



SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT



**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Scientific and Medical Equipment House Company
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Scientific and Medical Equipment House Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and 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 material accounting policy 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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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) (the "Code") that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. 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 for the current year. 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.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

**To the Shareholders of Scientific and Medical Equipment House Company
(A Saudi Joint Stock Company)**

Key Audit Matters (continued)

For each key audit matter, a description of how our audit addressed the matter is set out below:

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>During the year ended 31 December 2025, the Group recognised revenue of ﷲ 877 million (2024: ﷲ 877 million).</p> <p>The Group mainly recognizes revenue from the following activities:</p> <ol style="list-style-type: none"> 1) Maintenance & operating contracts related revenues are recognized over the period when services are rendered. 2) Sales of medical equipment related revenues are recognized at point in time when control over goods are transferred to customer. <p>We have identified revenues recognition as a key audit matter because:</p> <ol style="list-style-type: none"> 1) Revenue is one of the Group's performance indicators and that gives rise to an inherent risk that revenue may be overstated to meet targets or expectations. 2) There are judgements involved in estimating deductions from customers from the invoice amounts before the final amount to be paid is approved. <p><i>Refer to note 2.2 (o) for the accounting policy information relating to revenue recognition, note 3 (e) for estimates and assumption used in revenue recognition and note 21 for disclosures in relation to revenue recorded in the consolidated financial statements.</i></p>	<p>In order to evaluate the revenue recorded and reported during the year, we performed, among other audit procedures, the following:</p> <ul style="list-style-type: none"> • Assessed the design and implementation and on a sample basis, tested the operating effectiveness of the Group’s key internal controls over the recognition of revenue. • Performed test of details and substantive analytical procedures to ensure that revenues have been appropriately measured and recorded. • Performed testing of sales transactions on a sample basis, against customer acknowledgements received for the services rendered and goods delivery notes against sale of goods, to assess whether revenue was recognized in the correct accounting period. • Assessed the appropriateness of significant accounting judgements and estimates made by the management to determine the estimated customer deductions from the invoice amounts before the final amount to be paid is approved. On a sample basis, we also performed a review of actual deductions from the customers against the invoice amounts. • Assessed the adequacy and appropriateness of the related disclosures regarding revenue in the notes to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**To the Shareholders of Scientific and Medical Equipment House Company
(A Saudi Joint Stock Company)**

Other Information included in the Group's 2025 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditor's report thereon. The Group's 2025 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 do 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 Group's 2025 annual report, 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 Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA and the provisions of Companies' Law and the Company's Bylaws, 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, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**To the Shareholders of Scientific and Medical Equipment House Company
(A Saudi Joint Stock Company)**

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 that are endorsed in the Kingdom of Saudi Arabia 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.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism 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, 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.
- 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Scientific and Medical Equipment House Company
(A Saudi Joint Stock Company)

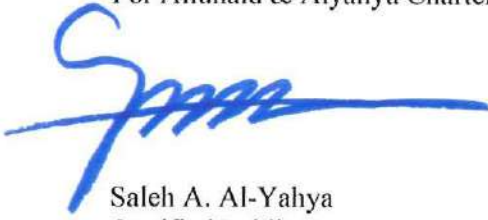
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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.

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.

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 year 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.

For Alluhaid & Alyahya Chartered Accountants



Saleh A. Al-Yahya
Certified Public Accountant
License No. 473

Riyadh: 23 Ramadan 1447H
(12 March 2026)



SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
(SAUDI RIYAL)

	Notes	2025	2024
ASSETS			
Non-current assets			
Property and equipment	4	25,957,487	29,789,154
Right-of-use assets	5	15,278,017	16,449,700
Investment properties	6	30,880,746	31,226,545
Intangible assets	7	1,244,133	971,000
Prepayments and other debit balances- non current portion	10(c)	5,471,820	3,108,558
Total non-current assets		78,832,203	81,544,957
Current assets			
Inventories	8	65,845,409	103,207,010
Trade receivables and contract assets	9	686,213,442	587,148,702
Prepayments and other debit balances	10(a)	58,966,606	66,260,065
Due from related parties	12(a)	23,070,718	25,539,825
Cash and cash equivalents	11	20,472,235	88,064,217
Total current assets		854,568,410	870,219,819
TOTAL ASSETS		933,400,613	951,764,776
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	300,000,000	300,000,000
Statutory reserve		36,586,165	36,586,165
Retained earnings		172,101,287	174,021,556
Equity attributable to the shareholders of the Parent Company		508,687,452	510,607,721
Non-controlling interests	28	(7,844,409)	(5,619,787)
TOTAL EQUITY		500,843,043	504,987,934
LIABILITIES			
Non-current liabilities			
Employees' defined benefits obligations	15	70,159,786	70,078,886
Lease liabilities	16	7,521,886	9,011,392
Long-term borrowings	17	5,025,000	6,775,000
Total non-current liabilities		82,706,672	85,865,278
Current liabilities			
Lease liabilities – current portion	16	6,984,257	5,677,668
Long-term borrowings - current portion	17	1,750,000	1,550,000
Short-term borrowings	17	170,222,302	185,138,364
Trade payables	18	47,994,325	56,251,385
Accrued expenses and other credit balances	19	91,957,326	87,038,781
Contract liabilities	9(d)	14,348,069	10,243,328
Zakat payable	20	16,594,619	15,012,038
Total current liabilities		349,850,898	360,911,564
TOTAL LIABILITIES		432,557,570	446,776,842
TOTAL EQUITY AND LIABILITIES		933,400,613	951,764,776



Chairman of Board of Directors
Mr. Basil Bin Saud Al-Arifi



Chief Executive Officer
Mr. Faisal bin Hawas Al-Atawi

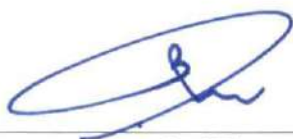


Chief Financial Officer
Mr. Yasser Ahmed El-Safadi

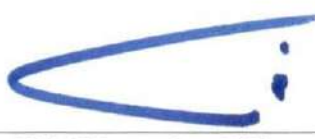
The accompanying notes form an integral part of these consolidated financial statements

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(SAUDI RIYAL)

	Notes	2025	2024
Continuing operations:			
Revenue	21	876,706,818	877,232,651
Cost of revenue	22	(754,595,829)	(743,643,273)
Gross profit		122,110,989	133,589,378
Selling and marketing expenses	23	(26,422,603)	(22,258,119)
General and administrative expenses	24	(51,523,206)	(58,359,925)
(Charge for) reversal of expected credit losses	9,10	(4,322,574)	4,568,842
Operating profit		39,842,606	57,540,176
Finance cost	25	(18,571,395)	(28,035,134)
Other income	26	18,893,861	16,383,241
Profit before zakat from continuing operations		40,165,072	45,888,283
Zakat	20	(13,951,481)	(14,654,323)
Net profit for the year from continuing operations		26,213,591	31,233,960
Discontinued operations:			
Net loss for the year from discontinued operation	1	-	(6,625,843)
Net profit for the year		26,213,591	24,608,117
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial (loss) gain on employees' defined benefits obligations	15	(358,482)	3,654,717
Other comprehensive (loss) income for the year		(358,482)	3,654,717
Total comprehensive income for the year		25,855,109	28,262,834
Net profit / (loss) for the year attributable to:			
Shareholders of the parent company		28,439,471	26,168,089
Non-controlling interests		(2,225,880)	(1,559,972)
		26,213,591	24,608,117
Net profit / (loss) attributable to shareholders arises from:			
Continuing operations		28,439,471	32,727,674
Discontinued operations		-	(6,559,585)
		28,439,471	26,168,089
Total comprehensive income (loss) for the year attributable to:			
Shareholders of the parent company		28,079,733	29,841,530
Non-controlling interests	28	(2,224,624)	(1,578,696)
		25,855,109	28,262,834
Basic and diluted earnings (losses) per share attributable to the shareholders of the parent company:			
From continuing operations	27	0.95	1.09
From discontinued operations		-	(0.22)
Total		0.95	0.87



Chairman of Board of Directors
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Chief Executive Officer
Mr. Faisal bin Hawas Al-Atawi




Chief Financial Officer
Mr. Yasser Ahmed El-Safadi

The accompanying notes form an integral part of these consolidated financial statements

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(SAUDI RIYAL)

	Notes	Attributable to the shareholders of the Parent Company			Non-controlling interests	Total equity	
		Share capital	Statutory reserve	Retained earnings			Total
2024							
As at 1 January 2024		300,000,000	36,586,165	174,180,026	510,766,191	(3,998,442)	506,767,749
Net profit (loss) for the year		-	-	26,168,089	26,168,089	(1,559,972)	24,608,117
Other comprehensive income (loss)		-	-	3,673,441	3,673,441	(18,724)	3,654,717
Total comprehensive income (loss) for the year		-	-	29,841,530	29,841,530	(1,578,696)	28,262,834
Dividends	14	-	-	(30,000,000)	(30,000,000)	-	(30,000,000)
Disposal of a subsidiary	1	-	-	-	-	(42,649)	(42,649)
As at 31 December 2024		300,000,000	36,586,165	174,021,556	510,607,721	(5,619,787)	504,987,934
2025							
As at 1 January 2025		300,000,000	36,586,165	174,021,556	510,607,721	(5,619,787)	504,987,934
Net profit (loss) for the year		-	-	28,439,471	28,439,471	(2,225,880)	26,213,591
Other comprehensive (loss) income		-	-	(359,740)	(359,740)	1,258	(358,482)
Total comprehensive income (loss) for the year		-	-	28,079,731	28,079,731	(2,224,622)	25,855,109
Dividends	14	-	-	(30,000,000)	(30,000,000)	-	(30,000,000)
As at 31 December 2025		300,000,000	36,586,165	172,101,287	508,687,452	(7,844,409)	500,843,043



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The accompanying notes form an integral part of these consolidated financial statements

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(SAUDI RIYAL)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before zakat from continuing operations	40,165,072	45,888,283
Loss before zakat from discontinuing operations including gain from sale of a subsidiary	-	(6,785,843)
Profit before zakat	40,165,072	39,102,440
<i>Adjustments:</i>		
Depreciation of property and equipment	9,161,140	9,925,974
Depreciation of investment properties	345,799	345,800
Depreciation of right-of-use assets	8,030,355	9,293,235
Charge for (reversal of) of provision for expected credit losses	4,322,574	(4,568,842)
Provision of slow-moving inventories	2,430,289	3,277,575
Amortization of intangible assets	179,725	318,987
Gain on disposal of property and equipment	(831,581)	(88,144)
Loss (gain) on terminated lease contracts	5,645	(324,766)
Loss on disposal of intangible assets	-	826,099
Finance cost	18,571,395	28,081,328
Employees' defined service cost	13,022,625	13,624,306
	95,403,038	99,813,992
<i>Working capital changes:</i>		
(Increase) decrease in trade receivables and contract assets	(101,281,457)	215,834,652
Decrease in inventories	34,931,312	3,178,284
Decrease in prepayments and other debit balances	5,187,602	761,613
(Decrease) increase in trade payables	(8,257,060)	6,524,221
Increase (decrease) in accrued expenses and other credit balances	5,308,064	(7,917,873)
Increase in contract liabilities	4,104,741	4,021,434
(Increase) / decrease in related parties balances	2,469,107	(10,815,992)
	37,865,347	311,400,331
Employees' defined benefits obligations paid	(16,751,411)	(10,680,852)
Zakat paid	(12,368,900)	(14,939,865)
Net cash flow generated from operating activities	8,745,036	285,779,614


