

# 5. Financial Statements

Independent Auditor's Report

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Consolidated Statement of Financial Position

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Consolidated Statement of Profit or Loss and  
Other Comprehensive Income

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Consolidated Statement of Changes in Equity

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Consolidated Statement of Cash Flows

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Notes to the Consolidated Financial Statements

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**Deloitte and Touche & Co.**  
**Chartered Accountants**  
 (Professional Simplified Joint Stock Company)  
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**INDEPENDENT AUDITOR’S REPORT**

**TO THE SHAREHOLDERS OF SPECIALIZED MEDICAL COMPANY  
 (SAUDI JOINT STOCK COMPANY)  
 RIYADH, KINGDOM OF SAUDI ARABIA**

**Opinion**

We have audited the consolidated financial statements of **Specialized Medical Company** (“the Company”) and its subsidiaries (together, “the Group”), which comprise the consolidated statement of financial position as at December 31, 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 December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) 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”).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) as 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) as endorsed in the Kingdom of Saudi Arabia (“the Code”), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor’s opinion thereon, and we do not provide a separate opinion on these matters.



**Deloitte and Touche & Co.**  
**Chartered Accountants**

**INDEPENDENT AUDITOR’S REPORT (CONTINUED)  
 TO THE SHAREHOLDERS OF SPECIALIZED MEDICAL COMPANY  
 (SAUDI JOINT STOCK COMPANY)**

**Key Audit Matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Group reported revenue of SR 1.54 billion in the consolidated statement of profit or loss and other comprehensive income.</p> <p>The Group predominantly earns revenue from medical services to inpatient, outpatient and the sale of medicines.</p> <p>The Group recognizes revenue from patient services when the services are provided to the patient. Revenue from outpatient services is recognized once the service has been rendered, whereas revenue from inpatient services is recognized over the period that the services are rendered.</p> <p>Revenue is recognized at the amount of the transaction price, net of discounts and expected rejections.</p> <p>Revenue from the sale of medicines is recognized when the medicine is delivered or administered to the patient or customer .</p> <p>The amount of revenue recognized is subject to variability as a result of the existence of discounts relating to, inter alia, early payment and volume discounts as well as expected rejections. Management makes significant estimates to determine the level of expected rejections, which are based on historical rejection rates:</p>	<p>Our audit procedures included, inter alia, the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the process adopted by management to measure and recognize revenue from healthcare services, including the key controls in this process.</li> <li>• We assessed the abovementioned controls to determine if they were appropriately designed and implemented.</li> <li>• Assessed the Group’s policies for recognizing revenue against the requirements of IFRSs that are endorsed in the Kingdom of Saudi Arabia.</li> <li>• Evaluated the significant judgements applied and estimates made by management to determine variable considerations related to expected rejections by:                         <ul style="list-style-type: none"> <li>○ assessing management’s estimation methodology, which includes applying historical trends to current balances as well as taking into account most recent available information; and</li> <li>○ recalculating early payment and volume discounts.</li> </ul> </li> </ul>



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Chartered Accountants

**INDEPENDENT AUDITOR’S REPORT (CONTINUED)  
TO THE SHAREHOLDERS OF SPECIALIZED MEDICAL COMPANY  
(SAUDI JOINT STOCK COMPANY)**

**Key Audit Matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<p>We identified revenue recognition as a key audit matter as a result of the following factors:</p> <ul style="list-style-type: none"> <li>the level of estimates made by management;</li> <li>the requirement contained within ISAs which causes us to presume that revenue is materially misstated due to fraud;</li> <li>the quantitative significance of the amount to the consolidated financial statements; and</li> <li>the level of audit effort required.</li> </ul> <p><i>Refer to note 2.24 in the consolidated financial statements for the accounting policy related to revenue recognition, note 3(d) for key judgements and estimates related to revenue recognition and note 22 for further details of the revenue recognized during the year.</i></p>	<ul style="list-style-type: none"> <li>Performing a retrospective review, on a sample basis, of actual claims settled against original gross claims to assess the rejection rates made by management.</li> <li>Utilizing our Data Analytics experts to match hospital information system inputs to the corresponding service invoices and further matching these invoices to insurance claims and cashier collections.</li> <li>We selected samples of recorded revenue transactions which occurred before and after the reporting date to determine if these transactions were recorded in the correct year.</li> </ul> <p>We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs that are endorsed in the Kingdom of Saudi Arabia.</p>

