SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE- MONTH AND THE SIX-MONTH PERIODS ENDED 30 JUNE 2026

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SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
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Alluhaid & Alyahya Chartered Accountants
A Limited Liability Company
Paid up capital SR 100,000 - CR:1010468314
Kingdom of Saudi Arabia Riyadh King Fahd Road
Muhammadiyah District, Grand Tower 12 th Floor

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Scientific and Medical Equipment House Company, (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as "Group") as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows the six-month period ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Alluhaid & Alyahya Chartered Accountants

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

Riyadh: 27 Safar 1448H
(10 August 2026)

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اللحيد واليحيى محاسبون قانونيون
Alluhaid & Alyahya
Chartered Accountants

	Notes	30 June 2026 ⃁ (Unaudited)	31 December 2025 ⃁ (Audited)
ASSETS			
Non-current assets			
Property, plant, and equipment		**24,567,184**	25,957,487
Right-of-use assets		**13,580,242**	15,278,017
Investment properties		**30,707,846**	30,880,746
Intangible assets		**1,124,079**	1,244,133
Investment at fair value through other comprehensive income (FVOCI)	5	**12,853,192**	-
Prepayments and other debit balances non-current portion		**4,538,179**	5,471,820
Total non-current assets		**87,370,722**	78,832,203
Current assets			
Inventories		**55,745,229**	65,845,409
Trade receivables and contract assets	6	**711,051,485**	686,213,442
Prepayments and other debit balances		**56,332,175**	58,966,606
Due from related parties	7a	**17,845,372**	23,070,718
Cash and cash equivalents		**80,361,592**	20,472,235
Total current assets		**921,335,853**	854,568,410
TOTAL ASSETS		**1,008,706,575**	933,400,613
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	**300,000,000**	300,000,000
Statutory reserve		**36,586,165**	36,586,165
Fair value reserve of financial assets held at "FVOCI"		**854,003**	-
Retained earnings		**161,266,297**	172,101,287
Equity attributable to the shareholders of the Parent Company		**498,706,465**	508,687,452
Non-controlling interests		**(8,719,203)**	(7,844,409)
TOTAL EQUITY		**489,987,262**	500,843,043
LIABILITIES			
Non-current liabilities			
Employees' defined benefits obligations		**73,783,744**	70,159,786
Lease liabilities		**6,201,841**	7,521,886
Long-term borrowings	9	**10,751,878**	5,025,000
Total non-current liabilities		**90,737,463**	82,706,672
Current liabilities			
Lease liabilities – current portion		**6,283,572**	6,984,257
Long-term borrowings - current portion	9	**6,499,255**	1,750,000
Short-term borrowings	9	**200,865,750**	170,222,302
Notes payable	9	**2,062,643**	-
Trade payables		**60,659,024**	47,994,325
Accrued expenses and other credit balances		**122,152,025**	91,957,326
Due to related parties	7b	**103,500**	-
Contract liabilities		**17,895,213**	14,348,069
Zakat payable		**11,460,868**	16,594,619
Total current liabilities		**427,981,850**	349,850,898
TOTAL LIABILITIES		**518,719,313**	432,557,570
TOTAL EQUITY AND LIABILITIES		**1,008,706,575**	933,400,613

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**
Mr. Ahmed Basha Al-Najjar	Dr. Faisal bin Hawas Al-Atawi	Mr. Basil Bin Saud Al-Arifi

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

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND THE SIX-MONTH PERIODS ENDED 30 JUNE 2026

		Three-month period ended		**Six-month period ended**	
	Notes	**30 June 2026 ⃁**	30 June 2025 ⃁	**30 June 2026 ⃁**	30 June 2025 ⃁
Revenue	13	**211,923,573**	272,036,178	**404,014,542**	494,268,190
Cost of revenue	13	**(177,105,719)**	(233,293,595)	**(344,053,634)**	(421,760,746)
Gross profit		**34,817,854**	38,742,583	**59,960,908**	72,507,444
Selling and marketing expenses		**(4,054,702)**	(5,657,916)	**(8,644,505)**	(11,039,484)
General and administrative expenses		**(13,620,886)**	(15,735,292)	**(26,655,993)**	(30,352,789)
(Charge for) reversal of expected credit losses	6	**(383,557)**	(1,350,000)	**668,464**	(847,217)
Operating profit		**16,758,709**	15,999,375	**25,328,874**	30,267,954
Finance cost		**(3,929,476)**	(3,762,889)	**(7,618,845)**	(7,494,374)
Other income	10	**700,628**	4,383,057	**7,330,512**	5,968,870
Profit before zakat		**13,529,861**	16,619,543	**25,040,541**	28,742,450
Zakat for the period		**(3,188,708)**	(4,844,899)	**(6,750,325)**	(9,673,751)
Net profit for the period		**10,341,153**	11,774,644	**18,290,216**	19,068,699
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
Gain on fair value of equity investment at FVOCI		**799,508**	-	**854,003**	-
Total comprehensive income for the period		**11,140,661**	11,774,644	**19,144,219**	19,068,699
Net profit / (loss) for the period attributable to:					
Shareholders of the parent company		**10,883,991**	12,371,320	**19,165,010**	20,060,401
Non-controlling interests		**(542,838)**	(596,676)	**(874,794)**	(991,702)
		10,341,153	11,774,644	**18,290,216**	19,068,699
Total comprehensive income / (loss) for the period attributable to:					
Shareholders of the parent company		**11,683,499**	12,371,320	**20,019,013**	20,060,401
Non-controlling interests		**(542,838)**	(596,676)	**(874,794)**	(991,702)
		11,140,661	11,774,644	**19,144,219**	19,068,699
Basic and diluted earnings per share attributable to the shareholders of the parent company	11	**0.36**	0.41	**0.64**	0.67