Charman of Board of Director
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Mr. Faisal bin Hawas Al-Atawi


Chief Financial Officer
Mr. Yasser Ahmed El-Safadi

The accompanying notes form an integral part of these consolidated financial statements

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(SAUDI RIYAL)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(7,077,922)	(4,425,804)
Purchase of intangible assets	(452,858)	-
Proceeds from disposal of property and equipment	2,580,030	2,287,674
Prepayments and other debit balances-non-current portion	(2,363,262)	2,657,713
Disposal of a subsidiary	-	(3,172,751)
Net cash flows used in investing activities	(7,314,012)	(2,653,168)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes payable	-	(12,729,229)
Lease liabilities paid	(8,126,732)	(9,275,659)
Proceeds from short-term borrowings	559,871,150	764,160,031
Repayment of short-term borrowings	(574,787,212)	(898,565,660)
Repayment of long-term borrowing	(1,550,000)	(1,250,000)
Dividends paid	(30,000,000)	(30,000,000)
Finance costs paid	(14,430,212)	(24,349,382)
Net cash flows used in financing activities	(69,023,006)	(212,009,899)
Net change in cash and cash equivalents	(67,591,982)	71,116,547
Cash and cash equivalents at the beginning of the year	88,064,217	16,947,670
Cash and cash equivalents at the end of the year	20,472,235	88,064,217
Non-cash transactions:		
Additions to right-of-use assets against lease liabilities	7,363,732	6,953,535
Termination of lease contracts	(505,060)	(4,668,303)
Actuarial re-measurement loss / (gain)	358,482	(3,654,717)



Chairman of Board of Director
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Mr. Faisal bin Hawas Al-Atawi



Chief Financial Officer
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The accompanying notes form an integral part of these consolidated financial statements

**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. ORGANIZATION AND ACTIVITY

Scientific and Medical Equipment House Company (the "Company" or "Parent Company") is a Saudi joint stock company, under Commercial Registration No. 1010166664, issued in Riyadh dated Rabi' Al-Awwal 3, 1422 H (corresponding to May 26, 2001).

The Company is engaged in general contracting of buildings, roads, bridges, electrical, electronic and mechanical works, dams, roads and bridges, maintaining, cleaning, managing and operating of medical centers, cities' cleanliness, maintaining and operating of industrial, water and sewage works, maintenance of scientific and medical equipment, wholesale and retail trade in medical, laboratorial and scientific equipment and its accessories, import and export services, and catering services.

The registered Company's address is as follows: P.O. Box 1584, Riyadh 11441, Kingdom of Saudi Arabia.

The accompanying consolidated financial statements include the financial information of the Company, and its branches listed below, operating under the following sub-commercial registrations:

Commercial registration number	Commercial Name	City	Registration date	Activity
1010228685	Scientific and Medical Equipment House Company for Contracting	Riyadh	01/02/1428H	General contracting for buildings, roads and bridges.
1010358380	Scientific and Medical Equipment House Company	Riyadh	06/02/1434H	Operating restaurants, supplying, cooking, serving nutrition services and trading foodstuffs.
1010358386	Scientific and Medical Equipment House Company	Riyadh	06/02/1434H	Sale of safety equipment, installation and maintenance of firefighting and fire alarms equipment, filling and maintenance of fire extinguishers.
1010399879	Scientific and Medical Equipment House Company	Riyadh	27/02/1435H	Importing, selling, installation and maintenance of security surveillance cameras, security detectors, inspection and burglar alarm devices.
1010608122	Scientific and Medical Equipment House Company for Private Civil Security Guards	Riyadh	11/08/1438H	Providing a private civil security guard service.
1010613686	Scientific and Medical Equipment House Company	Riyadh	26/03/1439H	Maintenance and operation contracting.
1010636049	Al-Biruni Medical Industries Co.	Riyadh	26/09/1441H	Manufacture of ordinary radiological equipment, tubes, devices and its accessories for medical, scientific and research purposes, including (X-rays, beta rays, gamma rays).
1010653676	Scientific and Medical Equipment House Company	Riyadh	27/01/1442H	Medical operating of hospitals
1010653677	Scientific and Medical Equipment House Company	Riyadh	27/01/1442H	Repairing and maintenance of radiological, electronic, medical and therapeutic equipment, cleaning services for governmental buildings, building maintenance services activities.
1009081998	Scientific and Medical Equipment House Company	Riyadh	02/02/1446H	Land freight for goods.

**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. ORGANIZATION AND ACTIVITY (CONTINUED)

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”), The subsidiaries listed below are limited liability companies registered in the Kingdom of Saudi Arabia.

Company's Name	Ownership % as at December 31		Activity
	2025	2024	
Girgas Trading Co Drug Store Co. (A)	100%	100%	A warehouse for wholesale and retail trade in medical supplies.
Protecta Visions Co.	100%	100%	Import, export, wholesale and retail trade in medical, electrical, electrical and mechanical equipment and devices, laundries, incinerator equipment and pumps.
Nabd Medical Industries Co.	51%	51%	Manufacture of pacemakers, manufacture of ECG devices, manufacture of tubes for catheterization, nutrition and liposuction, etc.
Alwateen A/C & Refrigeration Co.	100%	100%	Cooling and air conditioning systems installation, maintenance, and repair.
New Era Co., Ltd.	100%	100%	Installation and extension of television, satellite, computer and telecommunications networks. Installation and maintenance of fire alarm, security and lighting systems and equipment. Extension of electrical and communication wires.
Future Doors Contracting Co.	100%	100%	Installation and maintenance of cooling, air conditioning, electric, gas and oil heating systems. Extension and maintenance of gas, steam and fire pipes. Installation, extension and maintenance of air conditioning and irrigation pipes.
The House of Food Supplies Company.	100%	100%	Refrigerated food warehouses, wholesale of food and drinks

* During the year ended 31 December 2024, Girgas signed a sale purchase agreement (“Girgas” or the “Seller”) with Nada Al Hayat Medical Company – Holding (“Nada” or the “Buyer”) for the sale of United Purity Pharmaceutical Company dated 25 August 2024. The subsidiary was sold before 30 September 2024, and it was reported in the comparative period as a discontinued operation. Financial information relating to the discontinued operations for the period to the date of disposal is set out below:

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

1. ORGANIZATION AND ACTIVITY (CONTINUED)

a) Financial performance and cash flow information

The financial performance presented below is and cash flow information presented below

	ﷲ
	For the period ended 30 September 2024
Revenue	3,047,619
Cost of revenue (a-1 below)	(4,959,522)
Gross loss	(1,911,903)
Selling and marketing expenses	(167,020)
General and administrative expenses (a-2 below)	(4,303,012)
Operating loss	(6,381,935)
Finance cost (a-3 below)	(46,194)
Other expenses	(897,484)
Loss before zakat	(7,325,613)
Zakat reversal for the year	160,000
Net loss after zakat	(7,165,613)
Gain on disposal of the subsidiary (see (b) below)	539,770
Loss from discontinued operations	(6,625,843)
a-1 The cost of revenue account includes the following:	
Charge for slow-moving inventories (note 8)	1,883,424
Cost of materials	3,076,098
	4,959,522
a-2 The general and administrative expenses account includes the following:	
Salaries, wages and other benefits	1,402,787
Depreciation of right-of-use assets (Note 5)	637,637
Depreciation of property, machinery and equipment (Note 4)	356,746
Visas and passports	351,947
Amortization of intangible assets	168,154
Rents	155,547
Insurance	98,347
Electricity and water	84,761
Social insurance	68,961
Subscriptions and service expenses	67,536
Maintenance and repair expenses	62,848
Telephone, mail and internet	53,425
Furnishing and hospitality expenses	51,662
Bank expenses	13,695
Stationery and publications	2,675
Professional fees and consultations	500
Others	725,784
	4,303,012
a-3 The finance cost account includes the following:	
	2024
Finance cost related to lease liability	46,194
	46,194

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
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1. ORGANIZATION AND ACTIVITY (CONTINUED)

The net cash flows incurred by United Purity Pharmaceutical Company are as follows

	<u>2024</u>
Operating	1,214,615
Investing	1,762,091
Financing	<u>(3,363,811)</u>
Net cash (outflow) / inflow	<u>(387,105)</u>

b) Details of the disposal of the subsidiary

	<u>Amount (ﷲ)</u>
Total consideration	4,761,713
Carrying amount of net assets sold	(4,221,943)
Gain on sale	539,770

c) The carrying amounts of assets and liabilities as at the date of disposal were:

	<u>Balance</u>
Property and equipment	1,118,703
Intangible assets	384,173
Inventories	2,502,884
Trade receivables	420,421
Prepayments and other receivables	1,031,595
Cash and cash equivalents	6,067
Total assets	5,463,843
Trade payable	1,068,362
Accrued expenses & other liabilities	130,892
Total liabilities	1,199,254
Net Assets	4,264,589

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

A) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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) referred to as IFRS as endorsed in the Kingdom of Saudi Arabia.

B) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the employees' defined benefits obligations, which are measured using the projected unit credit method as described in the material accounting policy information.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and companies controlled by the Group (its subsidiaries) which are listed in Note (1). Specifically, the Group controls an investee if, and only if, the Group has:

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

The Group re-assesses whether or not it controls the investee, if facts and circumstances indicate that there is a change to one or more of the control elements mentioned above.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

In general, there is an assumption that a majority of voting rights results in control. To support this presumption, when the Group has less than a majority of voting rights or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Saudi Riyals (ﷲ), which is the Group's functional currency, all amounts are rounded to the nearest Saudi Riyal, unless otherwise indicated.

2.2 MATERIAL ACCOUNTING POLICIES

a) NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE Group

The Group has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2025.

Amendments to IAS 21 – Lack of exchangeability

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.

The adoption of above amendment does not have any material impact on the Consolidated Financial Statements during the year.

b) 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 2026 and earlier application is permitted for certain new standards and amendments; however, the Group has not early adopted them in preparing these Financial Statements. The Company is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

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 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).

