Qatari German For Medical Devices Company Q.P.S.C.

Condensed Interim Financial Statements
As at and for the six month period ended
30 June 2026

Contents | **Page**

Commercial registration number	23349
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Independent Auditor's Report on Review of Condensed Interim Financial Statements

To the Board of Directors of,
Qatari German For Medical Devices Company Q.P.S.C.
Doha, State of Qatar

Introduction

We have reviewed the accompanying condensed interim financial statements of Qatari German For Medical Devices Company Q.P.S.C. (the "Company"), which comprise the condensed interim statement of financial position as at 30 June 2026 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these Condensed interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Basis for Qualified Conclusion

1) As disclosed in Note 13 to the condensed interim financial statements, the Company did not settle an instalment of QR 3,262,914 due to Qatar Development Bank ("QDB") on 30 January 2026. This constitutes a breach of the Banking Master Agreement, which entitles QDB to demand immediate repayment of the outstanding balance of QR 127,831,736. As at the reporting date, the Company had not obtained a waiver of QDB's right to demand immediate repayment. In accordance with IAS 1, Presentation of Financial Statements, the QDB borrowings amounting to QR 124,568,822, which have been classified as non-current liabilities, should have been classified as current liabilities. Accordingly, current liabilities as at 30 June 2026 are understated by QR 124,568,822 and non-current liabilities are overstated by the same amount.

Furthermore, the Company has not recognised the penalties and additional finance costs arising from the non-settlement of the instalment. Consequently, we were unable to determine the full extent of the resulting understatement of liabilities and finance costs in the condensed interim financial statements relating to such penalties and additional finance costs for the period.

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Basis for Qualified Conclusion (Continued)

2) As disclosed in Note 20.2.3 to the condensed interim financial statements, the Company has identified matters relating to suspected mismanagement in the recording of revenue, trade receivables, inventory and cost of sales during the period from 2021 to 2024. These matters have been formally reported to the competent authorities, which have appointed an expert to examine the matters, and legal proceedings have been initiated. The expert's examination and the related legal proceedings are ongoing. The condensed interim financial statements include an allowance for expected credit losses of QR 50,784,022 against gross trade receivables of QR 52,211,122 (Note 8), which arises substantially in respect of balances relating to the affected period. However, pending the outcome of the expert's examination and the decision of the competent authorities, the nature, completeness and amount of any misstatements arising from these matters, including their potential effect on revenue, cost of revenue, trade receivables, trade payables and the comparative information presented in the condensed interim financial statements, could not be determined.

Consequently, we were unable to obtain sufficient appropriate evidence through the review procedures performed to determine whether any adjustments to the amounts recognised and disclosed in the condensed interim financial statements were necessary, including whether the comparative information required restatement. Accordingly, we were unable to determine the extent of any adjustments that may be required in respect of these matters.

Qualified Conclusion

Based on our review, except for the matters and the adjustments that we might have become aware of had it not been for the situation described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying Condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the condensed interim financial statements, which indicates that the Company incurred a net loss of QR 1,234,131 for the six-month period ended 30 June 2026 and, as at that date, had accumulated losses of QR 184,029,965, exceeding 50% of the share capital of the Company, negative net equity of QR 24,643,010, and current liabilities exceeding its current assets by QR 2,792,258. As disclosed in Notes 13 and 20.2, the Company did not settle the instalment of QR 3,262,914 due to Qatar Development Bank on 30 January 2026, entitling the bank to demand immediate repayment of the outstanding balance of QR 127,831,736 and with potential consequences for the terms on which borrowings of QR 9,585,423 were waived during 2025, and the matters relating to the suspected mismanagement in the recording of revenue and trade receivables remain subject to the examination of the expert appointed by the competent authorities. As the accumulated losses exceed 50% of the share capital, the requirements of Article 295 of the Qatar Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021, are applicable, and an extraordinary general assembly of the shareholders was held on 12 August 2026 and resolved to continue the operations of the Company. The Company's ability to continue as a going concern is dependent on the continued financial support of its shareholders, the successful completion of the restructuring of its debt obligations and the resolution of the matters described above. These events and conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Emphasis of Matter

We draw attention to Note 9 to the Condensed Interim Financial Statements, which discloses that remuneration of QR 198,000 was accrued in respect of the Managing Director, a member of the Board of Directors, for the six-month period ended 30 June 2026. This amount arises from a recommendation of the Nominations, Remuneration and Governance Committee and a resolution of the Board of Directors, and has not been approved by the General Assembly; which is expected to be held in 2027. Our conclusion is not modified in respect of this matter.

Other matters

The financial statements of the Company for the year ended 31 December 2025, from which the comparative statement of financial position as at 31 December 2025 has been derived, were audited by another auditor, whose report dated 15 April 2026 expressed a qualified opinion on those financial statements on the basis that direct balance confirmations were not received from the majority of the Company's customers and, accordingly, that auditor was unable to determine whether any adjustments to the carrying amounts of trade receivables as at 31 December 2025 might be necessary.

The condensed interim financial statements of the Company for the six-month period ended 30 June 2025, from which the comparative condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows have been derived, were reviewed by another auditor, whose report dated 21 August 2025, expressed a qualified conclusion on the basis that direct balance confirmations were not received from the majority of the Company's customers as at 30 June 2025 and, accordingly, that auditor was unable to determine whether any adjustments to the carrying amounts of trade receivables as at that date might be necessary.

