

**Birzeit Pharmaceutical Company And its Subsidiaries  
Public Shareholding Company  
Ramallah - Palestine**

**Independent auditor's report and basic consolidated financial statements**

**For the year ended December 31, 2025**

**Birzeit Pharmaceutical Company And its Subsidiaries  
Public Shareholding Company  
Ramallah - Palestine**

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**Messrs. Birzeit Pharmaceutical Company**  
**Public Shareholding Company**  
**Ramallah - Palestine**

**Subject: Consolidated Financial Statements for the Year Ended December 31, 2025 in English**

We hereby certify that the following consolidated financial statements of Birzeit Pharmaceutical Company, which comprise the consolidated statement of financial position as of December 31, 2025, consolidated statement of profit or loss, consolidated statement of other comprehensive income, and consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended were extracted and translated into English from the Arabic audited consolidated financial statements of the Company that had an unqualified audit opinion issued on March 12, 2026.

HLB PS – License No. (201/2023) \_\_\_\_\_  
Ramallah - Palestine

*Raed Abu El Etham*

**Raed Abu El Etham – License Number (109/2002)**  
**March 12, 2026**



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
**Birzeit Pharmaceutical Company**  
**Public Shareholding Company**  
Ramallah - Palestine

### Opinion

We have audited the consolidated financial statements of **Birzeit Pharmaceutical Company ("the Company") and its subsidiaries (together "The Group")**, which comprise the consolidated statement of financial position as of December 31, 2025, consolidated statement of profit or loss, consolidated statement of other comprehensive Income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the group as of December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated Financial Statements" section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the group's consolidated financial statements in Palestine, and we have fulfilled our other ethical responsibilities. 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 the most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Allowance for slow moving and obsolete inventories</b></p> <p>The Group held inventories with a carrying amount of USD 12,763,777 as at December 31, 2025, (USD 11,835,012 as at December 31, 2024).</p> <p>Inventories are stated at the lower of cost or net realizable value. An allowance for slow moving inventories is made by the Group's management, where necessary.</p> <p>Management estimates the level of obsolescence of inventories considering the nature, ageing and other sales expectation factors and reviews the valuation of inventories for the purpose of writing-off the cost of inventories which are in excess of their expected net realizable value.</p> <p>We considered this to be a key audit matter due to the level of significant judgments applied and estimates made by management in determining the allowance for slow moving inventories and inventories written off based on the assessment of their net realizable value.</p> <p>Refer to note (4) for accounting policy and note (7) for related disclosures.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>- Assessed the design and implementation of the Group's controls over the estimation and monitoring of the allowance for slow moving and obsolete inventories;</li> <li>- Evaluated the Group's policies for slow moving and obsolete inventories by comparing historical estimations to actual results, assessing the consistency of the policy with prior years and our knowledge of industry practice;</li> <li>- Tested the accuracy and completeness of the inventory ageing reports used by management in the assessment of the allowance for slow moving and obsolete inventories and arithmetical accuracy of the computations;</li> <li>- Reperformed the calculation of the allowance for slow moving and obsolete inventories;</li> <li>- Inquired about the existence of any obsolete or slow-moving inventories during our attendance at physical inventory counts and determined that these items were included in the determination of the allowance for slow moving and obsolete inventories; and</li> <li>- Assessed the disclosures in the financial statements relating to this area against the requirements of IFRSs.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### **Other Information**

The Management is responsible for the other information. The other information consists of information provided in the annual report other than the consolidated financial statements and the auditor's report thereon. We expect that the annual report will be presented later of our report and do not include our opinion on the consolidated financial statements and other information. We do not express any kind of assurance or conclusion.

In addition to the audit of the consolidated financial statements, it is our responsibility to read the above information when it becomes available to us, assessing whether the other information is not materially consistent with the consolidated financial statements or information obtained through our audit or that other information includes substantial errors.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
2. 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 internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure is 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.
5. 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.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the management with a statement that demonstrates our compliance with the Code of Conduct relating to independence, and communicating with them regarding all relationships and other matters that are likely to be believed to have a reasonable impact on our independence and related protection measures where appropriate.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

### Report on Legal and Regulatory Requirements

The Group maintains entries and accounting records in a duly organized manner in accordance with the accompanying consolidated financial statements.