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Deloitte and Touche & Co.  
Chartered Accountants

**INDEPENDENT AUDITOR’S REPORT (CONTINUED)  
TO THE SHAREHOLDERS OF SPECIALIZED MEDICAL COMPANY  
(SAUDI JOINT STOCK COMPANY)**

**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 IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies 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.

**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 judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls 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.



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Chartered Accountants

**INDEPENDENT AUDITOR’S REPORT (CONTINUED)  
TO THE SHAREHOLDERS OF SPECIALIZED MEDICAL COMPANY  
(SAUDI JOINT STOCK COMPANY)**

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

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Deloitte and Touche & Co.**  
Chartered Accountants

Waleed bin Moh'd Sobahi  
Certified Public Accountant  
License No. 378



Ramadan 23, 1447 AH  
March 12, 2026



**SPECIALIZED MEDICAL COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS OF DECEMBER 31, 2025

	Notes	As of December 31,	
		2025 (SAR)	2024 (SAR)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	246,702,575	92,487,981
Financial assets at FVTPL	5	2,742,437	-
Trade receivables	6	459,343,034	406,603,950
Due from related parties	7	2,897,722	6,545,669
Inventories	8	27,158,904	22,762,339
Other current assets	9	46,265,520	54,460,047
<b>Total current assets</b>		<b>785,110,192</b>	<b>582,859,986</b>
<b>Non-current assets</b>			
Property and equipment	10	1,251,608,196	1,259,153,397
Right-of-use assets	11	263,122,530	201,878,285
Investments in equity instruments at FVTPL	12	100,000,000	-
<b>Total non-current assets</b>		<b>1,614,730,726</b>	<b>1,461,031,682</b>
<b>Total assets</b>		<b>2,399,840,918</b>	<b>2,043,891,668</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Due to related parties	7	1,000,447	384,626
Trade payables	13	115,494,647	104,158,709
Lease liabilities	11	39,655,973	23,536,645
Short-term loans	14	246,523,301	490,537,492
Long-term loans - current portion	15	57,551,020	57,551,020

**SPECIALIZED MEDICAL COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**  
AS OF DECEMBER 31, 2025

	Notes	As of December 31,	
		2025 (SAR)	2024 (SAR)
Government loan	16	-	2,747,992
Deferred government grant	16	-	96,177
Zakat payable	17	9,837,798	8,351,552
Other current liabilities	18	81,965,204	81,231,888
<b>Total current liabilities</b>		<b>552,028,390</b>	<b>768,596,101</b>
<b>Non-current liabilities</b>			
Trade payables	13	-	329,686
Lease liabilities	11	253,628,195	201,991,562
Long-term loans – non-current portion	15	228,775,511	86,326,531
Employees defined benefits liabilities	19	177,554,868	159,552,201
<b>Total non-current liabilities</b>		<b>659,958,574</b>	<b>448,199,980</b>
<b>Total liabilities</b>		<b>1,211,986,964</b>	<b>1,216,796,081</b>
<b>Equity</b>			
Share capital	20	250,000,000	250,000,000
Statutory reserve	21	49,653,238	49,653,238
Retained earnings		888,200,716	527,442,349
<b>Total equity</b>		<b>1,187,853,954</b>	<b>827,095,587</b>
<b>Total Liabilities and equity</b>		<b>2,399,840,918</b>	<b>2,043,891,668</b>