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**
Mr. Ahmed Basha Al-Najjar	Dr. Faisal bin Hawas Al-Atawi	Mr. Basil Bin Saud Al-Arifi

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

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Attributable to the shareholders of the parent						
	Share capital	Statutory reserve	Fair value reserve of financial assets held at "FVOCI"	Retained earnings	Total	Non-controlling interests	Total equity
	⃁	⃁	⃁	⃁	⃁	⃁	⃁
As at 1 January 2025 (Audited)	300,000,000	36,586,165	-	174,021,556	510,607,721	(5,619,787)	504,987,934
Net profit / (loss) for the period	-	-	-	20,060,401	20,060,401	(991,702)	19,068,699
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	20,060,401	20,060,401	(991,702)	19,068,699
As at 30 June 2025 (Unaudited)	300,000,000	36,586,165	-	194,081,957	530,668,122	(6,611,489)	524,056,633
As at 1 January 2026 (Audited)	**300,000,000**	**36,586,165**	-	**172,101,287**	**508,687,452**	**(7,844,409)**	**500,843,043**
Net profit / (loss) for the period	-	-	-	**19,165,010**	**19,165,010**	**(874,794)**	**18,290,216**
Other comprehensive income for the period	-	-	**854,003**	-	**854,003**	-	**854,003**
Total comprehensive income / (loss) for the period	-	-	**854,003**	**19,165,010**	**20,019,013**	**(874,794)**	**19,144,219**
Dividends (note 16)	-	-	-	**(30,000,000)**	**(30,000,000)**	-	**(30,000,000)**
As at 30 June 2026 (Unaudited)	**300,000,000**	**36,586,165**	**854,003**	**161,266,297**	**498,706,465**	**(8,719,203)**	**489,987,262**

Chief Financial Officer	Chief Executive Officer	Chairman of the Board of Directors
Mr. Ahmed Basha Al-Najjar	Dr. Faisal bin Hawas Al-Atawi	Mr. Basil Bin Saud Al-Arifi

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

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Six-month period ended	
	30 June 2026	30 June 2025
	⃁	⃁
OPERATING ACTIVITIES		
Profit before zakat	**25,040,541**	28,742,450
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	**4,162,577**	5,117,137
Depreciation of investment properties	**172,900**	172,900
Depreciation of right-of-use assets	**3,216,449**	4,410,158
Amortization of intangible assets	**120,054**	74,770
(Reversal of) allowance for expected credit losses	**(668,464)**	847,217
Provision for slow-moving inventories	**1,824,099**	1,533,891
Gain on disposal of property, plant and equipment	**(107,710)**	(217,899)
Gain on terminated leases contracts	**(209,640)**	-
Finance cost	**7,618,845**	7,494,374
Employees' defined benefits obligation	**7,878,449**	8,144,823
	49,048,100	56,319,821
Changes in working capital:		
Increase in trade receivables and contract assets	**(23,119,579)**	(103,499,434)
Decrease in inventories	**8,276,081**	32,734,291
Decrease / (increase) in prepayments and other debit balances	**1,584,431**	(16,055,208)
Increase / (decrease) in trade payables	**12,664,699**	(6,246,785)
Increase in accrued expenses and other credit balances	**(451,801)**	16,674,678
Increase in contract liabilities	**3,547,144**	6,470,238
Decrease / (increase) in due from / to related parties, net	**5,328,846**	(7,513,510)
	56,877,921	(21,115,909)
Employees' defined benefits obligation paid	**(4,254,491)**	(8,583,992)
Zakat paid	**(11,884,076)**	(2,244,708)
Net cash flows provided by / (used in) operating activities	**40,739,354**	(31,944,609)
INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	**(2,772,314)**	(3,936,355)
Proceeds from disposal of property, plant, and equipment	**107,750**	304,025
Other non current debit balances	**933,641**	-
Equity investment at fair value through OCI	**(11,999,189)**	-
Net cash flows used in investing activities	**(13,730,112)**	(3,632,330)
FINANCING ACTIVITIES		
Notes payable	**2,062,643**	-
Payment of principal portion of lease liabilities	**(3,835,403)**	(4,681,746)
Proceeds from long-term borrowings	**11,351,133**	-
Repayments of long-term borrowings	**(875,000)**	(775,000)
Proceeds from short-term borrowings	**384,449,281**	224,077,617
Repayments of short-term borrowings	**(353,805,833)**	(236,891,182)
Financing costs paid	**(6,466,706)**	(6,942,208)
Net cash flows provided by / (used in) financing activities	**32,880,115**	(25,212,519)
Net increase / (decrease) in cash and cash equivalents	**59,889,357**	(60,789,458)
Cash and cash equivalents at beginning of the period	**20,472,235**	88,064,217
Cash and cash equivalents at the end of the period	**80,361,592**	27,274,759
Non-cash transactions		
Additions to right-of-use assets against lease liabilities	**3,461,783**	4,059,770
Termination of right-of-use assets against lease liabilities	**1,943,110**	-
Dividends Payable	**30,000,000**	-
Gain on fair value of equity investment at FVOCI	**854,003**	-