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)
b) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)**

IFRS 18 - Presentation and Disclosure in Financial Statements

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.

c) PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated using the straight-line basis over the estimated useful life of the assets as follows:

Asset	Years
Tools and surveying devices	5
Vehicles	4-10
Furniture	3-5
Computers	3
Heavy equipment	10
Prefab homes	4
Woods	4
Metal wrenches and clamps	2-5
Leasehold improvement	5-10, or shorter lease term

An item of property and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) INVESTMENT PROPERTIES

Investment properties comprise of property held for capital appreciation, long-term rental yields or both, and are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties also include property that is being constructed or developed for future use as investment properties. In addition, land, if any held for undetermined use is classified as investment properties and is not depreciated. When the development of investment properties commences, it is classified as "Assets under construction" until development is complete, at which time it is transferred to the respective category, and depreciated using straight-line method at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives of 33.3 years.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) FINANCIAL INSTRUMENTS

Financial instruments are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that results in a financial asset for one entity and a financial liability or debt instrument for another entity.

(i). FINANCIAL ASSETS

The Group classifies its financial assets at initial recognition. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Classification

Financial assets are classified into the following measurement categories:

- a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), or
- b) Those to be measured subsequently at amortized cost.

Measurement

At initial recognition, the Group measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of financial assets. Transaction's costs of financial assets carried at fair value through profit or loss are expensed in profit or loss when incurred.

Debt instrument

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flows' characteristics of the asset. The group classifies debt instruments at amortized cost based on the following:

- (a) The asset is held within a business model in order to collect contractual cash flows, and
- (b) The contractual terms give rise to specified cash flow dates that are only principal payments and commission on the outstanding principal amount.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition of financial assets

The Group derecognizes financial assets when the contractual cash flows from the asset expire or when they transfer the assets and the significant risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the associated assets and liabilities for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial assets, the Group continues to recognize the financial assets and records secured financing against the proceeds received.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes 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. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) FINANCIAL INSTRUMENTS (CONTINUED)

(ii). Financial liabilities

The Group classifies its financial liabilities at initial recognition.

Classification

Financial liabilities are classified into the following measurement categories:

- (a) Those that are subsequently measured at fair value through profit or loss, and
- (b) Those that are subsequently measured at amortized cost.

Measurement

At initial recognition, the Group measures financial liabilities at its fair value less transaction's costs that are directly attributable to the issuance of the financial liability. Subsequent to initial recognition, financial liabilities not measured at fair value through profit or loss (like borrowings and accounts payable) are measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of the debt instrument and of allocating the commission over the relevant effective interest period. The effective interest rate is the discounts rate of the estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction's costs and other premiums or discounts) through the expected life of the debt instrument or a shorter period where appropriate, to net book value on initial recognition.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, the difference in respective carrying amounts is recognised in the profit and loss.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

f) INVENTORIES

Inventory is valued at cost price or net realizable value, whichever is the lower. The cost of inventory is determined on the basis of the weighted average price method and includes the expenses incurred in acquiring inventory of finished stock and raw materials, costs of production or transfer and other costs incurred in bringing the inventory to the site in its current condition.

The net realizable value is the estimated selling price in the normal activity of the Group after deducting the estimated costs to complete the sale. The inventory movement is reviewed at the end of the year and a provision for slow or expired inventories is made if necessary.

g) EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

End of service indemnities

The group provides end of service benefits to its employees in accordance with the labor law provisions of Kingdom of Saudi Arabia. The entitlement of these indemnities is based upon the employee's final salary, length of services and the completion of minimum service period, The costs of these indemnities are accrued over the period of employment, based on the estimated ultimate payment.

Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income, in the period in which they occur. Re-measurements are not reclassified to profit or loss in the subsequent periods.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g) EMPLOYEES' DEFINED BENEFITS OBLIGATIONS (CONTINUED)

(i) End of service indemnities

The group makes contributions in line with the General Organization for Social Insurance Regulations and are calculated as a percentage of employees' wages. Payments made to state managed retirement benefits schemes are dealt with as payments to defined benefits plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan. Payments made to defined contributions retirement benefit plans are charged as an expense as they fall due.

h) BORROWINGS

Borrowings are initially recognized at fair value less transactions' costs directly attributable to the borrowings. Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date, accordingly, liability is recognized at amortized cost using the effective interest rate method.

i) TRADE PAYABLES AND ACCRUALS

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

j) PROVISIONS

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. In cases where the Group expects to recover some or all of the provision, for example under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense related to the provision is presented in the consolidated profit and loss after deducting any recoveries.

If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate, which reflects the risks specific to the obligation, when appropriate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

k) LEASES

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term and leases of low value assets as follows:

Right-of-use assets

The Group recognizes the right to use the assets on 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 impairment and depreciation losses and adjusted for any remeasurement of the lease liabilities. The cost of right-of-use assets includes the amount of lease commitments recognized, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right to use the recognized assets is depreciated on a straight-line basis over the estimated useful life and the lease term, whichever is shorter. Right-of-use assets is subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the term of the lease. Lease payments consist of fixed payments (including embedded 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 the purchase option that the company is certain to exercise and the payment of lease termination penalties, if the lease term reflects that the company is exercising the option to terminate. Variable lease payments that do not depend on an index

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

k) LEASES (CONTINUED)

or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

When calculating the present value of lease payments, the Group uses the incremental borrowing rate at the inception date of the lease if the interest rate implicit in the lease is not readily identifiable. After the inception date, the amount of the lease liabilities is increased; to reflect the interest accumulation and a reduction in the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in guaranteed fixed lease payments or a change in the assessment to purchase the underlying asset.

Short term leases contracts

The Group applies the short-term leases recognition exemption to short-term leases of land and buildings (i.e. leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expenses on a straight-line basis over the term of the lease.

The Group as a lessor

The Group has entered into lease contracts in relation to its investment properties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the risks and benefits of ownership of these properties, and therefore the Group records these contracts as operating leases. Income from lease contracts is recognized in the profit or loss using the straight-line method over the term of the lease contracts.

l) FINANCE COST

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset and which requires a substantial period of time to be ready for its intended use or sale, are capitalized as part of the cost of that underlying asset. All other finance costs are charged to expenses in the period in which they are incurred. Finance costs include commission and other costs that the Group incurs in connection with the borrowing.

m) ZAKAT

The Group provides a provision for zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). The provision is charged to the profit and loss.

n) VALUE ADDED TAX ("VAT")

Revenues, expenses and assets are recognized net of the value added tax except in the following cases:

- If the value added tax on a purchase of assets or services is not recoverable from the relevant tax authority, in this case, the value added tax is recognized as part of the cost of acquisition of the relevant assets or part of the expense item, as applicable.
- Trade receivables and payables are stated with the amount of value added tax.

The net amount of value added tax that can be recovered from or paid to the relevant tax authority is included as part of other debit or credit balances in the consolidated statement of financial position.

o) REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales of Goods

Revenue is recognized in the consolidated statement of profit or loss when a performance obligation is satisfied, at the price allocated to that performance obligation. This is defined as the point in time when control of the products has been transferred to the customer, the amount of revenue can be measured reliably, and collection is probable. The transfer of control to customers takes place according to the trade agreement terms.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

o) REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Sales are recognized when the goods are delivered to customers, it is stated net of any rebates or other discounts.

Revenue from long-term contracts is recognized when it is possible to arrive at reliable estimates of results using the percentage of completion method, with reference to the completed stage of the contract work. The percentage of completion is measured by calculating the costs incurred to date to the total estimated costs of the contract. Revenue is recognized to the extent of contract costs incurred when there is no reliable estimate of the results that are likely to be recoverable. When the financial estimates of the total contract costs and revenue indicate a loss, a provision is made for the total contract loss, regardless of the percentage of work performed.

p) FINANCE INCOME

Finance income is measured using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through expected life of the financial asset or, as appropriate, a shorter period, to the net carrying amount of the financial assets.

q) CONTRACT BALANCES

(i) Contract assets

The contract assets represented in the right to consideration for the goods or services provided to the customer. Where the Group provided goods or services to a customer before the customer pays the consideration or before the amount becomes due, the contract asset is recognized for the unconditional right to consideration.

(ii) Capitalized contract costs

These represented in cost incurred in fulfilling a contract with customers that relate directly to a contract or contract expected to be awarded and which are expected to achieve those costs or improve the Company's resources and will be used to fulfill (or continue to fulfill) performance obligations in the future and are expected to be covered. These costs are amortized on a regular basis and consistent with the transfer of goods or services to the customer.

(iii) Contract liabilities

Contract liabilities represent the liability to transfer goods or services to a customer in exchange for the Group receiving consideration (or is entitled to an amount of consideration) from the customer. If the customer pays the consideration before the group transfers the goods or services to him, he recognizes the contract obligations as revenue when the group performs under the contract.

r) DIVIDENDS

Annual dividends are recorded in the consolidated financial statements in the period in which they are approved by the General Assembly of the shareholders.

s) CONTINGENT LIABILITIES

Obligations that are likely to arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, and within the Group's full non-control, or a present obligation that is not recognized because it is unlikely that an outflow of resources will be required to settle Commitment. In the event of the inability to measure the amount of the obligation with sufficient reliability, it is not included in the contingent liabilities but is disclosed in the consolidated financial statements.

t) SEGMENT REPORTS

An operating segment is a component of a Group that engages in business activities from which it can earn revenues and incur expenses and includes revenues and expenses related to transactions with any of the other components of the company. All operating segments' operating results are reviewed by the Group's operating decision-makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

u) 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 advanced market for the asset or liability.

The principal market or the most advanced 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 interest.

A fair value measurement of non-financial assets takes into account a market participant's ability to generate economic benefits by using the asset at its maximum and best use or by selling it to another market participant that uses the same asset at its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which information is available to measure fair value, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is disclosed below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be obtained at the measurement date.
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (eg prices) or indirectly (eg derived from prices).
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (the unobservable input).

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether a transfer has occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is a significant input to the fair value measurement as a whole) at the end of each reporting period. The Group determines the policies and procedures for both recurring fair value measurement and non-recurring fair value measurement.

At each reporting date, the Group analyzes changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies.

For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing with the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset or liability with relevant external sources to determine whether the change is reasonable, for fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy as explained above.

w) DISCONTINUED OPERATIONS

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Additional disclosures are provided in note 1. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

x) EARNING PER SHARE

The Group calculates and presents earnings per share (EPS) as per IAS 33 – Earnings Per Share.

(i) Basic earnings per share

Calculated by dividing the profit or loss attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the reporting period.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

x) EARNING PER SHARE (CONTINUED)

(ii) Diluted Earnings per share

Adjusts the basic EPS for the impact of potentially dilutive instruments, such as convertible bonds, stock options, or warrants, if they have a dilutive effect on EPS.

y) INTANGIBLE ASSETS

Intangible assets acquired separately are initially measured at cost, while those acquired through a business combination are measured at fair value as of the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets are not capitalized, except for capitalized development costs. Expenses related to internally generated intangible assets are recognized in the statement of profit or loss in the period in which they are incurred.

