

## Pharmacies

Our Pharmacies continued to make giant strides throughout 2024 in terms of expansion, innovation and diversification. The Company's outstanding digital progress and imposing physical footprint has reinforced its increasingly regional influence through new boundaries, unprecedented customer numbers and even more effective and efficient services.

Our ultimate priority is to provide the safest, most accessible care to our patients and customers, ensuring our services are timely and our products are best-in-class. Our dedicated teams of professionals have the expertise, the commitment and the common goal of providing industry-leading standards to an ever-expanding population.

In line with HMG's priority of strengthening its Kingdom-wide presence, we had an exceptional year, launching 11 new branches in 2024, a rise of nearly 50%, bringing the total to 35 state-of-the-art pharmacies. We have expanded our reach by opening four of the new pharmacies outside HMG's facilities in Riyadh, including King Khalid international airport. These additional outlets in Riyadh, Jeddah, KAEC, and Qassim have increased our customer base and played a significant role in the pharmacies segment revenue growth from ₪ 1,991.40 million to ₪ 2,354.61 million, up by 18.24% compared to 2023.



# 35

Pharmacies



# 10

Future pharmacies



# 18.24%

Revenue increase



# 21.02%

Contribution to HMG revenue

### Implementing Innovation

Innovation at every stage of healthcare provision has radically improved patient outcomes and revolutionized the way we work, specifically through the launch of our e-Pharmacy application. This platform has achieved remarkable success in raising customer awareness, increasing participation and activating engagement by encouraging them to utilize features, such as placing orders and accessing healthcare services. By broadening our digital services, we have set new benchmarks in accessibility and reliability, further enhancing the patient experience.

Our implementation of cutting-edge technology, such as AI-driven search, customer support and logistics automation, now plays a pivotal role in our operations, enabling greater interaction, streamlined functions and improved distribution. In addition, we enhanced our online chatbot patient counseling service that directs patients to pharmacists for more complex queries. This enables streamlined support for our patients, elevating their experience and improving accessibility to healthcare information.

With a surge in online literacy and mobile proficiency, the appetite for e-Pharmacy has grown exponentially. We have expanded our virtual services from Riyadh to Jeddah, Dammam, Dhahran, Qatif and Qassim, which has enabled a broader base of customers and patients to benefit from some of the region's most advanced pharmaceutical technology.

Moreover, our e-Pharmacy has expanded its logistical capabilities and delivery network by partnering with new third-party logistics (3PL) providers. These partnerships have both reduced delivery times and expedited last-mile efficiency, allowing our customers to receive their medical and health products promptly. The e-Pharmacy service now has the capacity to meet higher demand across additional locations, solidifying its position as an accessible and reliable choice for online pharmaceutical needs.

This expansion aligns with one of the Company's key strategies of providing national coverage for e-Pharmacy to deliver more time-efficient, cost-effective support.

With an unwavering focus on customer service, we have continued to diversify, introducing new brands and products, ensuring high quality, in-demand options.

As the platform expands its potential and reach, we offer an increasing range of health products and cover more comprehensive healthcare, beauty and wellness alternatives, constantly appealing to a new audience while retaining our existing customer base and building even greater loyalty.

Our achievements in 2024 reflect significant growth and innovation, strengthening Pharmacy's position as a core part of HMG. We expanded our physical presence, enhanced the e-Pharmacy app with AI-driven features and wider regional reach, diversified products to meet customer needs and aligned with Vision 2030 through digital healthcare advancements and health awareness initiatives.

### Key Events and Vision 2030 Alignment

In line with our commitment to advancing healthcare in line with Vision 2030, we made significant contributions to crucial events throughout the year. At the Global Health Exhibition 2024, we showcased our innovations in e-Pharmacy, demonstrating the benefits of increased accessibility and promoting digital healthcare solutions. Meanwhile, the Riyadh Seasons are a time where we continue to emphasize health awareness, promoting overall wellness and preventive care.

### The Journey Ahead

Our focus on virtual and physical growth is a key priority for 2025, bringing more diversified products and services to a greater proportion of the population. Each year we have built upon our fundamental values of stability, reliability and consistency, retaining existing customers and appealing to a new generation of consumers.

Best-in-class innovation has presented enormous opportunities to us, and we will continue to optimize the use of technology for the benefit of our communities. Through implementing the most advanced digital solutions we will build closer relationships with our customers and understand their needs on a more personal level.

We will also maintain our course of building the Company brand with the opening of additional branches across the Kingdom's cities. This will mark another giant milestone in our history as we virtually doubled our presence in just two years, a remarkable feat which highlights both our achievements and ambition.