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

**SPECIALIZED MEDICAL COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	For the year ended December 31,	
		2025 (SAR)	2024 (SAR)
Revenue	22	1,538,460,468	1,437,825,324
Cost of revenue	23	(1,155,569,572)	(1,075,825,030)
<b>Gross profit</b>		<b>382,890,896</b>	<b>362,000,294</b>
Selling and marketing expenses	24	(15,993,616)	(8,949,370)
General and administrative expenses	25	(123,546,497)	(115,775,408)
<b>Operating profit</b>		<b>243,350,783</b>	<b>237,275,516</b>
Finance costs	26	(50,935,691)	(52,156,822)
Other income	27	80,085,220	8,536,373
<b>Profit before zakat</b>		<b>272,500,312</b>	<b>193,655,067</b>
Zakat	17	(6,273,672)	(8,435,573)
<b>Profit for the year</b>		<b>266,226,640</b>	<b>185,219,494</b>
<b>Earnings per share (EPS)</b>			
Basic and diluted EPS	28	1.06	0.74
<b>Other comprehensive income:</b>			
<b>Items which will not be reclassified subsequently to profit or loss:</b>			
Re-measurement of employees defined benefits liabilities	19	(5,468,273)	(3,173,132)
<b>Total other comprehensive loss for the year</b>		<b>(5,468,273)</b>	<b>(3,173,132)</b>
<b>Total comprehensive income for the year</b>		<b>260,758,367</b>	<b>182,046,362</b>

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

**SPECIALIZED MEDICAL COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	Share capital (SAR)	Statutory reserves (SAR)	Retained earnings (SAR)	Total equity (SAR)
<b>For the year ended December 31, 2024</b>					
Balance as of December 31, 2023		85,000,000	49,653,238	710,395,987	845,049,225
Profit for the year		-	-	185,219,494	185,219,494
Total other comprehensive loss		-	-	(3,173,132)	(3,173,132)
<b>Total comprehensive income for the year</b>					
<b>Transactions with owners in their capacity as owners:</b>					
Transfer during the year	29	165,000,000	-	(165,000,000)	-
Dividends	30	-	-	(200,000,000)	(200,000,000)
Balance as of December 31, 2024		250,000,000	49,653,238	527,442,349	827,095,587
<b>For the year ended December 31, 2025</b>					
Balance as of December 31, 2024		250,000,000	49,653,238	527,442,349	827,095,587
Profit for the year		-	-	266,226,640	266,226,640
Total other comprehensive loss		-	-	(5,468,273)	(5,468,273)
<b>Total comprehensive income for the year</b>					
<b>Transactions with owners in their capacity as owners:</b>					
Refund dividends	7	-	-	100,000,000	100,000,000
Balance as of December 31, 2025		250,000,000	49,653,238	888,200,716	1,187,853,954

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

**SPECIALIZED MEDICAL COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

Cash flows from operating activities	Notes	For the year ended December 31,	
		2025 (S)	2024 (S)
Profit before zakat		272,500,312	193,655,067
<b>Adjustments for non-cash items:</b>			
Depreciation of property and equipment	10	62,456,577	58,466,711
Depreciation of right-of-use assets	11	30,595,506	29,012,344
Expected credit loss charged	6	12,635,319	9,678,156
Amortization of government grant	16	(96,177)	(189,110)
Employees defined benefits liabilities charged	19	18,755,968	19,112,901
Finance costs	26	50,935,691	51,967,712
(Gain) / Loss from disposal property and equipment	27	(60,487,355)	2,293,977
Realized & unrealized loss on financial assets at FVTPL	5	391,178	-
<b>Cash flows from operating activities before changes in working capital items</b>		<b>387,687,019</b>	<b>363,997,758</b>
Trade and other receivables		(65,374,403)	92,163,892
Due from related parties		3,647,947	(5,531,137)
Inventories		(4,396,565)	3,185,982
Other current assets		8,194,527	(19,286,221)
Due to related parties		615,821	(510,898)
Trade payables		11,006,252	(10,989,870)
Other current liabilities		733,316	(7,971,871)
<b>Cash generated from operating activities</b>		<b>342,113,914</b>	<b>415,057,635</b>
Zakat paid	17	(4,787,426)	(5,798,663)
Employees defined benefits liabilities paid	19	(14,587,000)	(25,474,596)
<b>Net cash generated from operating activities</b>		<b>322,739,488</b>	<b>383,784,376</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	10	(64,661,904)	(67,471,090)
Additions on projects under progress	10	(29,797,460)	(26,795,835)
Proceeds from disposal of property and equipment		35,343	930,513
Additions on financial assets at FVTPL	5	(7,072,566)	-