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**
Mr. Ahmed Basha Al-Najjar	Dr. Faisal bin Hawas Al-Atawi	Mr. Basil Bin Saud Al-Arifi

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

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 3 Rabi` Al- Awwal 1422 H (corresponding to 26 May 2001).

The Company is licensed to engage 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 address of the Company is P.O. Box 1584, Riyadh 12711, Kingdom of Saudi Arabia.

The accompanying interim condensed consolidated financial statements include the assets and liabilities of the Company and its branches listed below, where the Company is also operating under 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.

1. ORGANIZATION AND ACTIVITIY (CONTINUED)

The interim condensed consolidated financial statements include the financial information 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		Activity
	30 June 2026	31 December 2025	
Girgas Trading Co. Drug Store Co.	**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, electronical, 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 Co.	**100%**	100%	Refrigerated food warehouses, wholesale of food and drinks

2. BASIS OF PREPARATION

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard (IAS 34) "Interim Financial Reporting" that is 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) and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2025.

These interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of consolidated financial statements, however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 31 December 2025.

The interim period is considered as an integral part of the full financial year, however, the results of operations for the interim periods may not be a fair indication of the results for the full-year operations.

Preparation of Interim Condensed Consolidated Financial Statements

The material accounting policies adopted in the preparation of these interim condensed consolidated financial statements have been consistently applied to all the periods presented unless otherwise stated.

The preparation of these interim condensed consolidated financial statements requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgment in applying the Group's accounting policies.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for the following:

- Employees' defined benefits obligations, which are measured using the projected unit credit method.
- Investment at fair value through other comprehensive income (FVOCI).

Furthermore, these interim condensed consolidated financial statements are prepared using the accrual basis of accounting and the going concern basis.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the interim condensed financial statements of the Company and subsidiaries controlled by the Company (collectively referred to as Group). Subsidiaries' interim condensed financial statements are prepared for the same reporting period as that of the Company, using consistent accounting policies.

Subsidiaries are the companies controlled by the Group. 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's elements mentioned above.

2. BASIS OF PREPARATION (CONTINUED)

Basis of Consolidation (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. Balances between the Company and its subsidiaries, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the interim condensed consolidated financial statements.

Functional and Presentation Currency
The interim condensed consolidated financial statements are presented in Saudi Riyals (⃁), which is the Group's functional currency.

3. USE OF JUDGMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Judgements and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The significant judgements made by the management in applying the Group's material accounting policies and the primary sources of estimating the unreliability were the same as those described in the last annual consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in preparing the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual financial statements for the year ended 31 December 2025, except for the application of the new amendments that became effective on 1 January 2026.

A) Currently effective accounting standard amendment:	**Effective date**
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS accounting Standards – Volume 11	1 January 2026

B) Forthcoming IFRS new accounting standards or amendments:	**Effective date**
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/ effective date deferred indefinitely

IFRS 18, Presentation and Disclosure in Financial Statements, will replace IAS 1, Presentation of Financial Statements, and is effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. The Group has not early adopted IFRS 18 in preparing these interim condensed consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

The Group is in the process of assessing the impact that the initial application of IFRS 18 will have on its consolidated financial statements. Based on the preliminary assessment performed to date, the principal expected effects are described below.

a) Structure of the consolidated statement of profit or loss

IFRS 18 requires income and expenses recognized in profit or loss to be classified into operating, investing, financing, income tax and discontinued operations categories, as applicable. The classification of certain income and expenses depends on whether investing in assets or providing financing to customers constitutes a main business activity of the entity.

The Group's main business activities comprise operation and maintenance services, sales and post-sale maintenance of medical equipment, construction activities, supply of food, and the sale of medicines and medical supplies. Based on its preliminary assessment, the Group has determined that investing in assets and providing financing to customers are not main business activities of the Group.

The adoption of IFRS 18 will not change the Group's net profit or total equity. However, it will change the presentation and classification of certain income and expenses within the consolidated statement of profit or loss. The Group will also be required to present the newly defined subtotals of operating profit and profit before financing and income taxes.

