Buildings ﷲ	Leasehold improvement ﷲ	Furniture, fixture, office equipment and tools ﷲ	Machinery and equipment ﷲ	Vehicles ﷲ	Computers ﷲ	Capital work in progress ﷲ	Total ﷲ
Cost:									
At beginning of the year	58,172,935	252,238,130	1,363,276,425	67,600,553	205,188,843	1,303,681	166,145,630	59,474,623	2,173,400,820
Additions	--	24,154,456	194,480,969	8,358,382	49,616,711	-	17,988,056	44,932,316	339,530,890
Disposals	--	--	(925,006)	(540,449)	(2,912,040)	(317,403)	(5,260,501)	--	(9,955,399)
Transfer from capital work in progress	--	10,133,213	44,061,210	--	--	--	--	(54,194,423)	--
Write-offs	--	(5,225,609)	(20,439,898)	(546,154)	(1,718,134)	--	--	(202,000)	(28,131,795)
At end of the year	58,172,935	281,300,190	1,580,453,700	74,872,332	250,175,380	986,278	178,873,185	50,010,516	2,474,844,516
Accumulated depreciation and impairment:									
At beginning of the year	--	32,781,094	789,942,002	50,542,943	131,113,330	1,269,945	127,286,417	--	1,132,935,731
Depreciation charge for the year	--	15,612,183	183,512,028	8,562,072	32,946,447	33,736	17,644,109	--	258,310,575
Disposals	--	--	(901,551)	(540,444)	(2,906,701)	(317,403)	(5,260,317)	--	(9,926,416)
Write-offs	--	(539,980)	(16,454,856)	(443,008)	(1,625,317)	--	--	--	(19,063,161)
At end of the year	--	47,853,297	956,097,623	58,121,563	159,527,759	986,278	139,670,209	--	1,362,256,729
Net book value:									
At 31 December 2024	58,172,935	233,446,893	624,356,077	16,750,769	90,647,621	--	39,202,976	50,010,516	1,112,587,787

Notes to the Consolidated Financial Statements

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6. PROPERTY AND EQUIPMENT (continued)

a) The depreciation charge for the year has been allocated as follows:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Selling and distribution expenses (note 22)	226,958,456	207,564,550
General and administrative expenses (note 23)	14,518,418	14,926,947
Cost of revenue (note 20.2)	47,769,387	35,819,078
	289,246,261	258,310,575

b) Capital work in progress relates to the expenditure incurred on leasehold improvements amounting to ﷲ 19.1 million (31 December 2024: ﷲ 36.6 million) and for the construction of the clinics amounting to ﷲ 88.7 million (31 December 2024: ﷲ 13.4 million) which are expected to be capitalized in the following year upon completion and when it is ready for the intended use.

7. INVESTMENT PROPERTIES

	31 December 2025 ﷲ	31 December 2024 ﷲ
Cost:		
At beginning and ending of the year	262,963,234	262,963,234
Accumulated impairment loss:		
At beginning of the year	7,062,411	8,659,050
Reversal of impairment loss for the year	--	(1,596,639)
At end of the year	7,062,411	7,062,411
Net book value	255,900,823	255,900,823

The Group’s investment properties only represent the parcels of land in KSA which are currently held for undetermined future use.

The fair value of the Group’s investment properties as at 30 November 2025 was valued at ﷲ 348.4 million (30 November 2024: ﷲ 346.9 million).

The fair value of the Group’s investment properties, as at 30 November 2025 was determined on the basis of the valuation exercise carried out by two independent external real estate valuers Abdullah Al Kathiri Real Estate Evaluation Office and Abdulaziz Al-Azab Real Estate Evaluation Co. (2024: Abdullah Al Kathiri Real Estate Evaluation Office and Abdulaziz Al-Azab Real Estate Evaluation Co.) accredited by the Saudi Authority for Accredited Valuers (“TAQEEM”). Both valuers have appropriate qualifications and relevant experience in the fair value measurement of properties in the relevant locations. Management adopted the lower of the two valuation results as the basis for measuring the fair value of the investment properties.

The fair value of the lands has been determined based on income method, a valuation model in accordance with that recommended by the Saudi Authority for Accredited Valuers was applied.

Based on the difference between the carrying value and the fair value of the parcels of land as at 31 December 2024, a reversal of impairment loss amounting to ﷲ 1,596,639 was recorded in the Group’s consolidated financial statements.

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At 31 December 2025

7. INVESTMENT PROPERTIES (continued)

This valuation model is in accordance with those recommended by the International Valuation Standards Committee and is consistent with the principles in IFRS 13.