HLB PS – License No. (201/2023)  
Ramallah - Palestine



Raed Abu El Etham – License Number (109/2002)  
March 12, 2026

**Birzeit Pharmaceutical Company and its Subsidiaries  
Public Shareholding Company**

**Consolidated Statement of Financial Position  
As of December 31, 2025**

	December 31 2025 USD	December 31 2024 USD
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalent	1,025,277	3,072,292
Accounts Receivable, Net	51,396,386	41,854,896
Inventory	12,763,777	11,835,012
Financial Investments through Profit and Loss	3,253,551	11,929,857
Financial Assets at Amortized Costs	500,000	500,000
Other Debit Balances	962,359	865,386
<b>Total Current Assets</b>	<b>69,901,350</b>	<b>70,057,443</b>
<b>Non Current Assets</b>		
Checks Under Collection - Long Term Portion	1,255,797	649,531
Deferred Tax Assets	1,715,537	1,205,133
Financial Investments through Other Comprehensive Income	35,242,328	25,905,818
Investment In Affiliate	1,395,000	1,240,000
Investment Property	271,652	271,652
Property, Plant and Equipment, Net	30,424,333	29,491,571
<b>Total Non Current Assets</b>	<b>70,304,647</b>	<b>58,763,705</b>
<b>Total Assets</b>	<b>140,205,997</b>	<b>128,821,148</b>
<b>Owners' Equity and Liabilities</b>		
<b>Current Liabilities</b>		
Payables and Other Credit Balances	12,281,260	12,845,302
Income Tax Provision	562,308	-
<b>Total Current Liabilities</b>	<b>12,843,568</b>	<b>12,845,302</b>
<b>Non Current Liabilities</b>		
Reserve for Employees' End of Service	12,001,141	11,092,856
<b>Total Liabilities</b>	<b>24,844,709</b>	<b>23,938,158</b>
<b>Owners' Equity</b>		
Share Capital	38,764,898	38,764,898
Treasury Stocks	(233,073)	(227,836)
	<b>38,531,825</b>	<b>38,537,062</b>
Statutory Reserve	9,354,295	8,159,509
Optional Reserve	7,772,993	7,772,993
Special Reserve	30,000,000	30,000,000
Retained Earnings	26,643,077	17,828,253
Cumulative Change in Fair Value	1,719,688	1,796,094
Financial Statements Currency Translation Variance	604,860	107,793
<b>Equity Attributable to Owners of the Parent Company</b>	<b>114,626,738</b>	<b>104,201,704</b>
Non Controlling Interests	734,550	681,286
<b>Total Equity</b>	<b>115,361,288</b>	<b>104,882,990</b>
<b>Total Equity and Liability</b>	<b>140,205,997</b>	<b>128,821,148</b>



Mr. Talal Nassereddin  
Chairman

Mr. Firas Nassereddin  
Board Member and CEO



**Birzeit Pharmaceutical Company and its Subsidiaries  
Public Shareholding Company**

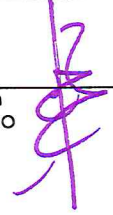
**Consolidated Statement of Profit or Loss  
For the Year Ended December 31, 2025**

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Sales	47,959,756	40,650,829
Cost of Goods Sold	(30,510,153)	(27,459,785)
<b>Gross Profit</b>	<b>17,449,603</b>	<b>13,191,044</b>
Selling Expenses	(2,070,898)	(2,091,226)
Marketing Expenses	(1,280,320)	(1,146,748)
General and Administrative Expenses	(3,164,512)	(2,311,232)
Financing Expenses	(47,707)	(28,950)
Expected Credit Losses Provision	(214,126)	-
<b>Gross Profit from Operating Activities</b>	<b>10,672,040</b>	<b>7,612,888</b>
Gain (Loss) from Sale and Revaluation of Financial Assets	496,984	(1,428,841)
Gain (Loss) on Difference of Currency	1,868,820	(272,025)
Other Income	46,683	143,260
<b>Net Profit Before Taxes</b>	<b>13,084,527</b>	<b>6,055,282</b>
Income Tax for the year	(1,683,023)	(804,530)
Prior Years Taxes	(705)	(818)
Deferred Taxes	510,404	(63,377)
<b>Net Profit After Taxes</b>	<b>11,911,203</b>	<b>5,186,557</b>
<b>Attributable to:</b>		
Owners of the Parent Company	11,947,855	5,182,515
Non Controlling Interests	(36,652)	4,042
	<b>11,911,203</b>	<b>5,186,557</b>
<b>Earnings Per Share for Parent Company</b>	<b>0.31</b>	<b>0.13</b>