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License number 355
QFMA Auditor's Registration No. 1202519
13 August 2026
Doha, State of Qatar

Qatari German For Medical Devices Company Q.P.S.C.
Condensed Interim statement of financial position
As at 30 June 2026 (in Qatari Riyals)

	Notes	30 June 2026 (Reviewed)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	93,365,474	95,617,788
Intangible assets	5	8,223,245	8,223,245
Right-of-use assets		46,466	51,112
Investment properties	6	12,441,000	12,441,000
		114,076,185	**116,333,145**
Current assets			
Inventories	7	14,947,859	15,410,162
Trade and other receivables	8	2,579,884	2,357,023
Cash and bank balances	10	388,638	638,343
		17,916,381	**18,405,528**
Total assets		**131,992,566**	**134,738,673**
Equity and liabilities			
Equity			
Share capital	11	115,500,000	115,500,000
Legal reserve		31,735,090	31,735,090
Revaluation reserve		12,151,865	12,151,865
Accumulated losses		(184,029,965)	(182,795,834)
		(24,643,010)	**(23,408,879)**
Non-current liabilities			
Employee terminal benefits	12	376,238	369,150
Lease liabilities		32,295	43,074
Borrowings	13	135,518,404	136,098,876
		135,926,937	**136,511,100**
Current liabilities			
Lease liabilities		10,045	9,874
Borrowings	13	5,826,063	5,826,063
Trade and other payables	14	14,872,531	15,800,515
		20,708,639	**21,636,452**
Total liabilities		**156,635,576**	**158,147,552**
Total equity and liabilities		**131,992,566**	**134,738,673**

These condensed Interim financial statements were approved by the Company's Board of Directors and signed on its behalf by the following on 13 August 2026

Yaser Sultan Al Mannai
Chairman of Board of Directors

Fahad Abdulla Malik
Vice-Chairman of Board of Directors

Notes 1 to 25 on pages 10 to 22 form an integral part of these Condensed Interim Financial Statements.

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RSM Auditing and Consulting & Partners
Signed for Identification Purposes Only

الشركة القطرية الألمانية للمستلزمات الطبية (ش.م.ع.ق)
Qatari German For Medical Devices Company (Q.P.S.C)
QG MEDICAL DEVICES

Qatari German For Medical Devices Company Q.P.S.C.
Condensed Interim statement of profit or loss and other comprehensive income
For the six month period ended 30 June 2026 (in Qatari Riyals)

	Notes	For the six months period ended 30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
Income			
Revenue	15	2,745,310	1,773,612
Cost of sales	16	(1,720,338)	(1,414,656)
Gross profit		1,024,972	358,956
Other income	17	1,584,810	1,299,172
Gain on restructuring of borrowing	13	-	9,585,423
		2,609,782	11,243,551
Expenses			
General and administrative expenses	18	(3,394,441)	(3,934,993)
Selling & distribution expenses		(83,845)	(46,873)
Finance costs		(365,627)	(1,484,758)
		(3,843,913)	(5,466,624)
(Loss) / profit for the period		(1,234,131)	5,776,927
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(1,234,131)	5,776,927
Basic and diluted (loss) / earnings per share	19	(0.011)	0.050

These condensed Interim financial statements were approved by the Company's Board of Directors and signed on its behalf by the following on 13 August 2026

Yaser Sultan Al Mannai
Chairman of Board of Directors

الشركة القطرية الألمانية للمستلزمات الطبية (ش.م.ع.ق)
QG TM
MEDICAL DEVICES
Qatari German For Medical Devices Company (Q.P.S.C)

Fahad Abdulla Malik
Vice-Chairman of Board of Directors

Notes 1 to 25 on pages 10 to 22 form an integral part of these Condensed Interim Financial Statements.

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Qatari German For Medical Devices Company Q.P.S.C.
Condensed Interim statement of changes in equity
For the six month period ended 30 June 2026 (in Qatari Riyals)

	Share capital	Legal reserve	Revaluation Reserve	Accumulated losses	Total
As at 1 January 2025	115,500,000	30,807,629	12,151,865	(190,911,118)	(32,451,624)
Profit for the period	–	–	–	5,776,927	5,776,927
As at 30 June 2025 (Reviewed)	115,500,000	30,807,629	12,151,865	(185,134,191)	(26,674,697)
As at 1 January 2026	115,500,000	31,735,090	12,151,865	(182,795,834)	(23,408,879)
Loss for the period	–	–	–	(1,234,131)	(1,234,131)
As at 30 June 2026 (Reviewed)	115,500,000	31,735,090	12,151,865	(184,029,965)	(24,643,010)

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Notes 1 to 25 on pages 10 to 22 form an integral part of these Condensed Interim Financial Statements.

Qatari German For Medical Devices Company Q.P.S.C.
Condensed Interim statement of cash flows
For the six month period ended 30 June 2026 (in Qatari Riyals)

	Notes	For the six months period ended	
Cash flows from operating activities:		**30 June 2026 (Reviewed)**	30 June 2025 (Reviewed)
(Loss) / profit for the period		(1,234,131)	5,776,927
Adjustments for:			
Depreciation of property, plant and equipment	4.1	2,252,314	2,258,891
Depreciation on right-of-use assets	18	4,646	4,646
Interest on lease liabilities		919	1,104
Gain on restructuring of borrowing		-	(9,585,423)
Provision for employee terminal benefits		31,613	57,828
Interest on borrowings		356,404	1,477,767
Changes in operating assets and liabilities			
Inventories		462,303	(89,086)
Trade and other receivables		(222,861)	1,626,223
Trade and other payables		(927,984)	(217,146)
		723,223	**1,311,731**
Employee terminal benefits paid		(24,525)	(40,732)
Net cash generated from operating activities		**698,698**	**1,270,999**
Cash flows from financing activities:			
Decrease in marginal deposit		-	221,935
Proceeds from borrowing		113,124	-
Repayment of borrowings		(693,596)	(1,113,411)
Interest paid on borrowing		(356,404)	(548,366)
Repayment of principal portion of lease liabilities		(10,608)	(9,520)
Payment of interest on lease liabilities		(919)	(2,007)
Net cash used in financing activities		**(948,403)**	**(1,451,369)**
Net decrease in cash and cash equivalents		(249,705)	(180,370)
Cash and cash equivalents at the beginning of the period		638,343	302,088
Cash and cash equivalents at the end of period		**388,638**	**121,718**

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Notes 1 to 25 on pages 10 to 22 form an integral part of these Condensed Interim Financial Statements.