Such values are based on significant unobservable inputs and the fair value measurement was classified as level 3. These significant unobservable inputs for properties with undetermined use include:

Significant inputs and assumptions	Basis of determination	Range (weight average)
Discount rate	Reflecting the inherent risk associated with the development of a real estate asset. Given the uncertainty of future (revenue and cost) projections, a discount rate is adopted to reflect the risk in achieving assumed projections.	2025: 7.5% - 9% 2024: 7% - 8%
Land sales rate (undeveloped) (ﷲ per square meter)	Reflecting the price of comparable industrial land plots	2025: 1,125– 4,200 2024: 1,100 – 4,000
Developer profit	Reflecting the expected developer profit of similar developments for industrial and residential plots.	2025: 25% – 45% 2024: 25% – 45%
Rental rate (ﷲ per square meter)	Reflecting the market rent assumed for retail and offices rental	2025: 1,200 – 750 2024: 1,200 – 700
Capitalization rate	Reflecting the assumed return metric that is used to determine the potential return on the property.	2025: 7.5% 2024: 8%

There have been no major changes to the valuation technique during the year.

All investment properties of the Group are currently held for undetermined future use.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repair, maintenance, and enhancement.

8. INTANGIBLE ASSETS

	Software ﷲ	Acquisition of pharmacies licenses ﷲ	Total ﷲ
Cost:			
At beginning of the year	234,644,253	102,926,361	337,570,614
Additions	44,967,392	--	44,967,392
Write offs	--	(691,512)	(691,512)
At 31 December 2024	279,611,645	102,234,849	381,846,494
Additions	30,532,355	--	30,532,355
Write offs	(18,579)	(2,194,996)	(2,213,575)
At 31 December 2025	310,125,421	100,039,853	410,165,274

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8. INTANGIBLE ASSETS (continued)

	Software ﷲ	Acquisition of pharmacies licenses ﷲ	Total ﷲ
Accumulated amortization:			
At beginning of the year	183,473,707	102,926,361	286,400,068
Amortization charge for the year	27,520,959	--	27,520,959
Write offs	--	(691,512)	(691,512)
At 31 December 2024	210,994,666	102,234,849	313,229,515
Amortization charge for the year	31,533,716	--	31,533,716
Write offs	(18,579)	(2,194,996)	(2,213,575)
At 31 December 2025	242,509,803	100,039,853	342,549,656
Net book value:			
At 31 December 2025	67,615,618	--	67,615,618
At 31 December 2024	68,616,979	--	68,616,979

(a) The amortization charge for the year has been allocated as follows:

	31 December 2025 ﷲ	31 December 2024 ﷲ
General and administrative expenses (note 23)	18,820,167	17,232,675
Selling and distribution expenses (note 22)	8,823,836	9,143,958
Cost of Sales (20.2)	3,889,713	1,144,326
	31,533,716	27,520,959

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for various items of lands and pharmacy stores used in its operations. Lease of lands generally have lease term of 5 to 25 years while lease of pharmacy stores has lease term of 5 to 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options. The Group applies the 'short-term lease' recognition exemptions for the leases which have lease term lower than or equal to one-year.

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

(a) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Lands ﷲ	Pharmacy stores ﷲ	Total ﷲ
As at 1 January 2025	250,736,785	1,356,268,535	1,607,005,320
Additions during the year	185,084,984	571,530,718	756,615,702
Modifications during the year	(2,954,388)	(5,804,194)	(8,758,582)

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9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

	Lands ﷲ	Pharmacy stores ﷲ	Total ﷲ
Termination during the year	--	(55,646,679)	(55,646,679)
Depreciation expense	(27,753,419)	(446,172,611)	(473,926,030)
As at 31 December 2025	405,113,962	1,420,175,769	1,825,289,731

	Lands ﷲ	Pharmacy stores ﷲ	Total ﷲ
As at 1 January 2024	162,018,792	1,104,625,043	1,266,643,835
Additions during the year	111,003,831	692,659,872	803,663,703
Modifications during the year	(10,399,650)	(11,920,484)	(22,320,134)
Termination during the year	--	(23,374,827)	(23,374,827)
Depreciation expense	(11,886,188)	(405,721,069)	(417,607,257)
As at 31 December 2024	250,736,785	1,356,268,535	1,607,005,320

(b) Set out below are the carrying amounts of lease liabilities and the movements during the year:

	31 December 2025 ﷲ	31 December 2024 ﷲ
As at 1 January	1,529,755,774	1,174,755,729
Additions during the year	770,193,330	803,663,703
Impact of lease termination	(53,903,538)	(24,382,789)
Modifications during the year	(8,758,582)	(22,320,134)
Accretion of interest during the year (note 24)	88,014,420	73,719,319
Payments during the year	(541,970,344)	(475,680,054)
As at 31 December	1,783,331,060	1,529,755,774
Current	420,242,217	383,476,461
Non-current	1,363,088,843	1,146,279,313

The additions, during the year happened in normal course of business.