Mr. Talal Nassereddin  
Chairman

Mr. Firas Nassereddin  
Board Member and CEO





**Birzeit Pharmaceutical Company and its Subsidiaries  
Public Shareholding Company**

**Consolidated Statement of Other Comprehensive Income  
For the Year Ended December 31, 2025**

	2025 USD	2024 USD
Net Profit for the Year	<u>11,911,203</u>	<u>5,186,557</u>
Other Comprehensive Income		
Items that will not be Re-classified Subsequently to Profit or Loss		
Change in Fair Value for Financial Assets	<u>(76,406)</u>	<u>(3,315,630)</u>
	(76,406)	(3,315,630)
Items that may be Re-classified Subsequently to Profit or Loss		
Financial Statements Currency Translation Variance	586,983	(42,954)
Fair value (losses) on Cash Hedging Contracts during the Year	-	(32,547)
	<u>586,983</u>	<u>(75,501)</u>
	510,577	(3,391,131)
Other Comprehensive Income for the year	<u>12,421,780</u>	<u>1,795,426</u>
Total Other Comprehensive Income for the year	<u>12,421,780</u>	<u>1,795,426</u>
Attributable to:		
Owners of the Company	12,368,516	1,814,513
Non Controlling Interests	53,264	(19,087)
	<u>12,421,780</u>	<u>1,795,426</u>



**Birzeit Pharmaceutical Company and its Subsidiaries  
Public Shareholding Company**

Consolidated Statement of Changes in Equity  
For the Year Ended December 31, 2025

	Share Capital USD	Statutory Reserve USD	Optional Reserve USD	Special Reserve USD	Retained Earnings USD	Cash Flow Hedge Reserve USD	Cumulative Change in Fair Value USD	Financial Statements Currency Translation Variance USD	Treasury Shares USD	Equity Attributable to Owners of the Company USD	Equity Attributable to -the non controlling Interest USD	Total Equity USD
Balance as of January 1, 2025	38,764,898	8,159,509	7,772,993	30,000,000	17,828,253	-	1,796,094	107,793	(227,836)	104,201,704	681,286	104,882,990
Net Profit for the year	-	-	-	-	11,947,855	-	-	-	-	11,947,855	(36,652)	11,911,203
Other Comprehensive Income	-	-	-	-	-	-	(76,406)	497,067	-	420,661	89,916	510,577
Total Other Comprehensive Income for the year	-	-	-	-	11,947,855	-	(76,406)	497,067	-	12,368,516	53,264	12,421,780
Dividends paid	-	-	-	-	(1,938,245)	-	-	-	-	(1,938,245)	-	(1,938,245)
Transferred to reserves	-	1,194,786	-	-	(1,194,786)	-	-	-	-	-	-	-
Change in Treasury Shares	-	-	-	-	-	-	-	(5,237)	-	(5,237)	-	(5,237)
Balance as of December 31, 2025	38,764,898	9,354,295	7,772,993	30,000,000	26,643,077	-	1,719,688	604,860	(233,073)	114,626,738	734,550	115,361,288
Balance as of January 1, 2024	38,764,898	7,547,939	7,161,423	30,000,000	15,807,123	32,547	5,111,724	127,618	(228,883)	104,324,389	700,373	105,024,762
Net Profit for the year	-	-	-	-	5,182,515	-	-	-	-	5,182,515	4,042	5,186,557
Other Comprehensive Income	-	-	-	-	-	(32,547)	(3,315,630)	(19,825)	-	(3,368,002)	(23,129)	(3,391,131)
Total Other Comprehensive Income for the year	-	-	-	-	5,182,515	(32,547)	(3,315,630)	(19,825)	-	1,814,513	(19,087)	1,795,426
Dividends paid	-	-	-	-	(1,938,245)	-	-	-	-	(1,938,245)	-	(1,938,245)
Transferred to reserves	-	611,570	611,570	-	(1,223,140)	-	-	-	-	-	-	-
Change in Treasury Shares	-	-	-	-	-	-	-	-	1,047	1,047	-	1,047
Balance as of December 31, 2024	38,764,898	8,159,509	7,772,993	30,000,000	17,828,253	-	1,796,094	107,793	(227,836)	104,201,704	681,286	104,882,990