**SPECIALIZED MEDICAL COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED STATEMENT OF CASH FLOW (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

Cash flows from operating activities	Notes	For the year ended December 31,	
		2025 (S)	2024 (S)
Proceeds from sold financial assets at FVTPL	5	3,938,951	-
<b>Net cash used in investing activities</b>		<b>(97,557,636)</b>	<b>(93,336,412)</b>
<b>Cash flows from financing activities</b>			
Refund dividends	7	100,000,000	-
Dividends paid	30	-	(200,000,000)
Proceeds from short term loans		658,279,809	760,537,492
Repayment of short term loans		(902,294,000)	(685,000,000)
Proceeds from long term loans	15	200,000,000	-
Repayment of long term loans	15	(57,551,020)	(57,551,020)
Repayment of government loan	16	(2,747,992)	(2,655,063)
Payment of lease liabilities	11	(34,219,665)	(25,307,878)
Finance cost paid		(32,434,390)	(35,806,499)
<b>Net cash used in financing activities</b>		<b>(70,967,258)</b>	<b>(245,782,968)</b>
<b>Net increase in cash and cash equivalents during the year</b>		<b>154,214,594</b>	<b>44,664,996</b>
Cash and cash equivalents as of January 1		92,487,981	47,822,985
<b>Cash and cash equivalents as of December 31</b>	<b>4</b>	<b>246,702,575</b>	<b>92,487,981</b>
<b>Non-cash transactions</b>			
Investments in equity instruments at FVTPL	10 & 12	100,000,000	-
Transfer of projects under progress to property and equipment	10	235,000	29,234,646
Additions of right of use assets and lease liabilities	11	91,839,751	1,643,718
Re-measurement of employees defined benefits liabilities	19	(5,468,273)	(3,173,132)
Increase share capital through retained earnings	29	-	165,000,000

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

**SPECIALIZED MEDICAL COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**1. COMPANY INFORMATION AND ACTIVITIES**

Specialized Medical Company is a Saudi Closed Joint Stock Company (hereinafter referred to as the "Company") operating in the Kingdom of Saudi Arabia under Commercial Registration number 1010123832 dated 24 April 1994 (corresponding 13 Dhul Qa'dah 1414H). On 26 March 2025 (corresponding 26 Ramadan 1446H) the Company obtained regulatory approval to proceed with its Initial Public Offering (IPO). On 25 June 2025 (corresponding 29 Dhul Hijjah 1446H) The Company completed its Initial Public Offering (IPO) and its shares were listed on main Saudi stock exchange – Saudi Tadawul Group – and started trading with the symbol 4019 and ISIN code SA16BOCHUPH2 accordingly the Company was converted from (Saudi Closed Joint Stock Company) to (Saudi Joint Stock Company).

The Company operates its activities under the following Ministry of Health Licenses:

Branch Name	License Number	License Date
SMC hospital – King Fahad Road	1410101001200015	May 12, 1999
Diet World center	1410106408400004	Nov 26, 2008
Specialized Medical Center hospital	1410101009700085	April 22, 2014
SMC Medical Clinics	1400090183	Oct 22, 2025

The principal activities of the Company are the management and operation of hospitals, clinics, medical centers and healthy food services, as well as hospital and medical facilities maintenance and non-medical operations. Additional activities include the production of cooked and non-cooked food and the management and operations of restaurants and food related services.

The registered address of the company's office is Building No. 6678, located on King Fahd Road, Al Olaya District, Secondary Number 4405, Postal Code 12311, Riyadh.