1. Legal status and principal activities

Qatari German for Medical Devices Company Q.P.S.C. (the "Company") was established in the State of Qatar under commercial registration number 23349, as Qatari Public Shareholding Company. The Company was incorporated as a Qatari Public Shareholding Company by virtue of Emiri Decree No. 39 issued on 15 October 2000 and was publicly listed at Qatar Stock Exchange (the "QSE") on 25 March 2002. The Company's registered office is at P.O Box 22556, Doha, State of Qatar.

The Company is engaged in trading in medical drugs, manufacturing medical equipment, trading in chemical materials related to printing, importing dyeing-related materials, importing chemicals related to plastic materials, manufacturing medical needles, providing technical and professional training for labour, acting as a health services agency, trading in medical equipment tools and supplies, importing adhesives, trading in imported chemical materials pertaining to laboratories, and trading in chemical materials related to the manufacture of cleaners and detergents.

Going concern

The Company incurred a net loss of QR 1,234,131 for the six-month period ended 30 June 2026 and, as of that date, the Company had accumulated losses of QR 184,029,965 (31 December 2025: QR 182,795,834), exceeding 50% of the share capital, negative equity of QR 24,643,010 (31 December 2025: QR 23,408,879), and current liabilities exceeding current assets by QR 2,792,258. In addition, the Company did not settle the instalment due to Qatar Development Bank on 30 January 2026 (Note 13), and the matters described in Note 20.2.3 remain under examination by the competent authorities.

Under Article 295 of the Qatar Commercial Companies' Law No. 11 of 2015, as amended, where accumulated losses exceed 50% of the share capital, the Board of Directors must call an extraordinary general assembly to consider the continuation or dissolution of the Company. At the extraordinary general assembly held on 12 August 2026, the shareholders resolved to continue the operations of the Company.

These events and conditions indicate that a material uncertainty exists that may casts significant doubt on the Company's ability to continue as a going concern. The Board of Directors plans to continue engaging with Qatar Development Bank to regularise the position under the Banking Master Agreement, to complete the restructuring of the Company's debt obligations with the continued support of its shareholders, and to pursue the recovery of its operations. The Company has no intention to liquidate or cease operations, and accordingly these condensed interim financial statements have been prepared on a going concern basis.

2. Adoption of new and revised IFRS Accounting standards

2.1. New and amended accounting standards and interpretations

The Company adopted the following new and amended standards and interpretations which are effective for the annual reporting period beginning on 1 January 2026, but do not have a material impact on the financial statements of the Company.

- Amendments to IFRS 9 and IFRS 7 : Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 : Contracts Referencing Nature-dependent Electricity
- Volume 11 : Annual Improvements to IFRS Accounting Standards

2.2. New standards and amendments issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, and have not been early adopted by the Company are disclosed below. The Company is currently assessing the impact of these new and amended standards issued but not yet effective on the Company's financial statements, which it intends to adopt (if applicable) when they become effective.

- IFRS 18 : Presentation and Disclosure in Financial Statements - effective date 1 January 2027.
- IFRS 19 : Subsidiaries without Public Accountability: Disclosures - effective date 1 January 2027.
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — effective date deferred indefinitely.

3. Statement of compliance and basis of measurement

3.1. Statement of compliance

These Condensed Interim Financial Statements of the Company are prepared in accordance with International Accounting Standard (IAS 34) "Interim Financial Reporting" and in conformity with the applicable provisions of Qatar Commercial Companies Law No. 11 of 2015 as amended by Law No. 8 of 2021.

The condensed interim financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025. In addition, results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The Condensed Interim Financial Statements have been prepared in Qatari Riyals (QR), which is the Company's functional and presentation currency and all financial information has been rounded off to the nearest QR, unless otherwise indicated.

3.2. Use of judgments and estimates

The preparation of these Condensed Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are in accordance with IFRS Accounting Standards.

The Company reassessed its allowance for expected credit losses and its provision for slow-moving and obsolete inventories as at 30 June 2026, with no additional charge recognised during the period (Notes 7 and 8). There were no other material changes in estimates of amounts reported in prior periods.

The accounting policies used in the preparation of these Condensed Interim Financial Statements are in accordance with IFRS Accounting Standards, and are consistent with those used in preparation of Company's annual financial statements for the year ended 31 December 2025, taking into consideration certain new and revised standards and interpretations, that became effective in the current period, which have introduced certain changes. Some of these changes are changes in terminology only, and some are substantive but have had no material effect on the reported results or financial position of the Company.

3.3. Basis of measurement

These Condensed Interim Financial Statements have been prepared under the historical cost convention, except for lease liabilities which are measured at the present value of the lease payments discounted using the Company's incremental borrowing rate of 3.5%, investment property, building and machinery and equipment under property, plant and equipment which have been measured at fair value.