**Birzeit Pharmaceutical Company and its Subsidiaries  
Public Shareholding Company**

**Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2025**

	2025 USD	2024 USD
<b>Operating Activities</b>		
Net Profit Before Tax for The Year	13,084,527	6,055,282
Adjustments:		
Depreciation	1,408,866	1,416,609
Expected Credit losses	214,126	-
(Gain) Loss on Sale and Valuation of Financial Assets	(42,892)	1,633,492
(Gain) Loss on Sales of Property, Plant, and Equipment	(339)	1,813
Foreign Currency Variance	(189,379)	10,798
Provision for End of Service Indemnity	1,046,007	668,421
<b>Cash Flow Before Changes in Operating Assets and Liabilities</b>	<b>15,520,916</b>	<b>9,786,415</b>
(Increase) in Accounts Receivables	(9,755,616)	(5,197,245)
(Increase) in Checks Under Collection - Long Term Portion	(606,266)	(586,926)
(Increase) Decrease in Inventory	(928,765)	1,299,941
(Increase) in Other Debit Balances	(1,205,696)	(1,462,712)
(Decrease) Increase in Other Credit Balances	(564,042)	4,666,815
<b>Cash Flow From Operating Activities Before Taxes and Staff Benefits</b>	<b>2,460,531</b>	<b>8,506,288</b>
Income Tax Paid	(20,289)	(33,804)
Employee's End of Service Benefits Paid	(105,115)	(1,513,794)
<b>Net Cash Flow Generated From Operating Activities</b>	<b>2,335,127</b>	<b>6,958,690</b>
<b>Investing Activities</b>		
Purchase of Financial Assets at Fair Value through Profit or Loss	(85,065)	(3,830)
Purchase of Financial Assets at Fair Value through Other Comprehensive Income	(1,918,672)	(3,250,000)
Proceeds from Sales of Financial Assets	1,447,735	-
Investment In Affiliate Company	(155,000)	(240,000)
Change in Non-Controlling Interest	89,916	(23,129)
Proceeds from Sales of Property, Plant and Equipment	16,557	-
Purchase of Property, Plant and Equipment	(2,331,198)	(1,524,179)
<b>Net Cash Flow (Used In) Investing Activities</b>	<b>(2,935,727)</b>	<b>(5,041,138)</b>
<b>Financing Activities</b>		
Change in Treasury Shares	(5,237)	1,047
Dividends Paid	(1,938,245)	(1,938,245)
<b>Net Cash Flow (Used in) Financing Activities</b>	<b>(1,943,482)</b>	<b>(1,937,198)</b>
<b>Net (Decrease) in Cash and Cash Equivalent</b>	<b>(2,544,082)</b>	<b>(19,646)</b>
Financial Statements Currency Translation Variance	497,067	(19,825)
Cash and Cash Equivalent at the Beginning of the year	3,072,292	3,111,763
<b>Cash and Cash Equivalent at the End of the Year</b>	<b>1,025,277</b>	<b>3,072,292</b>
<b>Non Cash Transactions:</b>		
Clearance With The Ministry of Health of Income Tax And VAT	(790,191)	(893,712)
Cumulative Change in Fair Value Reserve Through Other Comprehensive Income	(76,406)	(3,315,630)
Change in Cash Flow Hedge Reserve	-	(32,547)
Transfer from Investments Property to Property, Plant and Equipment	-	5,078,489
Income Tax Receivables Transferred to Other Debit Balances	562,308	(318,532)
	<b>(304,289)</b>	<b>518,068</b>