The lease modifications during the year mainly relates to a reduction of lease payments for 63 pharmacies (2024: 38 pharmacies) lease contracts which resulted in decrease in the carrying value of lease liabilities and right of use asset.

The lease terminations during the year mainly relates to 49 pharmacies (2024: 39 pharmacies) lease contracts terminated before the expiry date which results to lease termination loss amounting to ﷲ 1,743,141 (2024: gain amounting to SR 1,007,962).

The maturity analysis of lease liabilities is disclosed in note 27.

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At 31 December 2025

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(c) The following are the amounts recognised in the consolidated statement of profit or loss:

	31 December 2025 ₹	31 December 2024 ₹
Depreciation expense of right-of-use assets (note 20.2, 22 & 23)	473,926,030	417,607,257
Interest expense on lease liabilities (note 24)	88,014,420	73,719,319
Expense relating to short-term leases (note 20.2, 22 & 23)	42,336,817	20,088,804
Total amount recognised in consolidated statement of profit or loss	604,277,267	511,415,380

The Group had total cash outflows for leases of ₹ 542 million in 2025 (₹ 476 million in 2024). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 757 million in 2025 (₹ 804 million in 2024).

The depreciation charge for the year has been allocated as follows:

	For year ending	
	31 December 2025 ₹	31 December 2024 ₹
Selling and distribution expenses (note 22)	456,503,244	393,177,305
General and administrative expenses (note 23)	7,748,823	7,926,114
Cost of Sales (note 20.2)	9,673,963	16,503,838
	473,926,030	417,607,257

10. NET INVESTMENT FROM FINANCE LEASE

	31 December 2025 ₹	31 December 2024 ₹
As at 1 January	--	--
Addition	13,673,738	--
Sub-lease Interest income	1,090,745	--
Payments during the year	(2,677,452)	--
At the end of the year	12,087,031	--
Current	1,460,016	--
Non-current	10,627,015	--

11. INVENTORIES

	31 December 2025 ₹	31 December 2024 ₹
Inventories	2,393,353,182	1,817,385,878
Less: provision for inventories	(115,477,563)	(106,562,953)
	2,277,875,619	1,710,822,925

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11. INVENTORIES (continued)

During 2025, ₹ 6,096 million (2024: ₹ 5,717 million) was recognized as a cost of revenue.

Movement in the provision for inventories was as follows:

	31 December 2025 ₹	31 December 2024 ₹
At the beginning of the year	106,562,953	97,731,509
Form for the year	61,292,048	32,326,343
Written off during the year	(52,377,438)	(23,494,899)
At the end of the year	115,477,563	106,562,953

12. TRADE RECEIVABLES

	31 December 2025 ₹	31 December 2024 ₹
Trade receivables	267,407,699	139,222,943
Less: Impairment losses on trade receivables (see note below)	(5,975,916)	(3,719,548)
	261,431,783	135,503,395

Movement in the Impairment losses on trade receivables is as follows:

	31 December 2025 ₹	31 December 2024 ₹
At the beginning of the year	3,719,548	3,924,339
Form / (reversal) for the year*	2,690,128	(192,863)
Written off during the year	(433,760)	(11,928)
At the end of the year	5,975,916	3,719,548

The total expected credit loss charge on trade receivables of ₹ 2,690,128 for the year has been recognized within cost of revenue ₹ 1,454,322 (Note 20.2) and general and administrative expenses ₹ 1,235,806 (Note 23).

Trade receivables are non-interest bearing and are generally settled on terms of 60 days.

Before accepting any customer, the Group evaluates the credit quality of the potential customers individually and defines the maximum credit period and credit limits. The credit period for the Group's operations normally ranges between 30 to 60 days which is either contractually agreed or internally defined.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

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At 31 December 2025

13. PREPAYMENTS AND OTHER ASSETS

	31 December 2025 ﷲ	31 December 2024 ﷲ
Non- current		
Rent deposits	29,465,214	35,670,011
Current		
Prepayments	53,839,895	36,173,163
Employees' related prepayments	54,301,041	57,566,535
Advance payments to suppliers	38,044,609	122,333,467
Value added tax (VAT)	29,250,229	52,469,511
short-term rental	13,601,417	13,273,846
Margin on letter of credits	200,000	230,000
Other current assets	14,579,575	8,385,903
	203,816,766	290,432,425

14. CASH AND CASH EQUIVALENT

	31 December 2025 ﷲ	31 December 2024 ﷲ
Cash at banks	450,978,946	878,143,546
Cash on hand	103,464,266	78,666,033
	554,443,212	956,809,579

At 31 December 2025, the Group had short-term Islamic Murabaha deposits with original maturities of less than three months amounting to Nil. During 2025, The Group earned ﷲ 49 million (2024: ﷲ 51 million) on the Islamic Murabaha deposits at rate of return ranging between 3.90% to 6.20% (2024: 4.97% to 6.21%) (note 25).