4. Property, plant and equipment

	Buildings on leasehold land	Machinery and equipment	Motor vehicles	Furniture and fixtures	Computer and software	Total
Cost :						
At 1 January 2025	58,040,028	95,983,902	330,500	4,040,766	671,627	159,066,823
Additions	-	-	-	516	309	825
Disposals	-	(121,959)	(78,500)	(22,073)	-	(222,532)
At 31 December 2025 (audited)	58,040,028	95,861,943	252,000	4,019,209	671,936	158,845,116
At 30 June 2026 (reviewed)	**58,040,028**	**95,861,943**	**252,000**	**4,019,209**	**671,936**	**158,845,116**
Accumulated depreciation:						
At 1 January 2025	25,965,725	28,772,717	330,500	3,206,971	664,099	58,940,012
Depreciation for the year	1,934,668	2,353,315	-	217,184	4,590	4,509,757
Disposals	-	(121,958)	(78,500)	(21,983)	-	(222,441)
At 31 December 2025 (audited)	27,900,393	31,004,074	252,000	3,402,172	668,689	63,227,328
Depreciation for the period	967,334	1,176,658	-	107,237	1,085	2,252,314
At 30 June 2026 (reviewed)	**28,867,727**	**32,180,732**	**252,000**	**3,509,409**	**669,774**	**65,479,642**
Carrying amount :						
At 31 December 2025 (audited)	30,139,635	64,857,869	-	617,037	3,247	95,617,788
At 30 June 2026 (reviewed)	**29,172,301**	**63,681,211**	**-**	**509,800**	**2,162**	**93,365,474**

4.1 Depreciation expense is charged to the condensed interim statement of profit or loss and other comprehensive income as under:

	Note	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
Cost of sales	16	78,135	176,135
General and administrative expenses	18	2,174,179	2,082,756
		2,252,314	2,258,891

4.2 The property, plant and equipment listed above were pledged against the loans and borrowings obtained by the Company as disclosed in Note 13 of these Condensed Interim Financial Statements.

4. Property, plant and equipment (continued)

4.3 Buildings have been constructed on a leasehold land obtained from Ministry of Municipal Affairs and Agriculture with an annual lease rental of QR 11,527 for 30 years which will be expired on 30 June 2031 subject to renewal.

4.4 During the year ended 31 December 2025, management conducted a review of the estimated useful lives of the machinery and equipment using an independent valuation expert, and as a result revised the estimated useful life of machinery and equipment from 25 years to 35 years. This change in estimate was made to better reflect the expected utility and economic benefits of these assets over time. The revised useful lives are applied prospectively from the date of the change. Management believes that the revised estimated useful lives provide a more accurate representation of the economic value and service potential of the assets.

4.5 Impairment of machinery and equipment

Machinery and equipment and buildings are carried at revalued amounts in accordance with the Company's accounting policy. An external independent valuation report dated 2 April 2026 covered the Company's buildings, warehouse and machinery and equipment; the values of buildings were determined by the valuer using the market comparable approach, and the value of machinery and equipment was based on the Company's records. The values in the report were not materially different from the carrying amounts of these assets, and accordingly no revaluation adjustment was recognised during the period. Management has assessed that the carrying amounts as at 30 June 2026 do not differ materially from fair value. Any significant adverse change in market conditions or in the performance of the related operations could result in a downward revaluation or impairment loss in future periods.

5. Intangible assets

	Patents and know-how	Computer software	Total
Cost :			
At 1 January 2025	10,329,937	596,044	10,925,981
At 31 December 2025 (audited)	**10,329,937**	**596,044**	**10,925,981**
At 30 June 2026 (reviewed)	**10,329,937**	**596,044**	**10,925,981**
Accumulated amortisation:			
At 1 January 2025	-	596,044	596,044
At 31 December 2025 (audited)	**-**	**596,044**	**596,044**
At 30 June 2026 (reviewed)	**-**	**596,044**	**596,044**
Accumulated impairment			
As at 1 January 2025	102,462	-	102,462
Impairment for the year	2,004,230	-	2,004,230
At 31 December 2025 (audited)	**2,106,692**	**-**	**2,106,692**
Impairment for the period	-	-	-
At 30 June 2026 (reviewed)	**2,106,692**	**-**	**2,106,692**
Carrying amount :			
At 31 December 2025 (audited)	8,223,245	-	8,223,245
At 30 June 2026 (reviewed)	**8,223,245**	**-**	**8,223,245**

5.1 The Company acquired the full rights for the use of the patents and know-how without any limitations and the patents now belong to the Company with full rights. However, defects (if any) on existing patent rights are being upgraded by the management to meet overall objective of the Company.

Impairment of patents and know-how

The recoverable amount of patents and know-how as at 31 December 2025 was determined at QR 8,223,245 based on a value in use calculation performed by an independent professional firm, using discounted cash flow projections over a ten-year period and a discount rate of 10.10%. Accordingly, an impairment loss of QR 2,004,230 was recognised during the year ended 31 December 2025. As at 30 June 2026, management assessed that no further indicators of impairment, or indicators that the previously recognised impairment loss may have decreased, existed, and that the carrying value of patents and know-how is not significantly different from its recoverable amount. As these assets are carried at an amount approximating their recoverable amount, any adverse change in the assumptions underlying the value in use calculation could result in a further impairment loss in future periods.