The operating profit subtotal required by IFRS 18 will differ from the operating profit subtotal currently presented by the Group. Based on the information currently available, the Group expects the principal changes to include the following:

- Finance costs on short-term borrowings, bank facilities and lease liabilities are currently presented within finance costs. These amounts are expected to be classified in the financing category under IFRS 18.
- The finance cost on employees' defined benefit obligations is currently presented within finance costs and is expected to continue to be classified in the financing category.
- Compensation received from the Human Resources Development Fund is currently presented within other income below the Group's operating profit subtotal. As this income arises from the Group's operating activities, it is expected to be classified in the operating category under IFRS 18.
- Rental income from investment properties is currently presented within other income. Since investing in assets is not a main business activity of the Group, rental income and directly related expenses arising from investment properties, including depreciation, are expected to be classified in the investing category.
- Gains or losses arising from the disposal of property and equipment used in the Group's operations, and other income or expenses relating to the Group's operating activities, are expected to be classified in the operating category.
- Expected credit losses relating to trade receivables, contract assets and other operating receivables are expected to continue to be classified in the operating category.

Accordingly, the composition of operating profit under IFRS 18 is expected to differ from the operating profit currently reported by the Group, although net profit for the period will remain unchanged.

b) Management-defined performance measures

Management-defined performance measures ("MPMs") are subtotals of income and expenses that an entity uses in public communications outside the financial statements to communicate management's view of an aspect of the financial performance of the entity as a whole.

IFRS 18 requires information about MPMs to be disclosed in a single note to the financial statements, including how each measure is calculated, why management considers the measure useful, and a reconciliation between the MPM and the most directly comparable subtotal specified by IFRS Accounting Standards.

The Group is assessing its public communications to determine whether any financial performance measures used therein meet the definition of an MPM under IFRS 18. The MPMs, if any, to be disclosed upon initial application of IFRS 18 will be determined based on the Group's public communications relating to the same reporting period as the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Principles of aggregation and disaggregation

IFRS 18 introduces enhanced principles for aggregating and disaggregating information presented in the primary financial statements and disclosed in the accompanying notes. It also introduces additional requirements relating to the labelling and description of line items.

The Group is assessing whether items are grouped based on shared characteristics and separated based on dissimilar characteristics. Based on this assessment, the Group will present line items that provide useful structured summaries in the primary financial statements and will disclose additional material information in the notes.

The Group is also assessing line items and note disclosures currently described as “other income,” “other expenses” or “others” and will disaggregate or use more informative descriptions for such items where the resulting information is material.

d) Consequential amendments to IAS 7

IFRS 18 introduces consequential amendments to IAS 7, *Statement of Cash Flows*. Under these amendments, entities applying the indirect method will be required to use the operating profit subtotal defined by IFRS 18 as the starting point for reporting cash flows from operating activities.

The Group currently uses profit before zakat as the starting point for reconciling profit to cash flows from operating activities. Following the adoption of IFRS 18, the Group will use operating profit as the starting point, and the nature of certain reconciling adjustments will consequently change.

The amendments also introduce specific requirements for the classification of interest and dividend cash flows. The Group currently classifies finance costs paid and dividends paid as financing activities. Accordingly, the Group does not presently expect a significant change in the classification of these cash flows upon adoption of IFRS 18. However, the presentation and related disclosures will be reassessed as part of the Group’s implementation process. The Group’s 2025 cash-flow statement already presents finance costs paid and dividends paid within financing activities.

5. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

During the period ended 30 June 2026, the Group invested a total of ⃁ 12 million in an equity instrument, which was managed by a fund manager under a discretionary investment portfolio. The Group has made this long-term investment not for the purpose of trading. The Group has irrevocably elected to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Therefore, the Group has classified this investment as financial asset held at fair value through other comprehensive income This investment does not give the Group control or the right to direct decisions over the investees. Such equity investment at FVOCI is not subject to an impairment assessment.

Company	% of Ownership	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
SEERA Holding Group	0.2%	**12,853,192**	-

The movement in the equity investment designated at fair value through OCI is as follows:

	⃁	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Additions during the period / year	**11,999,189**	-
Net change in fair value	**854,003**	-
Balance at the end of the period / year	**12,853,192**	-

6. TRADE RECEIVABLES AND CONTRACT ASSETS

		⃁	
		30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	6-A	**550,791,809**	549,776,058
Contract assets	6-B	**183,449,936**	161,346,108
		734,241,745	711,122,166
Allowance for expected credit losses	6-C	**(23,190,260)**	(24,908,724)
		711,051,485	686,213,442

6 -A Trade Receivables

	⃁	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables – Government and semi-government sector	**480,397,374**	484,800,895
Trade receivables – Private sector	**68,947,857**	63,628,747
Retentions	**1,446,578**	1,346,416
	550,791,809	549,776,058

6 -B Contract assets

It represents balances relating to the performance completed against operation and maintenance contracts and constructions projects that were not billed as of period / year end:

	⃁	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Operation and maintenance contracts	**176,616,980**	155,760,245
Construction projects	**6,832,956**	5,585,863
	183,449,936	161,346,108

6. TRADE RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

6 -C Allowance for expected credit losses

The movement in the allowance for expected credit losses is as follows:

	For the period ⃁	year ended⃁
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**24,908,724**	23,358,035
(Reversal of) / charge for the period / year	**(1,718,464)**	2,216,717
Write off	**-**	(666,028)
Balance at the end of the period / year	**23,190,260**	24,908,724

Expected credit losses shown in the statement of profit or loss for period comprise of the following:

	Three-month period ended ⃁		Six-month period ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
(reversal) charge for ECL – trade receivables and contract assets	**(141,443)**	1,350,000	**(1,718,464)**	847,217
ECL - other debit balances	**525,000**	-	**1,050,000**	-
	383,557	1,350,000	**(668,464)**	847,217

7. RELATED PARTIES BALANCES AND TRANSACTIONS

The 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.

The following is a summary of significant transactions that took place between the Group and related parties during the three-month and six-month periods ended 30 June:

			Three-month period ended		Six-month period ended	
Related party name	**Relationship**	**Nature of transactions**	**30-Jun 2026 (Unaudited)** ⃁	30-Jun 2025 (Unaudited)	**30-Jun 2026 (Unaudited)** ⃁	30-Jun 2025 (Unaudited)
Rawabi Marketing International Co.	Affiliate	Expenses paid on behalf of an Affiliate	**22,607**	41,185	**85,500**	121,190
		Rental income	**216,000**	216,000	**432,000**	432,000
		Revenue from construction	**-**	-	**-**	2,318,332
		Revenue from maintenance and operating contracts	**837,119**	905,375	**1,536,541**	1,929,908
		Purchases	**54,583**	-	**54,583**	-
Rawabi for Smart Services & Devices Co.	Affiliate	Purchases	**948,750**	948,750	**1,897,500**	1,897,500
National Company for Sulfur Products	Affiliate	Expenses paid on behalf of an Affiliate	**202,681**	144,242	**396,500**	352,102
		Revenue from maintenance and operating contracts	**1,357,612**	1,288,758	**2,553,378**	2,566,249
		Rental income	**96,000**	96,000	**192,000**	192,000
German Metal Surface Treatment Chemicals Co	Affiliate	Expenses paid on behalf of an Affiliate	**26,857**	10,486	**60,196**	243
		Rental income	**66,000**	66,000	**132,000**	132,000
		Maintenance and operating revenues	**449,025**	200,070	**809,268**	422,911
		Purchases	**74,646**	84,606	**74,646**	84,606

7. RELATED PARTIES BALANCES AND TRANSACTIONS (CONTINUED)

Related party name	Relationship	Nature of transactions	Three-month period ended 30-Jun 2026 (Unaudited)	Three-month period ended 30-Jun 2025 (Unaudited)	Six-month period ended 30-Jun 2026 (Unaudited)	Six-month period ended 30-Jun 2025 (Unaudited)
Dirat Al Amar Real Estate Co.	Affiliate	Expenses paid on behalf of an Affiliate	**429,163**	228,357	**519,691**	493,614
		Rent paid	**177,500**	231,075	**1,311,977**	1,635,272
		Revenue from maintenance and operating contracts	**222,371**	333,647	**396,935**	832,367
Uni Land for Trading Est.	Affiliate	Expenses paid on behalf of an Affiliate	**426,021**	487,069	**708,559**	787,406
		Purchases	**569,814**	1,287,835	**906,710**	1,965,145
Wareed Medical Industries Company	Affiliate	Revenue from construction contract	**-**	6,600,119	**-**	6,600,119

7. (a) Due From Related Parties

	⃁ 30 June 2026 (Unaudited)	⃁ 31 December 2025 (Audited)
Rawabi Marketing International Company	**9,522,952**	14,623,492
Wareed Medical Industries Company	**4,947,209**	4,947,209
Dirat Al Amar Real Estate Company	**1,621,572**	2,016,922
Uni Land for Trading Establishment	**1,284,943**	1,483,095
German of Metal Surface Treatment co	**326,818**	-
National of Sulfur Products Co	**141,878**	-
	17,845,372	23,070,718

7. (b) DUE TO RELATED PARTIES

	⃁ 30 June 2026 (Unaudited)	⃁ 31 December 2025 (Audited)
Rawabi for Smart Services & Devices Company	**103,500**	-
	103,500	-

8. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company consists of 30 million shares of ⃁ 10 each (31 December 2025: 30 million shares of ⃁ 10 each).