The useful lives of intangible assets are assessed to determine whether they are finite or indefinite. Intangible assets with a finite useful life are amortized over their estimated useful economic life, and the amortization expense is recorded in the statement of profit or loss. These assets are assessed for impairment whenever there is an indication of impairment. Additionally, the useful life and amortization method of finite-lived intangible assets are reviewed at least at the end of each financial period. Any changes in the expected useful life or method of consumption of future economic benefits are accounted for as changes in accounting estimates.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Years
Computer Software	5

When an intangible asset is derecognized, the gain or loss is determined as the difference between the net disposal proceeds and the carrying amount of the asset at the date of derecognition. The resulting gain or loss is recognized in the statement of profit or loss at the time of disposal.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions at the date of preparing the consolidated financial statements that may affect the amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of assets or liabilities that will be affected in future periods.

Other disclosures relating to the risks and uncertainties to which the Group is exposed include the following:

- Provision for slow-moving inventories - note (8)
- Allowance for expected credit losses - note (9)
- Disclosures about sensitivity analysis of employee benefits- note (15)
- Financial risk management objectives and policies - note (32)

These estimates and assumptions are based on experience and other various factors that are believed to be reasonable in the circumstances and are used to measure the carrying amounts of assets and liabilities that are difficult to obtain from other sources. The underlying estimates and assumptions are reviewed on an ongoing basis. Revision on accounting estimates is recognized during the period in which the estimates are revised.

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**3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
(CONTINUED)**

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 that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Group based its assumptions and estimates on the data available when the consolidated financial statements were prepared. However, current conditions and assumptions about future developments may change due to market changes or circumstances arising beyond the Group's control. These changes are reflected in the assumptions when they occur.

A. Uncertain zakat positions

The Group's current zakat payable relates to the management's assessment of the amount of zakat payable on the open zakat positions, as the Group still has to wait for the review by the ZATCA for those zakat returns submitted and the agreement and acceptance of the final obligation amounts. Due to the uncertainty associated with these zakat items, it is possible that the final result will differ significantly when the final assessment is issued by the ZATCA in future periods. The status of the Zakat assessments is disclosed in note 20.

B. Long-term assumptions of employees' defined benefits obligations

Employee' termination benefits represent obligations which will be paid in the future upon the termination of employment contracts. Management has to make assumptions about the variables like discount factor, salary increase rate, mortality rates and employees' turnover. The Company's management periodically takes advice from external actuarial experts on these assumptions. Changes in key assumptions could materially affect the provision for employees' termination benefits.

C. Determine the leases' term that include renewal and termination options

The Group defines the lease term as the non-cancellable lease term plus any periods covered by an option to extend the lease if that option 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 has a number of lease contracts that contain extension or termination clauses. The Group applies judgments when assessing whether it is reasonably certain to exercise the option to renew or terminate a lease as it considers all relevant factors that would create an economic benefits to exercise the renewal or termination option. The Group reassesses the lease term if a significant event occurs that may affect its ability to exercise or not to exercise the option to renew or terminate the lease.

D. Provisions

Provisions, based on its nature, depend on estimates and evaluations as to whether the recognition criteria are met, including an estimate of the amounts likely to be settled. Provisions for notes are based on an estimate of likely costs to be incurred based on management's estimates and other available information. Provisions for uncertain obligations include management's best estimate of whether the cash outflows are probable.

E. The cost to complete and the percentage of completion of ongoing contracts

The process of estimating the cost to complete and percentage of completion of ongoing contracts requires significant estimates by management. These estimates are necessarily based on assumptions about several factors involving varying degrees of judgments and uncertainty, and actual results may differ from management's estimates which might result in future changes in revenue from contracts with customers.

F. Allowance for impairment of financial assets

Loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and determining the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward looking estimates at the end of each reporting period.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
(CONTINUED)**

G. Leases - Estimate the incremental borrowing rate

The Group cannot easily determine the interest rate implicit in the lease agreement, so it uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the rate of interest that a Group would have to pay to borrow, over a similar period and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate is what the Group "has to pay", which requires an estimate when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available.

H. Useful lives of property and equipment

Management determines the estimated useful lives of property and equipment for calculating depreciation. This estimate is determined after considering the expected use of the asset. Management annually reviews the residual value and useful lives of these assets and future depreciation is considered when management believes that there is a difference between the useful lives and previous estimates.

I. Provision for slow-moving inventories

The Group assesses its inventories at each reporting date to determine whether they are carried at the lower of cost and net realisable value. In making this assessment, management applies significant judgement and estimates, including evaluating inventory ageing, expected future demand, market conditions, expected selling prices, estimated costs to complete and sell, and the likelihood of obsolescence, damage, or expiry. The level of provision is therefore sensitive to changes in assumptions about utilisation and recoverability of inventory balances, and actual outcomes may differ from these estimates, which could result in a material adjustment to the provision in future periods.

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PROPERTY AND EQUIPMENT

	Tools and surveying devices	Vehicles	Furniture	Computers	Heavy equipment	Prefab homes	Woods	Metal wrenches and clamps	Leasehold improvement	Total
Cost										
Balance at the beginning of the year	22,509,412	49,404,314	10,410,089	3,415,673	7,548,420	587,758	737,436	5,415,207	7,388,189	107,416,498
Additions during the year	2,339,684	1,940,396	2,068,677	266,280	179,450	34,500	-	-	248,935	7,077,922
Disposals during the year	(288,585)	(5,459,074)	(386,081)	(5,295)	(522,629)	-	-	-	(107,700)	(6,769,364)
Balance at the end of the year	24,560,511	45,885,636	12,092,685	3,676,658	7,205,241	622,258	737,436	5,415,207	7,529,424	107,725,056
Accumulated depreciation										
Balance at the beginning of the year	12,800,701	36,603,868	6,327,383	2,828,559	6,921,716	579,075	728,192	5,219,643	5,618,207	77,627,344
Depreciation charged for the year	3,150,359	2,814,938	1,880,890	407,010	162,576	4,775	9,201	195,116	536,275	9,161,140
Disposal during the year	(281,323)	(3,905,753)	(292,749)	(5,293)	(490,114)	-	-	-	(45,683)	(5,020,915)
Balance at the end of the year	15,669,737	35,513,053	7,915,524	3,230,276	6,594,178	583,850	737,393	5,414,759	6,108,799	81,767,569
Net book value										
31 December 2025	8,890,774	10,372,583	4,177,161	446,382	611,063	38,408	43	448	1,420,625	25,957,487

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4. PROPERTY AND EQUIPMENT (CONTINUED)

	Tools and surveying devices	Vehicles	Furniture	Computers	Heavy equipment	Prefab homes	Woods	Metal wrenches and clamps	Leasehold improvement	Total
Cost										
Balance at the beginning of the year	21,763,625	47,907,445	12,038,341	3,458,302	7,615,602	587,758	737,436	5,415,207	9,651,765	109,175,481
Additions during the year	745,787	1,941,565	1,179,354	373,956	1,864	-	-	-	183,278	4,425,804
Disposals during the year	-	(280,488)	(1,556,015)	(288,274)	(11,263)	-	-	-	(1,469,498)	(3,605,538)
Disposal of a subsidiary (note 1)	-	(164,208)	(1,251,591)	(128,311)	(57,783)	-	-	-	(977,356)	(2,579,249)
Balance at the end of the year	22,509,412	49,404,314	10,410,089	3,415,673	7,548,420	587,758	737,436	5,415,207	7,388,189	107,416,498
Accumulated depreciation										
Balance at the beginning of the year	10,230,002	32,633,114	6,126,385	2,810,489	6,758,169	576,025	694,529	5,219,643	5,519,568	70,567,924
Depreciation charged for the year	2,570,699	4,281,511	1,689,830	434,591	195,731	3,050	33,663	-	716,899	9,925,974
Disposal during the year	-	(149,898)	(691,100)	(288,210)	(3,886)	-	-	-	(272,914)	(1,406,008)
Disposal of a subsidiary (note 1)	-	(160,859)	(797,732)	(128,311)	(28,298)	-	-	-	(345,346)	(1,460,546)
Balance at the end of the year	12,800,701	36,603,868	6,327,383	2,828,559	6,921,716	579,075	728,192	5,219,643	5,618,207	77,627,344
Net book value										
31 December 2024	9,708,711	12,800,446	4,082,706	587,114	626,704	8,683	9,244	195,564	1,769,982	29,789,154

The following is the distribution of depreciation expenses based on the nature of the expense:

	س	
	2025	2024
Cost of revenue (note 22)	6,349,249	6,634,869
Selling and marketing expenses (note 23)	663,186	406,975
General and administrative expenses (note 24)	2,148,705	2,527,384
Depreciation of discontinued operation (note 1)	-	356,746
	9,161,140	9,925,974

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5. RIGHT-OF -USE ASSETS

The right-of-use assets represents buildings leased for periods ranging between 3-5 years, and the following is the movement during the year:

	ﷲ	
	2025	2024
Cost		
Balance at the beginning of the year	43,096,698	48,311,697
Additions during the year	7,363,732	6,953,535
Disposal of a subsidiary (note 1)	-	(434,405)
Termination of lease contract	(9,055,128)	(11,734,129)
Balance at the end of the year	<u>41,405,302</u>	<u>43,096,698</u>
Accumulated depreciation		
Balance at the beginning of the year	26,646,998	24,853,994
Depreciation charged for the year	8,030,355	9,293,235
Disposal of a subsidiary (note 1)	-	(434,405)
Termination of lease contract	(8,550,068)	(7,065,826)
Balance at the end of the year	<u>26,127,285</u>	<u>26,646,998</u>
Net book value		
31 December	<u>15,278,017</u>	<u>16,449,700</u>

The following is the distribution of depreciation expenses based on the nature of the expense:

	ﷲ	
	2025	2024
Cost of revenue (note 22)	5,744,829	6,684,307
Selling and marketing expenses (note 23)	476,637	287,714
General and administrative expenses (note 24)	1,808,889	1,683,577
Depreciation of discontinued operation (note 1)	-	637,637
	<u>8,030,355</u>	<u>9,293,235</u>

6. INVESTMENT PROPERTIES

	ﷲ		
	Freehold land	Buildings	Total
Cost			
Balance at the beginning of the year	27,855,000	11,525,605	39,380,605
Balance at the end of the year	<u>27,855,000</u>	<u>11,525,605</u>	<u>39,380,605</u>
Accumulated depreciation			
Balance at the beginning of the year	-	8,154,060	8,154,060
Depreciation charged for the year (note 24)	-	345,799	345,799
Balance at the end of the year	<u>-</u>	<u>8,499,859</u>	<u>8,499,859</u>
Net book value			
31 December 2025	<u>27,855,000</u>	<u>3,025,746</u>	<u>30,880,746</u>

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6. INVESTMENT PROPERTIES (CONTINUED)

	ﷲ		
	Freehold land	Buildings	Total
Cost			
Balance at the beginning of the year	27,855,000	11,525,605	39,380,605
Balance at the end of the year	27,855,000	11,525,605	39,380,605
Accumulated depreciation			
Balance at the beginning of the year	-	7,808,260	7,808,260
Depreciation charged for the year (note 24)	-	345,800	345,800
Balance at the end of the year	-	8,154,060	8,154,060
Net book value			
31 December 2024	27,855,000	3,371,545	31,226,545

Fair value disclosures

The following compares the carrying value and fair value of the Group's investment properties:

	ﷲ			
	31 December 2025		31 December 2024	
	Carrying value	Fair value	Carrying value	Fair value
Investment properties	30,880,746	38,408,219	31,226,545	38,721,952

The fair value of the investment properties has been determined by TAQEEM accredited and independent external real estate valuers with appropriate and recognized professional qualifications and with recent experience in the location and category of the property being valued according to the geographical location. The independent valuers are Olat Valuation Company (License No. 1210000397), Value Assets Company for Real Estate (License No. 1210000223) and Saudi Evaluation House (License No. 1210000352). There has been no change in the valuation technique during the year.