6. Investment properties

	30 June 2026 (Reviewed)	31 December 2025 (Audited)
Fair value at the beginning of the period / year	12,441,000	12,441,000
Revaluation increments / (decrements)	–	–
Fair value at the end of the period / year	**12,441,000**	**12,441,000**

6.1 The Company's investment properties consist of a building constructed on the portion of leasehold land (65,779 square feet) for the use of warehouse rented out to an external party based on an operating lease agreement. The rental income arising from the above investment property amounting to QR 1,463,200 for the six month ended 30 June 2026 (30 June 2025: QR 1,260,000) included under other income (Note 17).

Fair value of investment property

The fair value of the Company's investment property was determined based on a valuation performed by an external independent property valuer, holding appropriate recognised professional qualifications and recent experience in the location and category of the property, dated 2 April 2026. The valuation was performed using the market comparable approach, applying an estimated market rate per square metre for similar warehouse premises, and the highest and best use of the property is its current use. The valuation amounted to QR 13,158,750, compared to a carrying value of QR 12,441,000; management did not adjust the carrying value as the difference was not considered material to the financial statements. The fair value measurement is categorised within Level 3 of the fair value hierarchy, as the valuation involves significant unobservable inputs. Management assessed that the fair value as at 30 June 2026 is not significantly different from the valuation, taking into consideration market conditions and transaction activity for similar properties.

7. Inventories

	30 June 2026 (Reviewed)	31 December 2025 (Audited)
Trading stocks	8,473,913	8,502,867
Finished goods	3,431,004	3,629,638
Work in progress	1,297,674	1,265,099
Raw materials	7,039,526	7,295,148
Spare parts	2,546,429	2,561,253
Goods in transit	17,528	15,512
Consumables	159,749	158,609
	22,965,823	**23,428,126**
Less: Provision for slow moving and obsolete inventories	(8,017,964)	(8,017,964)
	14,947,859	**15,410,162**

8. Trade and other receivables

	Note	30 June 2026 (Reviewed)	31 December 2025 (Audited)
Trade receivables		52,211,122	52,073,408
Less: Allowance for expected credit loss	8.1	(50,784,022)	(50,784,022)
		1,427,100	1,289,386
Advances to suppliers		856,013	885,851
Prepaid expenses		67,499	19,655
Staff loans		15,127	97
Other receivables		214,145	162,034
		2,579,884	**2,357,023**

8. Trade and other receivables (Continued)

8.1. The ageing of the trade receivables and corresponding expected credit loss rates are as follows:

	Expected credit loss rate		Carrying amount		Expected credit loss	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
Not overdue	17%	11%	511,657	807,908	86,819	86,819
0 to 3 months overdue	55%	50%	757,496	378,841	188,175	188,175
3 to 6 months overdue	100%	88%	345,021	7,725	6,785	6,785
Over 6 months overdue	100%	99%	50,596,948	50,878,934	50,502,243	50,502,243
			52,211,122	**52,073,408**	**50,784,022**	**50,784,022**

8.2. The movement in allowance for expected credit loss is as follows:

	30 June 2026 (Reviewed)	31 December 2025 (Audited)
At the beginning of the period / year	50,784,022	49,136,752
Addition for the period / year	–	1,647,270
At the end of the period / year	**50,784,022**	**50,784,022**

9. Related parties

In the normal course of its business, the Company enters into transactions with parties that fall under the definition of a related party as per IAS 24 "Related Party Disclosures". Pricing policies and terms of these transactions are approved by the Company's management. The significant related party transactions are as follows:

a) Compensation to key management personnel

	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)	31 December 2025 (Audited)
Managing Director (Board member)	198,000	15,000	165,000
Board of Directors' remuneration	–	–	90,000
	198,000	**15,000**	**255,000**

b) Board of Directors' remuneration

At the Ordinary General Assembly meeting held on 10 May 2026, the shareholders discharged the members of the Board of Directors from liability and approved the Board's recommendation for a lump sum of QR 90,000 in respect of attendance of meetings for the year 2025, being QR 15,000 for each member, conditional upon obtaining the approvals of the Ministry of Commerce and Industry and the competent regulatory authorities. As recorded in those minutes, no amount had been disbursed to members of the Board in respect of attendance of meetings; the amount was provided for within the budget and will be disbursed only after the approval of the Ministry of Commerce and Industry has been obtained. The amount remains unpaid as at 30 June 2026 and is included within trade and other payables (Note 14).

c) Managing Director's remuneration

The Managing Director, who is a member of the Board of Directors, was entitled to remuneration of QR 25,000 per month with effect from 1 July 2025, and an amount of QR 150,000 was recognised in respect of the period from that date to 31 December 2025 and an addition remuneration of QR 15,000 was recorded in the month of June 2025. That amount was not paid and remains accrued within trade and other payables as at 30 June 2026.

On 24 January 2026, the Nominations, Remuneration and Governance Committee recommended remuneration for the Managing Director of QR 33,000 per month for the period from 1 January 2026 to 31 December 2026, being QR 396,000 for the full year. On 3 February 2026, the Board of Directors approved that recommendation by resolution No. 05/2026, subject to the approval of the General Assembly.

9. Related parties (Continued)

c) Managing Director's remuneration (Continued)

An amount of QR 198,000 has been accrued in respect of the Managing Director for the six-month period ended 30 June 2026, being six months at QR 33,000 per month. This amount was also unpaid at that date and is included within general and administrative expenses (Note 18) and accrued expenses under trade and other payables (Note 14). The remaining QR 198,000, for the second half of 2026, has not been accrued or paid. This remuneration has not been approved by the General Assembly, and the General Assembly for the year ending 31 December 2026 is expected to be held in 2027.