At each reporting date, all bank balances are assessed to have low credit risk as they are held with banks with sound credit ratings. Therefore, the probability of default based on forward looking factors and any loss given defaults are negligible.

15. SHAREHOLDERS' EQUITY

(a) Share capital

The Company's capital is divided into 130,000,000 shares (31 December 2024: 130,000,000 shares) with a nominal value of ﷲ 10 each (31 December 2024: ﷲ 10 each).

(b) Statutory reserve

On 29 April 2025, the General Assembly Meeting of the shareholders approved the transfer of the statutory reserve balance amounting to ﷲ 369,207,440, as reported in the financial statements for the year ended 31 December 2024, to retained earnings.

Notes to the Consolidated Financial Statements

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15. SHAREHOLDERS' EQUITY (continued)

(c) Dividends

- On 10 March 2025 (corresponding 10 Ramadan 1446H) the Board of Directors announced the distribution of ﷲ 390 million as cash dividends (ﷲ 3 per share) for the second half of the year 2024 which represents 30% of the nominal value of the shares.
- On 29 July 2025 (corresponding 4 Safar 1447H) the Board of Directors announced the distribution of ﷲ 338 million as interim cash dividends (ﷲ 2.60 per share) which represents 26% of the nominal value of the shares.

	31 December 2025 ﷲ	31 December 2024 ﷲ
Cash dividends for the second half of the year 2024: ﷲ 3.00 per share (second half of the year 2023: ﷲ 3.00 per share)	390,000,000	390,000,000
Cash dividends for the first half of the year 2025: ﷲ 2.60 per share (first half of the year 2024: ﷲ 2.50 per share)	338,000,000	325,000,000
Total dividends for the year	728,000,000	715,000,000

16. EMPLOYEE BENEFIT LIABILITIES

The Group operates an approved unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law. The following table represents the movement of the defined benefits obligation:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Defined benefits obligation at beginning of the year	420,490,334	392,117,269
Current service cost	53,690,377	56,217,944
Past service cost	--	(10,958,809)
Interest cost on defined benefits obligation	22,094,987	17,908,089
Total expense charged to statement of profit or loss*	75,785,364	63,167,224
Actuarial gain on the obligation	(54,511,902)	(16,854,810)
Transferred employees	--	(128)
Payments made during the year	(20,303,133)	(17,939,221)
Defined benefit obligations at the end of the year	421,460,663	420,490,334

* The total expense charged during the year is allocated to the respective expense categories in the consolidated statement of profit or loss as follows: ﷲ 8,000,302 within cost of revenue (Note 20.2), ﷲ 55,855,318 within selling and distribution expenses (Note 22), and ﷲ 11,929,744 within general and administrative expenses (Note 23).

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At 31 December 2025

16. EMPLOYEE BENEFIT LIABILITIES (continued)

16.1 Actuarial assumptions

	31 December 2025 ﷲ	31 December 2024 ﷲ
Discount rate	5.30%	5.40%
Future salary growth/expected rate of salary increase	4%	4.80%
Mortality rate	0.25%	0.25%
Withdrawal rate	Service based	Service based
Retirement age	60 years	60 years

The quantitative sensitivity analysis for principal assumptions is as follows:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Discount rate:		
+1.00% increase	(35,774,161)	(34,585,578)
-1.00% decrease	41,663,648	40,170,995
Salary increase rate:		
+1.00% increase	43,040,009	41,250,314
-1.00% decrease	(37,551,104)	(36,160,563)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The weighted average duration of the defined benefit obligation is 9.43 years (31 December 2024: 8.77 years).

The following is the breakup of the actuarial (gain) / loss:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Financial assumptions	(22,779,259)	370,890
Experience adjustment	(27,270,365)	(16,230,408)
Demographic adjustment	(4,462,278)	(995,292)
	(54,511,902)	(16,854,810)

Notes to the Consolidated Financial Statements

At 31 December 2025

16. EMPLOYEE BENEFIT LIABILITIES (continued)

The following payments are expected to the defined benefit plan in future years:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Within the next 12 months (next annual reporting period)	34,613,923	36,424,211
Between 2 and 5 years	127,651,247	130,617,635
Between 6 and 10 years	147,647,865	153,712,919
Year 11 & above	434,404,271	412,909,338
Total expected payments	744,317,306	733,664,103

17. TRADE PAYABLES

	31 December 2025 ﷲ	31 December 2024 ﷲ
Trade payables (note a)	1,418,612,325	1,232,626,403

(a) Trade payables are non-interest bearing and are normally settled on 30-150 days term.