9. BANK FACILITIES

The Group has obtained Shariah Compliant bank facilities from local banks in the form of term loans and note payable (Murabaha and Tawarruq). Balance outstanding as at period end from these facilities amounts to ⃁ 220 million (31 December 2025: ⃁ 177 million). These facilities were obtained in accordance with the conditions stated in the bank facilities' agreements. The following are the facilities details:

	⃁ 30 June 2026 (Unaudited)	⃁ 31 December 2025 (Audited)
Short-term borrowings (a)	**200,865,750**	170,222,302
Long-term borrowings (b)	**17,251,133**	6,775,000
Notes payable (c)	**2,062,643**	-
	220,179,526	176,997,302

9. BANK FACILITIES (CONTINUED)

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

	⃁	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Opening balance	**170,222,302**	185,138,364
Additions during the period /year	**384,449,281**	559,871,150
Paid during the period /year	**(353,805,833)**	(574,787,212)
Ending balance	**200,865,750**	170,222,302

(b) During the six-month period ended 30 June 2026, the Group obtained Sharia-compliant Murabaha financing facilities from local commercial banks amounting to ⃁ 11,351,133. These facilities comprise financing of ⃁ 7,000,000 from Saudi National Bank, maturing in May 2029, and financing of ⃁ 4,351,133 from Alinma Bank, maturing in May 2028. The facilities bear financing costs based on SAIBOR plus an agreed profit margin, where applicable, in accordance with the respective financing agreements. The facilities are secured by the assignment of proceeds from certain project receivables. Repayments are made from amounts collected against the related certified project billings, based on the agreed repayment percentages stipulated in the respective financing agreements.

Long-term borrowings also include amounts withdrawn by a subsidiary from loan facilities obtained from the Saudi Industrial Development Fund and Saudi Aramco Entrepreneurship Company “Wa’ed” to finance projects in progress, with outstanding balances of ⃁ 4,400,000 and ⃁ 1,500,000, respectively. Accordingly, the total long-term borrowings as at 30 June 2026 amounted to ⃁ 17,251,133. (31 December 2025: The Saudi Industrial Development Fund is ⃁ 4,900,000 and Saudi Aramco Entrepreneurship “Waed” is ⃁ 1,875,000).

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

	⃁	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period/year	**6,775,000**	8,325,000
Additions during the period / year	**11,351,133**	-
Paid during the period/year	**(875,000)**	(1,550,000)
Balance at the end of the period/year	**17,251,133**	6,775,000
Current portion	**6,499,255**	1,750,000
Non-current portion	**10,751,878**	5,025,000

c) Notes payable arise from borrowing activities from banks. These liabilities involve the repayment of principal amounts and interest as stipulated in corresponding agreements. These are current liabilities that represent short-term obligations that are scheduled to be settled within 2026.

10. OTHER INCOME

	⃁			
	Three-month period ended		**Six-month period ended**	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Compensation from Human Resources Development Fund	**322,628**	2,827,227	**6,247,245**	4,031,133
Rental income (note 7)	**378,000**	378,000	**756,000**	756,000
Gain on disposal of property, plant and equipment	**-**	213,992	**107,710**	217,899
Gain on terminated leases contracts	**-**	-	**209,640**	-
Others	**-**	963,838	**9,917**	963,838
	700,628	4,383,057	**7,330,512**	5,968,870

11. BASIC AND DILUTED EARNINGS PER SHARE

The earnings per share is calculated based on the net profit for the period attributable to the Company’s shareholders on the basis of the weighted average number of outstanding shares during that period, which amounted to 30 million (2025: 30 million) shares. The diluted earnings per share is the same as the basic earnings per share as the Company does not have any issued dilutive instruments.

12. COMMITMENTS AND CONTINGENCIES

Commitments and guarantees:

The Group has commitments in the form of letters of credit as of 30 June 2026 amounting to ⃁ 36.5 million (31 December 2025: ⃁ 21.5 million) and contingent liabilities against the letters of guarantee as of 30 June 2026 amounting to ⃁ 294.7 million (31 December 2025: ⃁ 343.2 million).

Legal claim contingency:

In 2025, the Group received a payment order including deductions of ⃁ 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 6 May 2026, the Court issued a final-instance judgment obliging the Group`s customer to repay ⃁ 13 million to the Group. Subsequently in July 2026, an amount of ⃁ 13 million was deposited into the Company's bank account.

A provision of ⃁ 1.6 million is maintained and is presented within accrued expenses and other credit balances as at 30 June 2026 (31 December 2025: ⃁ 1.6 million).

Zakat contingency:

The Group submitted its zakat declarations until 2025 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 ⃁ 4.5 million (2021: ⃁ 3 million; 2022: ⃁ 1.08 million; 2023: approximately ⃁ 0.48 million), of which the Group paid ⃁ 0.5 million during the year 2025. 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 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.

In February 2026, ZATCA performed a reassessment for the years 2021 and 2023 and, the additional zakat liability were updated to be ⃁ 1.3 for 2021 and ⃁ 0.4 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. On 12 March 2026, ZATCA filed an appeal with the Committee for Resolution of Tax Violations and Disputes against the decision issued in favor of the Company. As of the date of approval of these interim condensed consolidated financial statements, no further updates or decisions have been received in relation to the appeal.

Based on the consultation with its zakat and tax advisors, management recorded a provision of ⃁ 4 million as at 30 June 2026 and 31 December 2025 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.