Accordingly, total remuneration of QR 453,000 due to members of the Board of Directors and the Managing Director was outstanding and unpaid as at 30 June 2026 (31 December 2025: QR 255,000), and is included within accrued expenses under trade and other payables (Note 14).

10. Cash and bank balances

	Note	**30 June 2026 (Reviewed)**	31 December 2025 (Audited)
Cash on hand		16,414	32,668
Cash at bank	10.1	372,224	605,675
		388,638	**638,343**

Reconciliation to cash and cash equivalents at the end of the financial period
The above figures are reconciled to cash and cash equivalents at the end of the financial period / year as shown in the condensed interim statement of cash flows as follows:

	Note	**30 June 2026 (Reviewed)**	31 December 2025 (Audited)
Balances as above		388,638	638,343
Balance as per statement of cash flows		**388,638**	**638,343**

10.1. The bank balances do not carry any interest.

11. Share capital

	30 June 2026 (Reviewed)	31 December 2025 (Audited)
Authorised, issued and fully paid share capital		
115,500,000 ordinary shares of QR 1 each, listed on the Qatar Stock Exchange	115,500,000	115,500,000
	115,500,000	**115,500,000**

There were no movements in share capital during the period.

12. Employee terminal benefits

	Note	**30 June 2026 (Reviewed)**	31 December 2025 (Audited)
At the beginning of the period / year		369,150	828,332
Provision made during the period/year	18.1	31,613	88,821
Reversal during the period/year		-	(139,219)
Payments during the period/year		(24,525)	(105,940)
Transferred to employee payable (i)		-	(302,844)
At the end of the period / year		**376,238**	**369,150**

(i) During the year ended 31 December 2025, end of service benefit obligations due to employees who had resigned prior to year-end were reclassified to accrued expenses and are presented under trade and other payables in the statement of financial position.

Management has classified the obligation within non-current liability in the statement of financial position as it does not expect that there will be significant payments toward its employees' end -of-service benefits obligation within 12 months from the reporting date. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

13. Borrowings

	30 June 2026 (Reviewed)	31 December 2025 (Audited)
Qatar Development Bank	127,831,736	127,831,736
Qatar National Bank	12,829,747	13,630,054
Documentary credit facilities	682,984	463,149
	141,344,467	**141,924,939**

The borrowings are presented in the statement of financial position as follows:

	30 June 2026 (Reviewed)	31 December 2025 (Audited)
Non-current portion	135,518,404	136,098,876
Current portion	5,826,063	5,826,063
	141,344,467	**141,924,939**

The movement of borrowings is as follows:

	30 June 2026 (Reviewed)	31 December 2025 (Audited)
As at 1 January	141,924,939	151,630,926
Additions during the period / year	113,124	669,656
Restructuring of borrowings from QDB	-	(9,585,423)
Restructuring of bank overdraft	-	25,730
Repayments	(693,596)	(1,952,437)
Accrued interest	356,404	1,687,023
Interest paid	(356,404)	(550,536)
	141,344,467	**141,924,939**

The Company's borrowings comprise facilities from Qatar Development Bank ("QDB") and Qatar National Bank ("QNB"). Under the Banking Master Agreement dated 10 December 2024, QDB rescheduled the Company's facilities during 2025, including an Islamic banking facility of QR 8,785,648 at a profit rate of 2% per annum converting existing conventional loans, repayable in annual instalments until 2043 with the first instalment of QR 3,262,914 due on 30 January 2026. The restructured QNB term loan is repayable in 98 monthly instalments of QR 175,000 ending 28 February 2034 and bears interest at the Qatar Central Bank rate plus 0.75% per annum (minimum 5.25%).

The Company did not settle the QDB instalment of QR 3,262,914 due on 30 January 2026, which remained unpaid as at 30 June 2026 and as at the date of approval of these Condensed interim financial statements. This constitutes a breach of the Banking Master Agreement entitling QDB to demand immediate repayment of the outstanding balance of QR 127,831,736, and no waiver has been obtained. Management has not determined whether the breach affects the terms of the borrowings of QR 9,585,423 waived by QDB during 2025, including whether any part may become repayable, and has not recognised the penalties and additional financing costs arising from the non-settlement, as these amounts have not been determined. Notwithstanding the breach, the QDB borrowings continue to be presented per the contractual repayment schedule, with QR 3,262,914 classified as current and QR 124,568,822 as non-current.

The Company's trade name, licence, industrial registration, machinery and equipment and intangible assets including intellectual property are pledged to QDB as first beneficiary, and its right-of-use buildings, factory, machinery and equipment, inventories and related assets are pledged to QNB as second beneficiary. Conditions precedent under the Banking Master Agreement include assignment of insurance policies covering 100% of QDB's exposure and a pledge over fixed assets covering 120% of the QDB financing, which remains under signature.

The comparative period includes a gain of QR 9,585,423 arising from the waiver of borrowings by Qatar Development Bank pursuant to the Banking Master Agreement, no items of an unusual nature, size or incidence were recognised during the current period.

14. Trade and other payables

	Note	**30 June 2026 (Reviewed)**	31 December 2025 (Audited)
Trade payables		11,290,245	12,350,266
Accrued expenses	14.4	1,569,788	1,204,587
Advances from customers		712,819	749,594
Provision for social and sports fund contribution	14.3	231,865	231,865
Dividends payables	14.2	214,841	214,841
Retention payables		99,858	99,858
Provision for leave salaries and airfare		47,182	79,069
Other payables	14.1	705,933	870,435
		14,872,531	**15,800,515**

14.1 Other payable includes QR 493,451 (2025: QR 845,916) payable to Industrial and Commercial Bank of China Limited ("ICBC") ,(Note 20.2.2) for the status of the legal case.