18. ACCRUALS AND OTHER LIABILITIES

	31 December 2025 ﷲ	31 December 2024 ﷲ
Non- current		
Staff accruals (note a)	15,237,863	14,622,549
Current		
Staff accruals (note a)	142,689,737	155,770,675
Accrued expenses	80,174,656	116,550,897
Contract liabilities	24,906,521	20,843,541
Other liabilities	10,216,221	19,616,712
	257,987,135	312,781,825

(a) This includes incentives for the executive employees as part of long-term retention plan with the Group.

19. ZAKAT AND TAX

The movement in the zakat provision during the year is as follows:

	31 December 2025 ﷲ	31 December 2024 ﷲ
At the beginning of the year	76,969,511	112,531,966
Provision charge for year	15,168,821	13,820,000
Payment during the year	(41,423,514)	(49,382,455)
At the end of the year	50,714,818	76,969,511

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At 31 December 2025

19. ZAKAT AND TAX (continued)

The Group companies that are operated in KSA, (the Parent Company, Nahdi Care Company, and Al Sakhaa Golden Trading and Contracting Company) have been requested and obtained an approval from ZATCA to submit their Zakat based on a unified return. Starting from the year ended 31 December 2023 and onward Zakat submission was based on the unified return which will prepared based on a Special Purpose Financial Statements.

Status of assessments

Nahdi Medical Company

For the year ended 31 December 2015

An objection was filed against the Zakat, Tax, and Customs Authority's ("The authority") assessment of zakat differences amounting to ﷲ 6,017,417 via the website of the General Secretariat of Tax Committees within the statutory period. Subsequently, the company paid ﷲ 1,017,417 representing some of the disputed items, on 29 December 2022. The Authority attached a memorandum explaining its desire to drop its appeal on the remaining disputed amount of ﷲ 5,000,000. The Appeals Committee issued a decision accepting the dismissal of the dispute in the appeal filed by the Authority. The Authority's amended assessment was issued, reflecting the committee's decisions and finalizing the zakat status for the year.

For the years ended 31 December 2016 to 2019

A final assessment was issued by the Authority, and the company paid the zakat differences.

For the years ended 31 December 2020 to 2023

The company has submitted its zakat returns for these years and the final assessment has been issued for zakat differences amounting to ﷲ 6,650,697 and the company paid the zakat differences.

For the year ended 31 December 2024

The zakat status remains as mentioned above. The Company submitted zakat return for the year and no zakat assessment was received. The Company received a valid zakat certificate until 30 April 2026.

For the year ended 31 December 2025

The zakat status remains as mentioned above.

Subsidiaries

Al Sakhaa Golden Trading and Contracting Company

For the years from starting operations till year ended 31 December 2015

The Company has filed Zakat returns for these years, but no zakat assessments was received.

For the years from the year ended 31 December 2016 till the year ended 31 December 2019

A final assessment has been issued by the ZATCA, and the company has settled the Zakat differences. Accordingly, the Zakat status for the above years is considered finalized.

For the years ended 31 December 2020 to 2024

The Company submitted zakat return for the year and no Zakat assessment was received. The Company received a valid Zakat certificate until 30 April 2026.

Notes to the Consolidated Financial Statements

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19. ZAKAT AND TAX (continued)

For the year ended 31 December 2025

The Zakat status remains as mentioned above.

Nahdi Care Limited Company

For the years ended 31 December 2019 to 2024

The Company submitted zakat return for the years and no zakat assessment was received. The Company received a valid Zakat certificate until 30 April 2026.

For the year ended 31 December 2025

The Zakat status remains as mentioned above.

Tax Status

Nahdi Investment CO. L.L.C and the subsidiaries

The Company submitted its first tax return for the year 2024 and recorded a nil tax liability. The next filing due date is on 30 September 2026.

Al Sakhaa integrated solutions

The filing for corporate tax return 2024 has been filed on 30 April 2025 with amount of 2,039,860 Egyptian Pound (ﷲ 153,071). The next filing due date is on 30 April 2026. No tax assessment was received.

20. REVENUE AND COST OF REVENUE

20.1 Revenue

	For year ending	
	31 December 2025 ﷲ	31 December 2024 ﷲ
Front Shop	4,195,406,412	3,907,159,466
Pharma	5,439,997,089	5,183,203,623
Others*	577,834,900	356,056,957
	10,213,238,401	9,446,420,046

There is no individual customer contributed more than 10% of the Group's total sales.

* Others mainly include revenue generated from services provided by the clinics under Nahdi Care Limited Company.