Rental revenues for the year ended at 31 December 2025 amounted to ﷲ1.5 million (2024: ﷲ1.5 million), as disclosed in (note 26).

31 December 2025

Description	Valuation approach	Key assumptions	Range	Fair Value
Office building (Investment Property) in Al Sulaymaniyah, Riyadh, KSA	Land: Market approach (Sales comparison)	Land: Land price per sqm (after adjustments)	ﷲ 8,550 – 9,936 per sqm	16,742,101
	Building: Income approach (DCF)	Building (DCF): Lease rate per sqm/year Discount rate	ﷲ 1,000 – 1,050 per sqm/year 11.2%	
Industrial land (Investment Property) in Dammam, KSA	Market approach (Sales comparison)	Comparable price per sqm (unadjusted)	ﷲ 1,150 – 1,500	21,496,118
		Adjusted price per sqm (after adjustments)	ﷲ 1,322.50 – 1,425.00	
Residential land plot (Investment Property) in Sakaka, KSA (Land area: 900 sqm)	Market approach (Sales comparison)	Comparable price per sqm (unadjusted)	ﷲ 158.33 – 183.33 per sqm	170,000
		Adjusted price per sqm (after adjustments)	ﷲ 171.79 – 208.08 per sqm	

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6. INVESTMENT PROPERTIES (CONTINUED)

31 December 2024

Description	Valuation approach	Key assumptions	Range	Fair Value
Office building (Investment Property) in Al Sulaymaniyah, Riyadh, KSA	Land: Market approach (Sales comparison)	Land: Land price per sqm (after adjustments)	ﷲ 10,000 – 11,550 per sqm	17,122,038
	Building: Income approach (DCF)	Building (DCF): Lease rate per sqm/year Discount rate	ﷲ 1,100 – 1,155 per sqm/year 10%	
Industrial land (Investment Property) in Dammam, KSA	Market approach (Sales comparison)	Comparable price per sqm (unadjusted)	ﷲ 1,175 – 1,200 per sqm	21,433,584
		Adjusted price per sqm (after adjustments)	ﷲ 1,351.25 – 1,380 per sqm	
Residential land plot (Investment Property) in Sakaka, KSA (Land area: 900 sqm)	Market approach (Sales comparison)	Comparable price per sqm (unadjusted)	ﷲ 166.68 – 252 per sqm	166,330
		Adjusted price per sqm (after adjustments)	ﷲ 146.68 – 226.80 per sqm	

7. INTANGIBLE ASSETS

Intangible assets represented medicine licenses held by the Group, which are amortized over 5 years as follows:

	ﷲ	
	2025	2024
Cost		
Balance at the beginning of the year	1,501,824	3,799,202
Additions during the year	452,858	-
Disposal during the year	-	(1,474,151)
Disposal of a subsidiary (note 1)	-	(823,227)
Balance at the end of the year	1,954,682	1,501,824
Accumulated amortization		
Balance at the beginning of the year	530,824	1,298,943
Amortization charged for the year	179,725	318,987
Disposal during the year	-	(648,052)
Disposal of a subsidiary (note 1)	-	(439,054)
Balance at the end of the year	710,549	530,824
Net book value		
31 December	1,244,133	971,000

The following is the distribution of amortization expenses:

	ﷲ	
	2025	2024
General and administrative expenses (note 24)	179,725	150,833
Amortization of discontinued operation (note 1)	-	168,154
	179,725	318,987

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8. INVENTORIES

	ﷲ	
	2025	2024
Medical and non-medical equipment inventory*	67,179,292	103,581,094
Construction inventory	115,610	1,364,933
Operation inventory	13,524,251	11,778,283
	80,819,153	116,724,310
Provision of slow-moving inventories	(14,973,744)	(13,517,300)
	<u>65,845,409</u>	<u>103,207,010</u>

The movement in the provision of slow-moving inventories is as follows:

	ﷲ	
	2025	2024
Balance at the beginning of the year	13,517,300	16,382,708
Additions during the year (note 22 and 1)	2,430,289	3,277,575
Written off during the year	(973,845)	(1,513,174)
Disposal of a subsidiary (note 1)	-	(4,629,809)
Balance at the end of the year	<u>14,973,744</u>	<u>13,517,300</u>

The following is the distribution of the addition of provision of slow-moving inventories during the year:

	ﷲ	
	2025	2024
Cost of revenue (note 22)	2,430,289	1,394,151
Discontinued operation (note 1)	-	1,883,424
	<u>2,430,289</u>	<u>3,277,575</u>

*As of 31 December 2024, the inventory of the Company's subsidiary, Protecta Vision Company, included goods amounting to ﷲ 44,420,879, which were purchased in prior years for delivery to the National Unified Procurement Company for Drugs, Medical Devices and Supplies ("NUPCO") based on an award letter (purchase confirmation) issued by NUPCO. However, NUPCO had not accepted the goods, citing non-compliance with the required specifications, as per its letter addressed to the Company. Protecta Vision Company filed a lawsuit against NUPCO in relation to 10,000 air purifiers purchased for delivery against the contract awarded on 22 Sha'ban 1441H (corresponding to 15 April 2020).

During 2025, the Court issued the final ruling obligating NUPCO to pay Protecta Vision Company a total of ﷲ 61,203,458, consisting of ﷲ 59,739,620 as inventory value, 135,000 as expert fees, ﷲ 500,000 as attorney's fees, and ﷲ 828,838 as warehouse rent and insurance. The related goods were delivered and accepted and NUPCO settled the amounts awarded under the final ruling.

9. TRADE RECEIVABLES AND CONTRACT ASSETS

	ﷲ	
	2025	2024
Trade receivables (a)	549,776,058	457,411,050
Contract assets (b)	161,346,108	153,095,687
	711,122,166	610,506,737
Allowance for expected credit losses (c)	(24,908,724)	(23,358,035)
	<u>686,213,442</u>	<u>587,148,702</u>

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9. TRADE RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

a) Trade receivables

	S	
	2025	2024
Trade receivables – government and semi government sector	484,800,895	403,014,947
Trade receivables – private sector	63,628,747	54,024,372
Retentions	1,346,416	371,731
	<u>549,776,058</u>	<u>457,411,050</u>

b) Contract assets

This represents balances related to the performance completed against operation and maintenance contracts and constructions projects that were not billed as at 31 December.

	S	
	2025	2024
Operation and maintenance contracts	155,760,245	148,058,946
Construction projects	5,585,863	5,036,741
	<u>161,346,108</u>	<u>153,095,687</u>

c) Provision for expected credit losses

The movement in the provision of expected credit losses in trade receivables and contract assets is as follows:

	S			S		
	2025			2024		
	Government and semi-government	Private	Total	Government and semi-government	Private	Total
Balance at the beginning of the year	11,500,022	11,858,013	23,358,035	18,536,337	9,408,888	27,945,225
(Reversal) /additions during the year	(1,524,306)	3,741,023	2,216,717	(7,036,315)	2,467,473	(4,568,842)
Disposal of a subsidiary (note 1)	-	-	-	-	(3,169)	(3,169)
Write off	-	(666,028)	(666,028)	-	(15,179)	(15,179)
Balance at the end of the year	<u>9,975,716</u>	<u>14,933,008</u>	<u>24,908,724</u>	<u>11,500,022</u>	<u>11,858,013</u>	<u>23,358,035</u>

Expected credit loss percentage against the total trade receivables and contract assets as at 31 December is as follows:

	2025	2024
Receivables -government and semi government sector	2%	2%
Receivables – private sector	23%	22%

The ageing analysis of trade receivables and contract assets as at December 31 is as follows:

	S			S		
	2025			2024		
	Government and Semi-Government	Private	Total	Government and Semi-Government	Private	Total
Not due	338,550,639	28,657,791	367,208,430	137,989,620	21,382,409	159,372,029
0 – 90 days	81,142,640	12,238,812	93,381,452	199,471,558	12,681,802	212,153,360
91 – 180 days	47,298,478	4,510,745	51,809,223	41,710,386	3,244,712	44,955,098
181 – 270 days	54,205,361	5,199,193	59,404,554	39,466,680	4,180,038	43,646,718
271 – 360 days	23,070,519	2,542,731	25,613,250	14,357,426	3,655,283	18,012,709
361 – 720 days	47,268,278	3,508,482	50,776,760	75,288,506	3,586,137	78,874,643
More than 720 days	55,957,505	6,970,992	62,928,497	48,198,189	5,293,991	53,492,180
	<u>647,493,420</u>	<u>63,628,746</u>	<u>711,122,166</u>	<u>556,482,365</u>	<u>54,024,372</u>	<u>610,506,737</u>

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9. TRADE RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

d) Contract liabilities

Contract liabilities are advance payments received for the value of contracts signed with customers, and their value as of 31 December 2025 amounted to **ﷲ** 14,348,069 (31 December 2024: **ﷲ** 10,243,328).

10. PREPAYMENTS AND OTHER DEBIT BALANCES

a) Current portion

	ﷲ	
	2025	2024
Advances to sub-contractors and suppliers	25,827,515	27,683,717
Prepaid visas fees	19,220,046	19,757,449
Prepaid insurance	4,430,697	5,149,976
Receivable related to disposal of the subsidiary	4,211,714	4,311,714
Employee receivables	3,679,564	4,196,607
Prepaid rent	1,476,196	1,908,383
Prepaid bank facilities expenses	844,154	664,866
Value added tax	758,046	578,760
Refundable deposits	130,183	1,263,861
Others	494,348	744,732
	<u>61,072,463</u>	<u>66,260,065</u>
Provision for expected credit losses	<u>(2,105,857)</u>	<u>-</u>
	<u>58,966,606</u>	<u>66,260,065</u>

b) Provision for expected credit losses

The movement in the provision of expected credit losses for other debit balances is as follows:

	ﷲ	
	2025	2024
Balance at the beginning of the year	-	-
Additions during the year	2,105,857	-
Balance at the end of the year	<u>2,105,857</u>	<u>-</u>

c) Non-current portion

	ﷲ	
	2025	2024
Preparations and equipment for projects	3,469,170	1,861,548
Refundable deposits	2,002,650	1,247,010
	<u>5,471,820</u>	<u>3,108,558</u>

11. CASH AND CASH EQUIVALENTS

	ﷲ	
	2025	2024
Cash at bank	19,911,732	88,008,039
Cash on hand	560,503	56,178
	<u>20,472,235</u>	<u>88,064,217</u>

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12. RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent the Group's shareholders, key management personnel and the entities owned or managed by these parties, as well as the entities that have control or joint control or have significant influence over these parties. Transactions with related parties are carried out on the basis of terms agreed upon between the two parties and approved by management during the normal course of business.