14.2 No dividends were declared or paid during the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: nil). Dividends payable of QR 214,841 represent cash dividends declared in prior years that have not been claimed by their rightful owners. According to QFMA Board of Directors' Decision No. (7) of 2023, published in the Official Gazette on 9 January 2024, listed companies are required to transfer unclaimed dividends from previous years to an account specified by QFMA, and QFMA Circular No. 3 of 2024 (No. MRT/145/2024) requested listed companies to continue distributing dividends relating to years prior to 2023 to the rightful shareholders in accordance with the procedures in place at each company pending implementation of those provisions. The balance remains outstanding as at 30 June 2026.

14.3 No contribution to the Social and Sports Activities Support Fund is required for the period, as the contribution of 2.5% is levied on annual net profit and the Company incurred a loss. The provision of QR 231,865 relating to prior years remains within trade and other payables.

14.4Accrued expenses include QR 453,000 (31 December 2025: QR 255,000) in respect of remuneration payable to members of the Board of Directors and the Managing Director, none of which had been paid as at the reporting date (Note 9).

15. Revenue

	For the six months period ended	
	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
Revenue from contracts with customers		
Sale of goods (Goods transferred at a point in time)	2,745,310	1,773,612
Disaggregation of revenue		
Major product lines		
Syringes	1,041,027	550,286
Trading products	621,493	534,964
IV cannula	319,035	200,526
Sterilization products	644,200	355,692
Packed needles	119,555	132,144
	2,745,310	**1,773,612**
Geographical regions		
Qatar	2,745,310	1,773,612
	2,745,310	**1,773,612**
Timing of revenue recognition		
Goods transferred at a point in time	2,745,310	1,773,612
	2,745,310	**1,773,612**

Seasonality of operations

The Company's operations are not significantly affected by seasonal or cyclical factors.

16. Cost of sales

	Note	For the six months period ended	
		30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
Syringes		632,405	417,236
Trading products		590,920	493,576
IV cannula		264,955	183,484
Sterilization		97,113	37,846
Packed needles		56,810	106,379
Depreciation of property, plant & equipment	4.1	78,135	176,135
		1,720,338	**1,414,656**

17. Other income

	For the six months period ended	
	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
Rent Income	1,463,200	1,260,000
Foreign exchange gain	120,084	28,708
Other Income	1,526	10,464
	1,584,810	**1,299,172**

18. General and administrative expenses

	Note	For the six months period ended	
		30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
Staff costs	18.1	438,129	1,206,725
Board of directors remuneration		198,000	-
Utilities		191,186	72,535
Professional and legal fees		72,500	90,740
Communication		68,597	45,774
Government fees		42,590	207,420
Insurance		49,486	97,945
Repairs and maintenance		19,869	9,307
Advertisements and marketing expenses		9,828	21,778
Office expenses		4,154	12,910
Travelling		3,304	7,682
Depreciation of property, plant & equipment	4.1	2,174,179	2,082,756
Depreciation on right-of-use assets		4,646	4,646
Others		117,973	74,775
		3,394,441	**3,934,993**

18.1. Staff costs

	For the six months period ended	
	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
Salaries and wages	406,516	1,148,897
Employee benefits	31,613	57,828
	438,129	**1,206,725**

19. Basic and diluted (loss) / earnings per share

Basic (loss) / earnings per share is calculated by dividing the net (loss) / profit for the period attributable to the owners of the Company by the weighted average number of ordinary outstanding shares as of the period-end as follows.

There were no potentially diluted shares outstanding at any time during the period and therefore, the diluted earnings per share is equal to the basic earnings per share.

	For the six months period ended	
	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
(Loss) / profit for the period attributable to the owners of the Company (QR)	(1,234,131)	5,776,927
Weighted average number of shares outstanding during the period	115,500,000	115,500,000
Basic and diluted (loss) / earnings per share (QR)	**(0.011)**	**0.050**

20. Contingencies

20.1. Contingent liabilities

The Company has the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	Notes	**30 June 2026 (Reviewed)**	31 December 2025 (Audited)
Guarantees	20.1.1	539,606	539,606

20.1.1 This represents the financial guarantees issued by the banks on behalf of the Company in the ordinary course of the business and will mature within twelve months from the reporting date.

20.2. Legal claims

20.2.1. The legal claims and proceedings involving the Company as at 30 June 2026 and up to the date of authorisation of these condensed interim financial statements for issue, as advised by the Board of Directors of the Company, are as follows:

Case no.	**Court / forum**	**Nature of the claim and status**	**Amount (QR)**
19/2024	Enforcement Court	Enforcement of the Qatar Development Bank judgment. The balance is recognised within borrowings (Note 13). Case closed	127,831,736
41/2024	Enforcement Court	Arbitration by ICBC, settled and being repaid in monthly instalments; enforcement suspended at the applicant's request. The balance is recognised within other payables (Notes 14 and 20.2.2). Case closed	493,451
2166/2025	Investment and Trade Court	Commercial claim, concluded by the amicable settlement recorded in the judgment dated 15 May 2025. Case closed	78,981
2026/03592	Investment and Trade Court	Commercial claim. Judgment issued, immediately enforceable and under execution. Recognised in full. Case closed	113,728