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At 31 December 2025

20. REVENUE AND COST OF REVENUE (continued)

20.2 Cost of revenue

	For year ending	
	31 December 2025 ₪	31 December 2024 ₪
Cost of goods and services (note 11)	6,095,603,718	5,717,214,650
Form / (reversal) of provision for inventories (note 11)	61,292,048	32,326,343
Employee costs*	150,657,620	90,117,987
Depreciation of property and equipment (note 6)	47,769,387	35,819,078
Other expenses**	52,344,229	58,594,992
	6,407,667,002	5,934,073,050

* Employee costs include end-of-service benefits expense amounting to ₪ 8,000,302 (see Note 16).

** Other expenses included within cost of revenue comprise expected credit losses of trade receivables amounting to ₪ 1,454,322 (2024: ₪ 430,477) (Note 12), depreciation expense of right-of-use assets amounting to ₪ 9, 673,963 (2024: ₪ 16,503,838) (Note 9), and amortization charge of intangible assets amounting to ₪ 3,889,713 (2024: ₪ 1,144,326) (Note 8).

21. OTHER OPERATING INCOME

	For year ending	
	31 December 2025 ₪	31 December 2024 ₪
Reversal of accrued expenses	--	14,068,460
Rental income	10,255,783	6,350,570
Gain from disposal of property and equipment	486,119	1,537,363
Scrap sale of inventory	1,370,677	2,931,704
Other	8,160,239	4,558,016
	20,272,818	29,446,113

22. SELLING AND DISTRIBUTION EXPENSES

	For year ending	
	31 December 2025 ₪	31 December 2024 ₪
Employee costs*	1,335,784,856	1,263,429,233
Amortization of right-of-use assets (note 9)	456,503,244	393,177,305
Depreciation of property and equipment (note 6)	226,958,456	207,564,550
Utilities	75,483,620	72,788,076
Advertising and promotion	52,941,273	59,612,014
Repair and maintenance	58,717,222	48,729,546
Attestation of governmental expenses	24,005,461	23,984,774
Loading and packing expenses	40,511,030	31,439,379

Notes to the Consolidated Financial Statements

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22. SELLING AND DISTRIBUTION EXPENSES (continued)

	For year ending	
	31 December 2025 ₪	31 December 2024 ₪
Business events	3,747,839	6,921,988
Communications	6,077,047	6,708,949
Amortization of intangible assets (note 8)	8,823,836	9,143,958
Others	231,440,805	198,280,686
	2,520,994,689	2,321,780,458

* Employee costs include end-of-service benefits expense amounting to ₪ 55,855,318 (see Note 16).

23. GENERAL AND ADMINISTRATIVE EXPENSES

	For year ending	
	31 December 2025 ₪	31 December 2024 ₪
Employee costs*	218,425,113	208,564,289
Repair and maintenance	54,894,521	42,660,169
Legal and professional	16,363,748	8,346,353
Amortization of intangible assets (note 8)	18,820,167	17,232,675
Depreciation of property and equipment (note 6)	14,518,418	14,926,947
Amortization of right-of-use assets (note 9)	7,748,823	7,926,114
Communications	8,204,564	6,424,948
Attestation and government expenses	2,062,140	2,663,138
Board of directors' remunerations	4,475,000	4,475,000
Expected credit losses of trade receivables (note 12)	1,235,806	(192,863)
Others	31,558,734	33,791,472
	378,307,034	346,818,242

* Employee costs include end-of-service benefits expense amounting to ₪ 11,929,744 (see Note 16).

24. FINANCE COST

	For year ending	
	31 December 2025 ₪	31 December 2024 ₪
Interest expense on lease liability (note 9)	88,014,420	73,719,319
Bank charges	53,849,400	42,147,857
	141,863,820	115,867,176

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25. FINANCE INCOME

	For year ending	
	31 December 2025 ﷲ	31 December 2024 ﷲ
Income from Islamic Murabaha deposits	48,758,085	50,799,973
Foreign exchange gain	11,369,129	8,340,748
Finance income from finance lease (note 10)	1,090,745	--
	61,217,959	59,140,721

26. EARNINGS PER SHARE

The earnings per share calculation is given below:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Profit for the year	830,737,560	820,723,624
Weighted average number of ordinary shares	130,000,000	130,000,000
Earnings per share – basic and diluted	6.39	6.31

There has been no item of dilution affecting the weighted average number of ordinary shares.

27. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Group's principal financial liabilities include trade payables, due to related parties and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include cash and cash equivalents, trade receivables and certain prepayments.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risks, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk on its interest-bearing assets. The management manages the Group's interest rate risks by monitoring changes in interest rates in the currencies in which its interest-bearing assets are denominated (if any).