The following is a summary of the significant transactions that took place between the Group and its related parties during the year:

Related party name	Relationship	Nature of transactions	S	
			2025	2024
Rawabi Marketing International Co.	Affiliate	Expenses paid on behalf of related parties	511,269	1,298,309
		Rental income (note 26)	864,000	864,000
		Revenue from maintenance and operating contracts	3,475,104	4,724,271
		Revenue from construction	2,432,350	11,105,137
		Purchases	51,207	221,406
Wareed Medical Industries Company	Affiliate	Revenue from construction	10,002,986	2,709,336
Rawabi for Smart Services & Devices Co.	Affiliate	Purchases	3,795,000	4,053,750
The National of Sulfur Products Co.	Affiliate	Expenses paid on behalf of related parties	631,977	1,975,328
		Rental income (note 26)	384,000	384,000
		Revenue from maintenance and operating contracts	4,984,023	5,192,422
German Metal Surface Treatment Chemicals Co.	Affiliate	Expenses paid on behalf of related parties	380,432	478,230
		Revenue from maintenance and operating contracts	909,443	832,129
		Rental income (note 26)	264,000	264,000
		Purchase	202,075	374,360
Dirat Al Amar Real Estate Co.	Affiliate	Expenses paid on behalf of related parties	1,360,101	2,167,153
		Revenue from Construction contract	1,239,448	-
		Rent expenses	3,182,818	3,129,416
Uni Land for Trading Est.	Affiliate	Expenses paid on behalf of related parties	2,326,180	831,736
		Purchases	3,640,079	751,305
Barakat Al Khair for Trading Est.	Affiliate	Expenses paid on behalf of related parties	-	1,077

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12. RELATED PARTIES BALANCES AND TRANSACTIONS (CONTINUED)

a) DUE FROM RELATED PARTIES

	ﷲ	
	2025	2024
Rawabi Marketing International Company	14,623,492	19,941,318
Uni Land for Trading Establishment	1,483,095	2,796,993
Dirat Al Amar Real Estate Company	2,016,922	2,600,193
Wareed Medical Industries Company	4,947,209	201,321
	<u>23,070,718</u>	<u>25,539,825</u>

b) KEY MANAGEMENT PERSONNEL REMUNERATIONS

Key management personnel are those members having authority and responsibility for planning, directing, and controlling the Group's activities.

	ﷲ	
	2025	2024
Salaries, compensation, and allowances - short term	3,817,500	3,795,000
Salaries, compensation, and allowances - long term	282,813	265,000
Total	<u>4,100,313</u>	<u>4,060,000</u>

13. AUTHORIZED SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company consists of 30 million shares of ﷲ 10 each (31 December 2024: 30 million shares of ﷲ 10 each).

14. DIVIDEND

On 17 Rabi' I 1447 AH (corresponding to 9 September 2025) the shareholders in their Extraordinary General Assembly Meeting approved dividends of ﷲ 30 million (ﷲ 1 per share) for the year ended 31 December 2024.

On 3 Jumada II, 1446 AH (corresponding to 4 December 2024) the shareholders in their Extraordinary General Assembly Meeting approved dividends of ﷲ 30 million (ﷲ 1 per share) for the year ended 31 December 2023.

On 20 Ramadan, 1447 AH (corresponding to 9 March 2026), the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders amounting to ﷲ 30 million for the year ended 31 December 2025.

15. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

The Group is required to pay end of service benefits to all employees in accordance with Saudi Labor and Employment Regulations upon termination of their services. The cost of employees' defined benefits obligations is measured using the projected unit credit method.

a) Reconciliation of the present value of employees' defined benefits obligations

	ﷲ	
	2025	2024
Balance at the beginning of the year	70,078,886	68,079,524
Service costs	13,022,625	13,624,306
Finance costs (note 25)	3,451,204	2,710,625
Total recognized in profit and loss	16,473,829	16,334,931
Actuarial re-measurement loss (gain)	358,482	(3,654,717)
Total recognized in other comprehensive loss (income)	358,482	(3,654,717)
Paid during the year	(16,751,411)	(10,680,852)
Balance at the end of the year	<u>70,159,786</u>	<u>70,078,886</u>

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15. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS (CONTINUED)

b) Key actuarial assumptions

	2025	2024
Discount rate	4.9%	5.50%
Future salary growth rate	3%	3%

c) Sensitivity analysis of key actuarial assumptions

The effect of changes in key actuarial assumptions on the present value of the employees' defined benefits obligations is as follows:

		S	
		2025	2024
Discount rate	+1%	66,539,827	65,408,228
	-1%	71,200,176	71,581,723
Future salary growth rate	+1%	71,222,149	71,631,138
	-1%	66,479,093	65,312,953

- The sensitivity analysis described above has been determined based on a method that infers the impact on employees' final benefit obligations as a result of reasonable changes in key assumptions that occurred as at December 31.
- Sensitivity analysis is based on a change in significant assumptions, while keeping all other assumptions constant.
- The sensitivity analysis may not be representative of any actual change in the defined benefits obligation because it is unlikely that changes in the assumptions will occur in isolation from one another.

16. LEASE LIABILITIES

The following table shows the movement of lease liabilities during the year end 31 December:

		S	
		2025	2024
Balance at the beginning of the year		14,689,060	20,982,932
Additions during the year		7,363,732	6,953,535
Finance cost (note 25 and 1)		1,079,498	1,021,321
Termination of lease		(499,415)	(4,993,069)
Paid during the year		(8,126,732)	(9,275,659)
Balance at the end of the year		14,506,143	14,689,060
Non-current lease liabilities		7,521,886	9,011,392
Current lease liabilities		6,984,257	5,677,668
		14,506,143	14,689,060

The following is an analysis of the lease liabilities maturities:

Within one year	7,292,206	5,965,838
More than one year and less than five years	7,987,018	9,842,107
	15,279,224	15,807,945
Deferred finance costs	(773,081)	(1,118,885)
	14,506,143	14,689,060

The breakdown of the finance cost charged for the year is as follows:

		S	
		2025	2024
Continuing operations - finance cost (note 25)		1,079,498	975,127
Discontinued operation - finance cost (note 1)		-	46,194
		1,079,498	1,021,321

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16. LEASE LIABILITIES (CONTINUED)

Operating leases

Operating leases represent expenses for short-term leases (the lease term is 12 months or less) for which the Group has elected to recognize the lease expenses in profit or loss on a straight-line basis.

The breakdown of the operating leases charged for the year is as follows:

	S	
	2025	2024
Cost of revenue (note 22)	5,043,483	3,124,852
Selling and marketing expenses (note 23)	1,264,193	1,081,439
General and administrative expenses (note 24)	1,251,289	1,092,213
	<u>7,558,965</u>	<u>5,298,504</u>

17. BANK FACILITIES

The Group has obtained Islamic bank facilities from local banks in the form of letters of credit, term loans (Murabaha and Tawarruq), and notes payable amounting to S 177 million (2024: S 193.4 million) at SIBOR plus the agreed bank profit margin. . These facilities were obtained in accordance with the conditions stated in the bank facilities' agreements. Following are the facilities' details as of 31 December:

	S	
	2025	2024
Short-term borrowings (a)	170,222,302	185,138,364
Long-term borrowings (b)	6,775,000	8,325,000
	<u>176,997,302</u>	<u>193,463,364</u>

a) The movement of short-term borrowings is as follows:

	S	
	2025	2024
Balance at the beginning of the year	185,138,364	319,543,993
Additions during the year	559,871,150	764,160,031
Paid during the year	(574,787,212)	(898,565,660)
Balance at the end of the year	<u>170,222,302</u>	<u>185,138,364</u>

b) This represents the amount withdrawn from a long-term facility which has been obtained by a subsidiary from the Saudi Industrial Development Fund with a total value of S 6,200,000 as well as long-term loan amounting to S 3,637,500 obtained from Saudi Aramco Entrepreneurship "Waed" in order to finance projects in progress. The outstanding long-term loan balance as of 31 December 2025 from the Saudi Industrial Development Fund is S 4,900,000 and Saudi Aramco Entrepreneurship "Waed" is S 1,875,000 (31 December 2024: from the Saudi Industrial Development Fund is S 5,700,000 and Saudi Aramco Entrepreneurship "Waed" is S 2,625,000).

The movement of the long-term borrowings is as follows:

	S	
	2025	2024
Balance at the beginning of the year	8,325,000	9,575,000
Paid during the year	(1,550,000)	(1,250,000)
Balance at the end of the year	<u>6,775,000</u>	<u>8,325,000</u>
Current portion	1,750,000	1,550,000
Non-current portion	<u>5,025,000</u>	<u>6,775,000</u>

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18. TRADE PAYABLES

	ﷲ	
	2025	2024
Project services suppliers	19,138,882	20,516,130
Suppliers of maintenance contracts, medical equipment, spare parts, and others	14,316,727	17,091,107
Contracting suppliers	13,162,939	16,481,695
Suppliers of medicine and medical supplies	1,375,777	2,162,453
	<u>47,994,325</u>	<u>56,251,385</u>

19. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	ﷲ	
	2025	2024
Accrued tickets and vacations	27,122,813	32,590,574
Goods received but not invoiced	23,960,137	16,834,680
Accrued salaries	13,941,566	11,016,900
Accrued projects expenses	13,286,526	8,585,158
Accrued rent	2,872,740	4,183,444
Accrued interest expenses	2,077,994	2,467,513
Advances from customers	1,374,814	1,048,769
Value Added Tax payable	1,005,340	2,301,367
Accrued maintenance expenses	13,001	66,001
Others	6,302,395	7,944,375
	<u>91,957,326</u>	<u>87,038,781</u>

20. ZAKAT PAYABLE

From 2024 the Company and its wholly owned subsidiaries, submit their zakat declarations to the Zakat, Tax and Customs Authority on consolidated basis. Zakat is payable at 2.5% of the approximate zakat base or adjusted net profit, whichever is greater.