**SPECIALIZED MEDICAL COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**1. COMPANY INFORMATION AND ACTIVITIES (Continued)**

These consolidated financial statements include the financial information of the Company, its subsidiary and the following branches, which operate under separate commercial registrations:

Branch Name	Commercial Registration No.	Branch Activities	Address	Commercial Registration Date
Specialized Medical Center hospital – SMC 1 - King Fahad Road	1010150227	Hospitals	Riyadh	June 24, 1998
Diet World – SMC	1010156585	Catering centers; activities of contractors providing food services; operation of catering services in sports facilities and similar venues under a defined franchise system; activities of contractors providing food services to aircraft.	Riyadh	Dec 4, 1999
Specialized Medical Center hospital – SMC 2 - King Abdullah Road	1010413585	Hospitals	Riyadh	May 8, 2014
Specialized Medical Company – SMC	1010431691	Hospitals; medical care hospitals; hospitals for addiction treatment and rehabilitation; medical operation of hospitals; general medical complexes; medical clinics.	Riyadh	Mar 23, 2015
Specialized Medical Company – SMC 3 – Northern Ring Road	1010851377	Public hospitals	Riyadh	Dec 28, 2022

**SPECIALIZED MEDICAL COMPANY**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION**

The following are the material accounting policies adopted by the Group's management in the preparation of these consolidated financial statements. These policies have been applied consistently to all periods presented, unless otherwise stated.

**2-1 Basis of Preparation of the Consolidated Financial Statements**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), collectively referred to as "IFRS".

The consolidated financial statements have been prepared under the historical cost principle, except where otherwise stated.

The consolidated financial statements have been prepared on the going concern basis.

The consolidated financial statements have been prepared on the accrual basis of accounting.

The Saudi Riyal (SAR) is the presentation currency of the consolidated financial statements and represents the Group's functional currency. All amounts are rounded to the nearest Saudi Riyal (SAR), unless otherwise stated.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued and endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in (Note 3).

**2-2 Basis of Preparation of the Consolidated Financial Statements**

The consolidated financial statements of the Group include the financial statements of the Company and its controlled subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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.

**SPECIALIZED MEDICAL COMPANY**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-2 Basis of Preparation of the Consolidated Financial Statements (Continued)**

- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting 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 with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Group. All intra-group assets and liabilities, equity, income, expenses, and profits or losses arising from transactions between the Group and its subsidiaries are eliminated in full. The Company and its subsidiaries follow the same reporting period.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Included in consolidated statement of income: income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidation of a subsidiary commences when the Group obtains control over the subsidiary and ceases when the Group loses control. The revenue and expenses of a subsidiary or disposed entity for the year are included in the consolidated profit or loss and other comprehensive income from the date the Group obtains control until the date the Group ceases to have control over the subsidiary.

The Company accounts for business combinations using the acquisition method when control is transferred to the Company. Consideration transferred at acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any excess of the acquisition cost over the fair value of the identifiable net assets acquired is recognized as goodwill in the consolidated statement of financial position.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**2-2 Basis of Preparation of the Consolidated Financial Statements (Continued)**

The Company has the following subsidiaries:

Name	Country of Incorporation	Activities	Ownership Percentage	
			2025	2024
International Specialized Food Company	Saudi Arabia	Food and catering services	100%	100%
Al-Mukhattis Al-Sahi Medical Company	Saudi Arabia	Hospitals for the treatment, rehabilitation and medical operation of addicts	51%	-

As of the financial reporting date, Al-Mukhattis Al-Sahi Medical Company has not commenced operations. Additionally, the capital contribution required for the subsidiary has not been paid.

**2-3 Changes in accounting policy and disclosures**

New and amended standards and interpretations issued and adopted by the Group in the financial year beginning on 1 January 2025

Standard/ interpretation	Description	Effective from Periods Beginning on or After
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

The amendment listed above did not have any material impact on the Group’s consolidated financial statements.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2-3 Changes in accounting policy and disclosures (continued)**

New and amended standards and interpretations issued but not yet effective and not early adopted

Standard/ interpretation	Description	Effective from Periods Beginning on or After
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity’s financial statements.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of international Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**2-3 Changes in accounting policy and disclosures (continued)**

Standard/ interpretation	Description	Effective from Periods Beginning on or After
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**2-3 Changes in accounting policy and disclosures (continued)**

The management is still in the process of evaluating the impact of these new amendments on the Group's consolidated financial statements, and it believes that there will be no significant impact on the consolidated financial statements when they are implemented.