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27. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group's transactions are principally in Saudi Riyals. However, the group also transacts in AED. AED to Saudi Riyals is pegged whereas exposure related to other currencies is not material to the group. Moreover, the Group's management monitors such fluctuations and manages its effect on the group's financial statements accordingly.

Credit risk

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The insurance companies credit ratings ranging from BB+ and above. At 31 December 2025, the Group had three customers (31 December 2024: three customers) which accounted for approximately 72% (31 December 2024: 73%) of all trade receivable balances. The Group evaluates the concentration of risk with respect to trade receivables as low.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. Additionally, minor receivables are grouped into homogenous Group and analysed for impairment collectively. The maximum amount of exposure is the carrying amount of the receivable disclosed in note 12. Promissory notes and other forms of security, if any, are considered integral part of trade receivables and considered in the calculation of impairment.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's executive management on a regular basis and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

On that basis, the expected credit loss as at 31 December was determined as follows:

Receivable from customers

	2025			2024		
	Gross carrying amount ﷲ	Expected credit loss range %	Loss allowance ﷲ	Gross carrying amount ﷲ	Expected credit loss range %	Loss allowance ﷲ
Current (Not due)	144,568,623	1.3%	1,823,696	49,094,992	1.4%	674,306
0-90 Days Overdue	91,340,279	2.4%	2,180,969	44,093,444	2.2%	976,816
91-180 Days Overdue	18,931,842	3.8%	715,524	25,119,095	2.6%	660,927
181-360 Days Overdue	9,785,391	2%	194,600	18,905,114	0.9%	179,239
Over 360 Days Overdue	2,781,564	38.1%	1,061,127	2,010,298	61.1%	1,228,260
	267,407,699		5,975,916	139,222,943		3,719,548

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27. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that an exposure will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by the treasury department by monitoring the maturity profile of the Group's financial instruments to ensure that adequate liquidity is maintained or made available, as necessary to the Group. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual undiscounted maturity analysis of the financial liabilities of the Group. The Group does not hold financial assets for managing liquidity risk. Hence, these risks have not been considered for maturity analysis.

The following is the contractual undiscounted maturity analysis of the financial liabilities of the Group. The Group does not hold financial assets for managing liquidity risk. Hence, these risks have not been considered for maturity analysis. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2025	Within 1 year ⧄	1 to 5 years ⧄	After 5 years ⧄	Total ⧄
Trade payables	1,418,612,325	--	--	1,418,612,325
Accruals and other liabilities, (except for non-financial liabilities)	233,080,614	15,237,863		248,318,477
Lease liabilities	454,447,418	1,047,960,351	617,157,297	2,119,565,066
	2,106,140,357	1,063,198,214	617,157,297	3,786,495,868

31 December 2024	Within 1 year ⧄	1 to 5 years ⧄	After 5 years ⧄	Total ⧄
Trade payables	1,232,626,403	--	--	1,232,626,403
Accruals and other liabilities, (except for non-financial liabilities)	291,938,284	14,622,549	--	306,560,833
Lease liabilities	424,316,303	884,176,284	523,208,481	1,831,701,068
	1,948,880,990	898,798,833	523,208,481	3,370,888,304

28. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued share capital, statutory reserve and retained earnings attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the Shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is currently not exposed to any gearing risk as it has not obtained any borrowings.

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28. CAPITAL MANAGEMENT (continued)

	31 December 2025 ⧄	31 December 2024 ⧄
Total Liabilities	3,947,343,864	3,587,246,396
Less: Cash and cash equivalents	(554,443,212)	(956,809,579)
Net debt	3,392,900,652	2,630,436,817
Total equity	2,743,538,365	2,586,102,848
Equity and net debt	6,136,439,017	5,216,539,665
Gearing ratio	55%	50%

29. FAIR VALUE MEASUREMENT

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 by the Group.

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 financial instruments for which fair value is recognised or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- 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.

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29. FAIR VALUE MEASUREMENT (continued)

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

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers among the levels during the period.

The management assessed that the fair value of cash and cash equivalents, trade and other receivables, trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of investment properties was determined using the Market Approach, which is classified as a Level 2 fair value measurement where observable market data for comparable properties was available. For properties where such data was limited, the Residual Method was used, which is classified as a Level 3 fair value measurement due to the use of unobservable inputs and significant valuation assumptions.

30. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders have significant influence, directors, associated companies (representing entities controlled or under the significant influence of the Group’s shareholders) and key management personnel. During the year ended 31 December 2025 and 31 December 2024 no related party transactions occurred except the compensation for key management.

Key management compensation

Compensation for key management is as follows:

	31 December 2025 ﷼	31 December 2024 ﷼
Salaries and other benefits	3,500,000	3,500,000
Post-employment benefits*	10,252,512	12,830,770
	13,752,512	16,330,770

The amounts disclosed in the above table are the amounts recognised as an expense during the year related to key management personnel.