The movement in zakat provision is as follows:

	ﷲ	
	2025	2024
Balance at the beginning of the year	15,012,038	15,457,580
Zakat charged for current year	13,951,481	14,654,323
Paid during the year	(12,368,900)	(14,939,865)
Disposal of a subsidiary (note 1)	-	(160,000)
Balance at the end of the year	<u>16,594,619</u>	<u>15,012,038</u>

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20. ZAKAT PAYABLE (CONTINUED)

Zakat status

The Group submitted its zakat declarations until 2024 and obtained zakat certificates accordingly. During 2025, the Zakat, Tax and Customs Authority (“ZATCA”) assessed the Group’s zakat for the financial years 2021 to 2023. This preliminary assessment resulted in additional Zakat liability totaling approximately ﷲ 4.5 million (2021: ﷲ 3 million; 2022: ﷲ 1.08 million; 2023: approximately ﷲ 0.48 million), of which the Group paid ﷲ 0.5 million during the year. The differences primarily relate to the treatment of certain deductions and adjustments in the zakat base.

The Group escalated the matter to the Committee for Resolution of Tax Violations and Disputes (Riyadh – First Circuit) and subsequent to the reporting date, on 27 January 2026, the Committee issued a decision cancelling ZATCA’s position in relation to the disallowance of deductions in the zakat base for the year 2022. The decision remains subject to appeal within the statutory period.

Subsequent to the reporting date in February 2026, ZATCA performed a reassessment for the years 2021 and 2023 and, the additional zakat liability were updated to be ﷲ 1,282,265 for 2021 and ﷲ 412,724 for 2023. For the year 2022, ZATCA rejected objection of the Company and did not consider the decision of the Committee in their reassessment. The Group intends to further defend their position with ZATCA for these assessments.

Based on the consultation with its zakat and tax advisors, management has recognized a provision of ﷲ 4 million (31 December 2024: ﷲ Nil) in the consolidated financial statements representing its best estimate of the potential obligation in respect of open assessments and unassessed years. Any difference arising upon final resolution of these assessments will be recognized in the period in which the matter is concluded.

21. REVENUE

	Recognized over	ﷲ	
		2025	2024
Revenues from maintenance and operating contracts	Over time	660,116,517	716,450,889
Medical equipment sales and post-sale maintenance	Point in time	133,524,889	79,999,404
Construction contract revenues	Over time	42,874,068	55,756,657
Meat and food sales	Point in time	20,951,579	18,266,868
Medicine and medical supplies sales	Point in time	19,239,765	6,758,833
		876,706,818	877,232,651

The above revenue gives rise to following balances as at 31 December:

	ﷲ	
	2025	2024
Trade receivables (note 9a)	549,776,058	457,411,050
Contract assets (note 9b)	161,346,108	153,095,687
Contract liabilities (note 9d)	14,348,069	10,243,328

Contract assets are initially recognized for the revenues generated from contracts with customers, provided that the obligations mentioned in the contracts are successfully fulfilled and accepted by the customer in the form of approval of the works and services provided. When the contract obligation is fulfilled and accepted by the customer, the amounts recognized as contract assets are billed and reclassified to a trade receivable account.

The contract liabilities include the payments submitted by the customer and excess invoices for the value of the work executed for long-term contracts.

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22. COST OF REVENUE

	S	
	2025	2024
Salaries, wages and other benefits	290,972,745	330,395,905
Cost of materials	267,085,848	187,464,718
Visas fees	68,527,133	87,122,286
Sub-contractors' cost	48,181,437	57,236,559
Social insurance	17,512,731	18,890,655
Maintenance expenses	10,375,438	6,112,153
Insurance	8,534,557	9,348,652
Depreciation of property and equipment (note 4)	6,349,249	6,634,869
Depreciation of right-of-use assets (note 5)	5,744,829	6,684,307
Rent expenses (note 16)	5,043,483	3,124,852
Provision of slow-moving inventories (note 8)	2,430,289	1,394,151
Others	23,838,090	29,234,166
	754,595,829	743,643,273

23. SELLING AND MARKETING EXPENSES

	S	
	2025	2024
Salaries, wages, and other benefits	13,170,970	11,796,829
Cost of tenders and assignments	2,921,924	2,817,719
Advertising expenses	1,845,149	25,657
Sales commission	1,766,995	1,818,099
Rent expenses (note 16)	1,264,193	1,081,439
Visas fees	843,159	873,347
Insurance	713,715	455,980
Depreciation of property and equipment (note 4)	663,186	406,975
Social insurance	351,826	397,249
Depreciation of right of use assets (note 5)	476,637	287,714
Telecommunication expenses	26,445	22,168
Others	2,378,404	2,274,943
	26,422,603	22,258,119

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24. GENERAL AND ADMINISTRATIVE EXPENSES

	ﷲ	
	2025	2024
Salaries, wages, and other benefits	28,675,639	32,784,685
Insurance	2,704,117	2,554,108
Visas fees	2,565,359	3,001,762
Depreciation of property and equipment (note 4)	2,148,705	2,527,384
Depreciation of right-of-use assets (note 5)	1,808,889	1,683,577
Cost of tenders, assignments, and business development	1,364,839	1,764,121
Rent expenses (note 16)	1,251,289	1,092,213
Social insurance	1,027,844	1,112,162
Professional and consultancy fees	788,500	924,419
Maintenance and repair expenses	546,200	431,123
Telecommunication expenses	430,500	531,211
Hospitality expenses	406,179	734,465
Stationery expenses	359,118	580,111
Depreciation of investment properties (note 6)	345,799	345,800
Electricity and water	282,910	270,955
Amortization intangible assets (note 7)	179,725	150,833
Subscriptions and service expenses	160,105	315,660
Bank charges	41,028	47,815
Others	6,436,461	7,507,521
	51,523,206	58,359,925

25. FINANCE COST

	ﷲ	
	2025	2024
Finance cost on short-term borrowings	12,887,787	22,729,982
Finance cost on employees' defined benefits obligation (note 15)	3,451,204	2,710,625
Finance cost on bank facilities	1,152,906	1,619,400
Finance cost on lease liabilities (note 16)	1,079,498	975,127
	18,571,395	28,035,134

26. OTHER INCOME

	ﷲ	
	2025	2024
Compensation from Human Resources Development Fund	15,417,097	14,327,412
Rental income (note 6)	1,512,000	1,512,000
Gain on disposal property and equipment and terminated lease contracts	825,936	216,333
Others*	1,138,828	327,496
	18,893,861	16,383,241

*Others include an amount of ﷲ 963,839 as at 31 December 2025 resulting from reimbursement of certain costs resulting from the affirmation of the preliminary judgment by the Third Circuit of the Court of Appeals at the Commercial Court in Riyadh, whereby the Court issued the final ruling obligating the National Unified Procurement Company for Drugs, Medical Devices and Supplies (NUPCO) to pay Protecta Vision Company (a subsidiary) a total of ﷲ 61,203,458, consisting of ﷲ 59,739,620 as the value of inventory, ﷲ 135,000 as expert fees, ﷲ 500,000 as attorney's fees, and ﷲ 828,838 as warehouse rent and insurance. The amount included under "Others, net" pertains solely to the reimbursement of expert fees ﷲ 135,000, and ﷲ 828,838 as warehouse rent and insurance.

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27. BASIC AND DILUTED EARNINGS PER SHARE

The earnings per share is calculated based on the net profit for the year attributable to the Company's shareholders on the basis of the weighted average number of outstanding shares during that year, which is 30 million shares.

	ﷲ	
	2025	2024
Net profit for the year from continuing operations attributable to the shareholders of the parent company	28,439,471	32,727,674
Net loss for the period from discontinued operation attributable to the shareholders of the parent company	-	(6,559,585)
The weighted average number of shares (Shares)	30,000,000	30,000,000
Basic and diluted earnings per share attributable to the shareholders of the parent company		
From continuing operations	0.95	1.09
From discontinued operations	-	(0.22)
Total	0.95	0.87

28. NON-CONTROLLING INTERESTS (NCI)

Following is the summarized financial information of the significant subsidiaries with non-controlling interests. Amounts were disclosed for each subsidiary before elimination of intercompany transactions and balances:

SUMMARIZED STATEMENT OF FINANCIAL POSITION

	ﷲ
31 December 2025	Nabd Medical Industries Company
Current assets	6,870,963
Current liabilities	(5,397,392)
Non-current assets	6,781,612
Non-current liabilities	(24,264,181)
Net assets (liabilities)	(16,008,998)
NCI	(7,844,409)
	ﷲ
31 December 2024	Nabd Medical Industries Company
Current assets	4,747,945
Current liabilities	(1,941,755)
Non-current assets	6,534,953
Non-current liabilities	(20,810,095)
Net assets (liabilities)	(11,468,952)
NCI	(5,619,787)

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28. NON-CONTROLLING INTERESTS (NCI) (CONTINUED)

SUMMARIZED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	ﷲ	For the year ended 31 December 2025
		Nabd Medical Industries Company
Revenues		4,594,700
Loss for the year		(4,542,615)
Other comprehensive income		2,567
Total comprehensive loss		(4,540,048)
Net comprehensive loss attributable to NCI		(2,224,624)

	ﷲ		
	Nabd Medical Industries Company	United Purity Pharmaceutical Company	
	For the year ended 31 December 2024	For the period ended 30 September 2024 (Before Elimination)	Total
Revenues	45,094	3,047,619	3,092,713
Loss for the year	(3,779,306)	(8,535,407)	(12,314,713)
Other comprehensive loss	(38,213)	-	(38,213)
Total comprehensive loss	(3,817,519)	(8,535,407)	(12,352,926)
Net comprehensive loss attributable to NCI	(1,870,584)	(85,354)	(1,955,938)

29. COMMITMENTS AND CONTINGENCIES

Commitments and guarantees:

The Group has commitments in the form of letters of credit as of 31 December 2025 amounting to ﷲ 21.5 million (31 December 2024: ﷲ 27 million) and contingent liabilities against the letters of guarantee as of 31 December 2025 amounting to ﷲ 343.2 million (31 December 2024: ﷲ 329.4 million).

Legal claim contingency:

In 2025, the Group received a payment order including deductions of ﷲ 14.6 million relating to a previously completed project for the period 2013–2019. The deductions were imposed by the Group's customer based on observations raised by the General Court of Audit (GCA), primarily relating to non-compliance with the contractual nationality requirements and the absence of certain workers.

Accordingly, the Group filed a legal claim before the Administrative Court in Makkah on 12 March 2025. On 11 November 2025, the Court issued a first-instance judgment obliging the Group's customer to repay ﷲ 13 million to the Group. On 16 February 2026, the Administrative Court of Appeal in Riyadh upheld the first-instance judgment.

A provision of ﷲ 1.6 million has been recognized and is presented within accrued expenses and other credit balances in the consolidated statement of financial position.