20.2. Legal claims (Continued)

Case no.	Court / forum	Nature of the claim and status	Amount (QR)
46455/2025	Labour Dispute Resolution Committee	Labour claim for outstanding wages. Award under execution; an appeal is listed for hearing on 6 September 2026. Recognised in full. Case ongoing	63,000
47730/2025	Labour Dispute Resolution Committee	Labour claim for outstanding wages. The case is under deliberation. Case ongoing	Not determined
1303/2026	Public Prosecution	Matters relating to the period from 2021 to 2024 reported by the Company and under investigation (Note 20.2.3). Case ongoing	Not determined

The Board of Directors has assessed each of the above matters against the recognition criteria of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Where a judgment or an enforceable settlement has been issued against the Company, a present obligation is considered to exist and the amount has been recognised in full within trade and other payables (Note 14) as at 30 June 2026. For the remaining matters, an outflow of resources is not considered probable or the amount cannot be measured reliably, and accordingly no provision has been made in these condensed interim financial statements. The Board of Directors considers the amounts recognised to be adequate and, other than the matters described in Notes 13 and 20.2.3, does not expect the outcome of these proceedings to have a material effect on the Company. This assessment has been made up to the date of authorisation of these condensed interim financial statements for issue.

20.2.2. The Company had previously received an advance payment of QR 3,250,000 in respect of a contract for the supply of face masks. As the Company did not fulfil its contractual obligations, Industrial and Commercial Bank of China Limited ("ICBC") initiated arbitration proceedings. During 2024, the Company and ICBC entered into a settlement agreement, following which a suspension order was issued by the Enforcement Court on 29 December 2024 at the request of ICBC. Under the settlement, the Company agreed to pay QR 1,691,832 in 24 equal monthly instalments of QR 70,493 and has been repaying in accordance with the agreed terms. The outstanding payable as at 30 June 2026 amounts to QR 493,451 and is included under other payable (Note 14).

20.2.3. During the period, the Company identified matters relating to suspected mismanagement in the recording of revenue and trade receivables during the period from 2021 to 2024 and has formally reported these to the competent authorities, and has initiated legal proceedings in this regard. The competent authority has appointed an expert to examine the matter and, as at the date of approval of these condensed interim financial statements, the expert's work is in progress and no final determination has been reached. The alleged irregularities, if substantiated, would affect trade receivables, revenue, cost of revenue, inventories, trade payables and accumulated losses and, consequently, the opening balances as at 1 January 2026 and the comparative information presented in these condensed interim financial statements. The outcome of these proceedings and their potential financial effect cannot presently be estimated and, accordingly, no adjustment has been made to these condensed interim financial statements.

20.2.4. Other than as disclosed above, management is not aware of any other claims or litigation against or by the Company that would have a material effect on these condensed interim financial statements.

21. Fair value measurements

The following table shows the carrying values and fair values of non-financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, including trade receivables, bank balances, trade payables and borrowings, where the carrying amount is a reasonable approximation of fair value.

	Carrying value	Fair value		
	30 June 2026 (Reviewed)	Level 1	Level 2	Level 3
Non financial assets				
Investment properties	12,441,000	–	–	13,158,750
Machinery and equipment	63,681,211	–	–	63,681,211
Buildings on leasehold land	29,172,301	–	–	31,265,000
	105,294,512	–	–	**108,104,961**

21. Fair value measurements (continued)

	Carrying value	Fair value		
	31 December 2025 (Audited)	Level 1	Level 2	Level 3
Non financial assets				
Investment properties	12,441,000	-	-	13,158,750
Machinery and equipment	64,857,869	-	-	64,857,869
Buildings on leasehold land	30,139,635	-	-	31,265,000
	107,438,504	-	-	**109,281,619**

Machinery and equipment and buildings on leasehold land are carried at revalued amounts in accordance with the Company's accounting policy. The fair values presented are based on a valuation report issued by an external independent property valuer dated 2 April 2026. The fair values of buildings on leasehold land and investment property were determined by the valuer using the market comparable approach, based on estimated market rates per square metre, while the value of machinery and equipment was incorporated in the valuation report based on the Company's records, which management has assessed as not materially different from fair value. These measurements are categorised within Level 3 of the fair value hierarchy as they involve significant unobservable inputs. During the period ended 30 June 2026, there were no transfers between levels of the fair value hierarchy and no changes in the valuation techniques applied.

The carrying amounts of the Company's financial assets and financial liabilities, including borrowings, approximate their fair values. Borrowings were restructured during 2025 and bear interest at rates that management considers to reflect current market terms for the Company.

22. Operating segments

The Company operates in a single operating segment, being the manufacture and trading of medical devices and related services in the State of Qatar. All of the Company's revenue and non-current assets relate to the State of Qatar. Disaggregation of revenue is presented in Note 15.

23. Comparative figures

Comparative figures have been regrouped or reclassified where necessary for the purpose of comparison. Such reclassifications do not affect previously reported profit or liquidity.

24. Geopolitical Developments in the Region

During the six-month period ended 30 June 2026, geopolitical tensions in the Middle East have escalated, resulting in heightened instability and uncertainty in the region. Given that these conditions existed and continued to evolve during the reporting period, the Company has reassessed the significant estimates and judgements applied in the preparation of these condensed interim financial statements and no significant adjustments were required to be made for the six-month period ended 30 June 2026. However, given the evolving nature of the situation, the extent of the financial impact remains subject to significant uncertainty and is dependent on future developments, including the duration and severity of the conflict and its broader economic consequences and management continues to monitor the situation closely.

25. Subsequent Events

Subsequent to the reporting date, the extraordinary general assembly meeting was held on 12 August 2026 where it was resolved to continue the operations of the Company. This event did not have any impact on the Company's financial position as at 30 June 2026.