* The Group recognized the incentives for the executive employees as part of long-term retention plan with the Group as disclosed in note 18(a).

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30. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related party balances are generally unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related party operates, if any.

31. SEGMENT INFORMATION

The Group operates mainly in the KSA and the UAE and is engaged in retail trading as sale of cosmetics, medical materials, as well as medical equipment through pharmacies. It also operates specialized medical clinics through one of its subsidiaries. The Group's operations in the UAE are considered relatively insignificant, and accordingly, the Group does not present business sector information at the geographical level as at present more than 90% of the Group's operations are conducted within the Kingdom of Saudi Arabia. Also, the Group's business of operating specialized medical clinics is considered relatively insignificant. The management has concluded that except for retail trading of consumer goods all other lines of businesses are less than 10% of combined revenue, profit or loss and assets of the Group (Note 20.1). The Group has considered the overriding core principles of IFRS 8 'Operating segments' as well as its internal reporting framework, management and operating structure. The Directors' conclusion is that the Group has one operating segment, that of retailing.

Key internal reports received by the CODM, primarily the selling and operation plan (SOP), focus on the performance of the Group as a whole. The operations of all elements of the business are driven by the retail sales environment and hence have fundamentally the same economic characteristics. All operational decisions made are focused on the performance and growth of the retail outlet.

32. COMMITMENTS AND CONTINGENCIES

As at 31 December 2025, the Group has commitments of ﷼ 111 million (31 December 2024: ﷼ 69 million) relating to capital expenditures, which also includes an agreement with a consulting Group to implement the decorations of pharmacies, implement the new stores, construction of distribution centre. It also includes commitments pertains to letter of credit and letter of guarantee.

33. COMPARATIVE FIGURES

To align with the current period's presentation, the following reclassifications have been made to comparative figures:

- a) ﷼ 17.39 million in advance payments to suppliers for property, plant, and equipment, previously reported under Prepayments and other current assets, have been reclassified to prepayments and other non-current assets.

Notes to the Consolidated Financial Statements

At 31 December 2025

33. COMPARATIVE FIGURES (continued)

- b) Depreciation and amortization expenses of ₪ 20.52 million directly related to medical services have been reclassified from Selling and distribution expenses to Cost of revenue.

These adjustments have no impact on the statement of changes in equity or cash flows.

Consolidated Statement of Financial Position as at 31 December 2024	As reported as of 31 December 2024 ₪	Reclassification ₪	As reported as of 31 December 2024 (comparative) ₪
Prepayments and other current assets	307,823,357	(17,390,932)	290,432,425
Prepayments and other non-current assets	18,279,079	17,390,932	35,670,011

Consolidated Statement of Profit or Loss and Other Comprehensive Income	As reported for the year ended 31 December 2024 ₪	Reclassification ₪	As reported for the year ended 31 December 2024 (comparative) ₪
Cost of revenue	(5,913,553,658)	(20,519,392)	(5,934,073,050)
Selling and distribution expenses	(2,342,299,850)	20,519,392	(2,321,780,458)

34. EVENTS AFTER THE REPORTING PERIOD

On 8 March 2026 (corresponding 19 Ramadan 1447H) the Board of Directors announced the distribution of ₪ 390 million as cash dividends (₪ 3 per share) for the second half of the year 2025 which represents 30% of the nominal value of the shares.

During the period subsequent to the financial reporting date of the period ended **31 December 2025**, and up to the date of approval of the financial statements for issuance on 8 March 2026, the Middle East region witnessed rapid geopolitical and security developments that led to an increased level of instability in some regional markets.

Nature and classification of the event: Management evaluated these events in accordance with the requirements of IAS 10 "Events after the reporting date", and determined that these events represent **non-modifying subsequent events**, as they arose as a result of circumstances that did not exist at the financial reporting date, and therefore do not require any adjustment to the balances or financial information presented in the financial statements.

Notes to the Consolidated Financial Statements

At 31 December 2025

34. EVENTS AFTER THE REPORTING PERIOD (continued)

Potential impact on the Company: These developments may have potential impacts on the Company's operations in the coming period, including risks related to the continuity of supply chains, delays in some operational activities, or an increase in some operational or logistical costs. The Management is closely monitoring the situation and regularly updating its assessments of risks and potential impacts.

Going Concern Assessment: After reviewing the data available up to the date of approval of the financial statements, the Management found no material indicators that affect the Company's ability to continue operating as a going concern. The Management will continue to monitor developments and take necessary actions as needed.

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized to issue by the Board of Directors on 8 March 2026 (corresponding 19 Ramadan 1447H).



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