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30. SEGMENT INFORMATION

The operating segments are recorded in a manner consistent with the internal reporting structure. The Management monitors the operating results of its segments independently for the purpose of performance evaluation. For management purposes, the Group is organized into business units based on its products and services and has five reportable segments, as follows:

- **Operation and maintenance:** Deals with supply of medical and non-medical staff and medical equipment maintenance services
- **Medical equipment sales and post-sale maintenance services revenue:** Supplier of medical equipment and related spare parts
- **Construction segment:** Deals in general contracting of buildings, roads, electrical, electronic and mechanical works.
- **Meat and food segment:** Supplies refrigerated food warehouses, wholesale of food and drinks.
- **Medicine and medical supplies:** Supplies segment is involved in wholesale and retail trade in medical supplies through pharmacies.

No operating segments have been aggregated to form the above reportable operating segments.

FOR THE YEAR ENDED 31 DECEMBER 2025

	Operation and maintenance	Medical equipment sales and post-sale maintenance services revenue	Construction	Meat and food	Medicine and medical supplies	Eliminations	Total
External customer	660,116,517	133,524,889	42,874,068	20,951,579	19,239,765	-	876,706,818
Inter-segment	22,137,597	-	-	1,160,247	-	(23,297,844)	-
Total revenue	682,254,114	133,524,889	42,874,068	22,111,826	19,239,765	(23,297,844)	876,706,818
Cost of revenue	(607,347,767)	(101,133,372)	(33,472,112)	(21,383,418)	(14,557,004)	23,297,844	(754,595,829)
Gross profit	74,906,347	32,391,517	9,401,956	728,408	4,682,761	-	122,110,989
Selling and marketing expenses	(341,552)	(21,131,679)	-	(2,472,976)	(2,476,396)	-	(26,422,603)
General and administrative expenses	(40,331,414)	(2,023,078)	(4,368,460)	(676,342)	(4,187,696)	63,784	(51,523,206)
Reversal of (charge for) expected credit loss	1,381,714	(2,592,311)	-	(887,870)	(2,224,107)	-	(4,322,574)
Operating profit (losses)	35,615,095	6,644,449	5,033,496	(3,308,780)	(4,205,438)	63,784	39,842,606
Other income	17,750,343	1,028,255	179,047	-	-	(63,784)	18,893,861
Net profit (loss) for the year	29,027,704	3,966,848	5,123,166	(5,222,893)	(6,681,234)	-	26,213,591

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30. SEGMENT INFORMATION (CONYINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Operation and maintenance	Medical equipment sales and post-sale maintenance services revenue	Construction	Meat and food	Medicine and medical supplies	Eliminations	Total
External customer	716,450,886	79,999,404	55,756,661	18,266,868	6,758,832	-	877,232,651
Inter-segment	22,196,040	901,254	-	-	-	(23,097,294)	-
Total revenue	738,646,926	80,900,658	55,756,661	18,266,868	6,758,832	(23,097,294)	877,232,651
Cost of revenue	(644,032,321)	(57,613,448)	(41,017,935)	(18,256,923)	(5,819,940)	23,097,294	(743,643,273)
Gross profit	94,614,605	23,287,210	14,738,726	9,945	938,892	-	133,589,378
Selling and marketing expenses	(399,453)	(19,287,833)	-	(1,841,495)	(729,338)	-	(22,258,119)
General and administrative expenses	(44,397,612)	(3,097,031)	(5,257,260)	(1,439,645)	(4,233,333)	64,956	(58,359,925)
Reversal of (charge for) expected credit loss	7,177,658	(2,518,300)	-	(90,516)	-	-	4,568,842
Operating profit (losses)	56,995,198	(1,615,954)	9,481,466	(3,361,711)	(4,023,779)	64,956	57,540,176
Other income	16,292,025	-	233,639	34,253	-	(176,676)	16,383,241
Net profit (loss) for the year	40,765,318	(7,011,367)	9,592,227	(4,841,113)	(5,801,314)	(8,095,634)	24,608,117

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31. FAIR VALUE OF FINANCIAL INSTRUMENTS

a) Financial assets carried at amortized cost

	ﷲ	
	2025	2024
Trade receivables and contract assets	686,213,442	587,148,702
Cash and cash equivalents	20,472,235	88,064,217
Other debit balances	4,958,934	8,030,970
Due from related parties	23,070,718	25,539,825
Total financial assets carried at amortized cost	734,715,329	708,783,714

b) Financial liabilities carried at amortized cost

	ﷲ	
	2025	2024
Borrowings	176,997,302	193,463,364
Accrued expenses and other credit balances	89,577,172	83,688,645
Trade payables	47,994,325	56,251,385
Lease liabilities	14,506,143	14,689,060
Total financial liabilities carried at amortized cost	329,074,942	348,092,454

c) Fair value measurement

Financial assets consist of cash and cash equivalents, trade receivables, other debit balances, and amounts due from related parties. Financial liabilities consist of trade payables, loans, notes payable, lease liabilities, accrued expenses and other credit balances, and amount due to related parties. The fair values of financial assets and financial liabilities approximate their carrying values at the reporting date mainly due to the short-term nature of these interest bearing instruments and are classified as level 2.

As at 31 December 2025 and 2024, there were no financial instruments measured at fair value.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial assets included trade receivables, cash and cash equivalents, other debit balances and amounts due from related parties. Financial liabilities included short and long-term borrowings, notes payable, trade payables, accrued expenses, and due to related parties.

The Group is exposed to market risk, credit risk, and liquidity risk. The Group's senior management oversees the management of these risks. The Group's financial risk activities are governed by appropriate policies and procedures, and financial risks are identified, measured, and managed in accordance with the Group's policies and risk appetite. It is the Group's policy not to conduct any trading in derivatives for speculative purposes.

Management reviews and agrees on policies for managing each of these risks, which are summarized below.

a) Market risk

Currency risks

Currency risk is the risk that the value of a financial instrument and/or the Group's future cash flows will fluctuate due to changes in foreign exchange rates. Management monitors movements in foreign exchange rates and believes that the Group is not exposed to significant currency risk as it does not conduct significant transactions, nor does it have material monetary assets or liabilities, in currencies other than the Saudi riyal and the US dollar. The Saudi riyal is pegged to the US dollar and, accordingly, balances, transactions and related cash flows denominated in US dollars do not represent significant currency risk.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Credit risks

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to discharge its obligations. The Group's policy states that all customers who wish to deal on a credit basis are subject to credit checks. The financial instruments that are subject to the concentration of credit risk mainly consist of trade receivables and contract assets. The Group deposits bank balances with a number of financial institutions with good credit ratings and has a policy based on setting limits for its balances deposited with each financial institution. The Group does not see significant risks from the inefficiency of these institutions.

The book value of the financial instrument represents the maximum value to which the financial instrument can be exposed to credit risk as at the date of the statement of financial position on 31 December which is as follows:

	ﷲ	
	2025	2024
Trade receivables and contract assets (note 9)	686,213,442	587,148,702
Cash at bank (note 11)	20,472,235	88,064,217
Other debit balances	4,958,934	8,030,970
Due from related parties (note 12)	23,070,718	25,539,825
	<u>734,715,329</u>	<u>708,783,714</u>

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer contract. However, management also takes into account the factors that may have an impact on the credit risk of the customer base, including default risk in the business sector in which customers operate.

The management has established a credit policy under which the creditworthiness of each new customer contract is analyzed before the Group offers its terms and conditions for payment and supply. Due to the nature of the sector in which the Group operates, there is a certain concentration of risks. As at 31 December 2025, 88% of the receivable balance as at 31 December 2025 consist of government and semi-government entities (31 December 2024: 88%)

c) Liquidity risks

This is the risk that the Group will not be able to secure the necessary liquidity to meet commitments related to financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed through periodic monitoring to ensure that sufficient liquidity is available to meet any future commitments.

The table below summarizes the maturity's dates of the Group's financial liabilities based on undiscounted contractual payments:

	ﷲ			
	<u>Carrying value</u>	<u>Contractual cash flows</u>	<u>less than one year</u>	<u>More than one year</u>
31 December 2025				
Long-term borrowings	6,775,000	7,283,125	1,750,000	5,025,000
Short-term borrowings	170,222,302	182,988,975	170,222,302	
Trade payables	47,994,325	47,994,325	47,994,325	-
Lease liabilities	14,506,143	15,666,634	6,984,257	7,521,886
Accrued expenses and other credit balances	91,957,326	91,957,326	91,957,326	-
	<u>331,455,096</u>	<u>345,890,385</u>	<u>318,908,210</u>	<u>12,546,886</u>

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

31 December 2024	ﷲ			
	<u>Carrying value</u>	<u>Contractual cash flows</u>	<u>less than one year</u>	<u>More than one year</u>
Long-term borrowings	8,325,000	8,991,000	1,550,000	6,775,000
Short-term borrowings	185,138,364	199,949,433	185,138,364	-
Trade payables	56,251,385	56,251,385	56,251,385	-
Lease liabilities	14,689,060	15,864,185	5,677,668	9,011,392
Accrued expenses and other credit balances	87,038,781	87,038,781	87,038,781	-
	<u>351,442,590</u>	<u>368,094,784</u>	<u>335,656,198</u>	<u>15,786,392</u>

Approximately 96% of the Group's debt will mature in less than one year at 31 December 2025 (2024: 95%) based on the carrying value of borrowings reflected in the consolidated financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

d) Commission rate risks

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans.

The table below shows how the loss for the year would change in case of a change in commission rate by 1%.

	ﷲ	
	<u>2025</u>	<u>2024</u>
Interest rate +1% or -1%	<u>1,769,973</u>	<u>1,934,634</u>

e) Capital management

The Group's objectives when managing capital are:

- i- Ensuring the Group's ability to continue as a going concern.
- ii- Provide an adequate return to shareholders by pricing services in a manner that reflects the level of risk involved in providing these services.

The Group's capital objective is to maintain a high capital to the total leverage ratio.

Management estimates the Group's capital requirements in order to maintain an effective overall funding structure and avoid material impact, taking into account the levels involved in the Group's various classes of indebtedness. The Group manages its capital structure and makes adjustments to it in line with changes in economic conditions and risk characteristics of the underlying assets in order to maintain or adjust the capital structure. The Group may adjust the dividends paid to shareholders, return equity capital, issue new shares, or sell assets to reduce debt.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The following is the net gearing ratio of the Group at the end of the year:

	ﷲ	
	2025	2024
Long-term borrowings	6,775,000	8,325,000
Short term borrowings	170,222,302	185,138,364
Trade payables	47,994,325	56,251,385
	<u>224,991,627</u>	<u>249,714,749</u>
Less:		
Cash and cash equivalents	20,472,235	88,064,217
Net gearing	204,519,392	161,650,532
Equity attributable to the shareholders of the Parent Company	508,687,452	510,607,721
Net gearing ratio to Equity	<u>%40</u>	<u>32%</u>

33. SUBSEQUENT EVENTS

The management believes that there are no significant subsequent events, other than those mentioned in notes 14, 20 and 29, since the end of the financial year that require disclosure or adjustment to these consolidated financial statements.

34. AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's Board of Directors on 20 Ramadan 1447H, 9 March 2026.