13. 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 and all the operations are carried out in the Kingdom of Saudi Arabia, the segments are 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. Finance costs and Zakat expense are managed on a Group basis and are not allocated to individual reportable segments.

13. SEGMENT INFORMATION (CONTINUED)

	FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026 (unaudited)						
	Operation and maintenance	**Medical equipment sales and post-sale maintenance services revenue**	**Construction**	**Meat and food**	**Medicine and medical supplies**	**Eliminations**	**Total**
External Customers	**317,816,726**	**36,768,466**	**20,131,077**	**14,969,412**	**14,328,861**	**-**	**404,014,542**
Inter Segment	**6,844,356**	**16,684**	**-**	**1,042,299**	**-**	**(7,903,339)**	**-**
Revenues	**324,661,082**	**36,785,150**	**20,131,077**	**16,011,711**	**14,328,861**	**(7,903,339)**	**404,014,542**
Cost of Sales	**(283,233,685)**	**(26,205,564)**	**(16,116,070)**	**(15,010,898)**	**(11,201,342)**	**7,713,925**	**(344,053,634)**
Gross profit	**41,427,397**	**10,579,586**	**4,015,007**	**1,000,813**	**3,127,519**	**(189,414)**	**59,960,908**
Selling and marketing expenses	**(151,006)**	**(7,609,725)**	**-**	**(368,580)**	**(655,080)**	**139,886**	**(8,644,505)**
General and administrative expenses	**(20,112,544)**	**(891,065)**	**(2,384,955)**	**(1,410,176)**	**(1,906,781)**	**49,528**	**(26,655,993)**
Reversal of / (charge for) expected credit losses	**1,698,684**	**79,780**	**-**	**-**	**(1,110,000)**	**-**	**668,464**
Operation Profit / (loss)	**22,862,530**	**2,158,575**	**1,630,052**	**(777,943)**	**(544,342)**	**-**	**25,328,874**
Other income	**7,280,403**	**50,109**	**-**	**-**	**-**	**-**	**7,330,512**
Net profit / (loss)	**18,846,285**	**1,026,790**	**1,598,788**	**(1,524,302)**	**(1,657,345)**	**-**	**18,290,216**

	FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (unaudited)						
	Operation and maintenance	Medical equipment sales and post-sale maintenance services revenue	Construction	Meat and food	Medicine and medical supplies	Eliminations	Total
External Customers	352,977,176	95,485,551	25,083,016	10,606,132	10,116,315	-	494,268,190
Inter Segment	10,602,322	-	-	758,579	-	(11,360,901)	-
Revenues	363,579,498	95,485,551	25,083,016	11,364,711	10,116,315	(11,360,901)	494,268,190
Cost of Sales	(324,823,355)	(70,656,953)	(19,633,528)	(10,808,931)	(7,198,880)	11,360,901	(421,760,746)
Gross profit	38,756,143	24,828,598	5,449,488	555,780	2,917,435	-	72,507,444
Selling and marketing expenses	(695,013)	(9,882,472)	-	(100,949)	(361,050)	-	(11,039,484)
General and administrative expenses	(24,772,372)	(1,127,364)	(2,387,988)	(1,128,311)	(970,504)	33,750	(30,352,789)
Reversal / (charge for) expected credit losses	1,102,783	(1,200,000)	-	(150,000)	(600,000)	-	(847,217)
Operation Profit / (loss)	14,391,541	12,618,762	3,061,500	(823,480)	985,881	33,750	30,267,954
Other income	5,044,008	963,839	-	-	-	(38,977)	5,968,870
Net profit / (loss)	6,507,814	10,893,567	3,012,438	(1,754,144)	409,024	-	19,068,699

13. SEGMENT INFORMATION (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2026 (unaudited)

	Operation and maintenance	**Medical equipment sales and post-sale maintenance services revenue**	**Construction**	**Meat and food**	**Medicine and medical supplies**	**Eliminations**	**Total**
External Customers	162,590,574	21,007,320	8,784,144	7,732,366	11,809,169	-	211,923,573
Inter Segment	3,181,660	16,684	-	543,700	-	(3,742,044)	-
Revenues	165,772,234	21,024,004	8,784,144	8,276,066	11,809,169	(3,742,044)	211,923,573
Cost of Sales	(141,215,323)	(14,787,226)	(6,979,085)	(7,876,603)	(9,800,112)	3,552,630	(177,105,719)
Gross profit	24,556,911	6,236,778	1,805,059	399,463	2,009,057	(189,414)	34,817,854
Selling and marketing expenses	(67,556)	(4,051,770)	-	(163,058)	87,796	139,886	(4,054,702)
General and administrative expenses	(10,326,523)	(488,912)	(1,103,346)	(787,083)	(964,550)	49,528	(13,620,886)
Charge for expected credit losses	1,275,152	(1,085,709)	-	-	(555,000)	-	(383,557)
Operation Profit / (loss)	15,419,981	610,387	701,713	(550,678)	577,303	-	16,758,709
Other income	700,628	-	-	-	-	-	700,628
Net profit / (loss)	10,104,904	194,942	686,818	(796,864)	151,353	-	10,341,153

FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2025 (unaudited)

	Operation and maintenance	Medical equipment sales and post-sale maintenance services revenue	Construction	Meat and food	Medicine and medical supplies	Eliminations	Total
External Customers	165,206,556	79,458,327	11,788,928	6,205,050	9,377,317	-	272,036,178
Inter Segment	5,026,173	-	-	239,048	-	(5,265,221)	-
Revenues	170,232,729	79,458,327	11,788,928	6,444,098	9,377,317	(5,265,221)	272,036,178
Cost of Sales	(156,589,951)	(60,131,035)	(8,846,288)	(6,271,077)	(6,720,465)	5,265,221	(233,293,595)
Gross profit	13,642,778	19,327,292	2,942,640	173,021	2,656,852	-	38,742,583
Selling and marketing expenses	(483,848)	(4,962,793)	-	(56,424)	(154,851)	-	(5,657,916)
General and administrative expenses	(12,677,713)	(556,225)	(1,314,894)	(692,351)	(510,984)	16,875	(15,735,292)
Charge for expected credit losses	(300,000)	(600,000)	-	(150,000)	(300,000)	-	(1,350,000)
Operation Profit / (loss)	181,217	13,208,274	1,627,746	(725,754)	1,691,017	16,875	15,999,375
Other income	3,438,674	963,839	-	-	-	(19,456)	4,383,057
Net profit / (loss)	(3,000,627)	12,974,287	1,603,838	(1,205,095)	1,402,241	-	11,774,644

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's financial instruments included in the interim condensed consolidated statement of financial position include cash and cash equivalents, trade receivables, contract assets, equity investment designated at fair value through OCI, other debit balances, due from / to related parties, short and long-term loans, trade payables, and other credit balances.

Currency risks
Currency risks are the risk arising from the fluctuation in the value of financial instruments due to changes in foreign exchange rates. The risks are managed by periodic monitoring of the relevant exchange rates.

Credit risks
Credit risks are the risk that a party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's credit risks arise primarily from its dealings with government agencies. The government agencies are part of the government of the Kingdom of Saudi Arabia which has a strong credit rating.

The Group's management monitors the unpaid balances, and, when appropriate, trade receivables is stated at net, after deducting the provision for expected credit losses. Cash is placed with banks with investment grade credit ratings.

Commission rate risks
Commission rate risks are the risk that the value of financial instruments will fluctuate due to changes in commission rates prevailing in the market. The Group is exposed to commission rate risk on its commission-bearing financial liabilities as of 30 June 2026 and 31 December 2025.

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.

Equity Price risk
Equity price risk refers to the risk of decrease in fair values of equities in the Group's investment portfolio as a result of reasonable possible changes in levels of equity indices and the value of individual stocks. The Group has Saudi Exchange (Tadawul) listed equities (shares) as at 30 June 2026 amounting to ⃁ 12,853,192 (31 December 2025: ⃁ Nil)

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 Group's financial instruments comprise financial instruments carried at amortised cost and equity investments measured at fair value through other comprehensive income.

Management considers that the fair values of the financial assets and financial liabilities carried at amortised cost are not materially different from their carrying amounts. The valuation techniques and fair value hierarchy applied are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2025, except for the equity investments designated at fair value through other comprehensive income acquired during the current period.

As at 30 June 2026, the Group's equity investments designated at fair value through other comprehensive income amounted to ⃁ 12,853,192 These investments are measured at fair value on a recurring basis and are classified within Level 1 of the fair value hierarchy, as their fair values are determined by reference to unadjusted quoted prices in active markets.

16. DIVIDENDS

On 1 Muharram 1448 AH (corresponding to 16 June 2026), the Ordinary General Assembly approved the Board of Directors' recommendation to distribute cash dividends to shareholders amounting to ⃁ 30 million for the year ended 31 December 2025.

17. SUBSEQUENT EVENTS

The management believes that there are no significant subsequent events since the period end that require disclosure or adjustment to these interim condensed consolidated financial statements.

18. IMPACT OF GEO-POLITICAL SITUATION ON THE GROUP

The geopolitical situation in the Middle East has deteriorated significantly since 28 February 2026. The situation has remained highly volatile and has impacted several countries in the Middle East including Kingdom of Saudi Arabia, causing disruption to some business and economic activities. The Group continues to evaluate and closely monitor the current situation to assess any impact geopolitical situation may have had on its business and financial performance. The prevailing geopolitical situation has increased uncertainty in the economic environment despite favorable changes in oil prices and certain industries, and the Group continues to objectively assess the potential implications on its business, especially with respect to its estimated project costs and excepted credit loss.

The impact of such uncertain economic environment is judgmental, and the Group will continue to reassess its position and the related impact on a regular basis as more reliable data becomes available.

19. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The Interim Financial Information has been approved by the Board of Directors on 22 Safar 1448 AH corresponding to 5 August 2026.