There are no other standards from the approved financial reporting standards in the Kingdom of Saudi Arabia, nor amendments to published standards or other interpretations issued by the Saudi Organization for Chartered and Professional Accountants, that have been issued but not yet applied for the first time to the Group's financial year beginning on January 1, 2025, and are expected to have a material impact on the Group's consolidated financial statements.

**2-4 Classification of Current and Non-Current**

The Group presents assets and liabilities in the consolidated statement of financial position based on their classification as current and non-current.

**Assets are classified as current when:**

- It is expected to be realized or intended to be sale or consume in the normal operating cycle;
- It is held primarily for trading purposes;
- It is expected to be realize within 12 months after the reporting period; or;
- It is in the form of cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

**Liabilities are classified as current when:**

- It is expected to be settled in the normal operating cycle;
- It is held primarily for trading purposes;
- It is due for settlement within 12 months after the reporting period; or;

There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-5 Foreign currency translation****(A) Functional and presentation currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in (ﷲ) which is the Group functional and presentation currency.

**(B) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in the consolidated statement of profit or loss.

**2-6 Financial Instruments**

Financial instruments are recognized when the Group becomes a party to the contractual terms of the instrument. A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

**Financial assets**

The Group classifies all financial assets and subsequently measures them either at amortized cost or at fair value. The classification is based on the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset, which are determined at initial recognition.

Financial assets are classified into the following categories under IFRS 9:

- Debt instruments at amortized cost;
- Debt instruments at fair value through other comprehensive income, with gains or losses reclassified to other comprehensive income upon derecognition;
- Equity instruments at fair value through other comprehensive income, with gains or losses not reclassified to profit or loss upon derecognition;
- Financial assets at fair value through profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-6 Financial Instruments (continued)****Financial Assets Measured at Amortized Cost**

Debt instruments that meet the following criteria are subsequently measured at amortized cost, less any impairment losses (except for debt investments classified at fair value through other comprehensive income at initial recognition):

- The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

If a financial asset does not meet both of these criteria, it is measured at fair value

**Financial Assets at Fair Value through Other Comprehensive Income**

Debt instruments that meet the following criteria are subsequently measured at fair value through other comprehensive income:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

**Investment in Equity Instruments Measured at Fair Value Through Other Comprehensive Income (FVOCI)**

Upon initial recognition, the Group has the irrevocable option (on an instrument-by-instrument basis) to designate its investments in equity instruments at fair value through other comprehensive income. Classification of an instrument at fair value through other comprehensive income is not permitted if the equity investment is held for trading purposes or if it represents a contingent consideration recognized by the acquirer in a business combination.

As of the reporting date, the Group does not hold any equity instruments classified at fair value through other comprehensive income.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-6 Financial Instruments (continued)****Impairment of Financial Assets**

The Group applied IFRS 9 – Financial Instruments to measure the expected credit loss (ECL) model for all financial assets measured at amortized cost.

The Group has four types of financial assets that are subject to the expected credit loss model under IFRS 9:

1. Trade receivables.
2. Due from related parties.
3. Other current assets (excluding prepaid expenses).
4. Bank balances.

Trade receivables: The Group applied the simplified approach under IFRS 9 to measure the expected credit losses, which uses a lifetime expected loss provision for trade receivables.

To measure expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the number of days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators of no reasonable expectation of recovery include, among others, the debtor's failure to agree on a repayment plan with the Group or failure to make contractual payments. Impairment losses on trade receivables are presented within profit from operations in the consolidated statement of profit or loss under administrative and general expenses. Subsequent recoveries of amounts previously written off are recognized in the same line item.

**Derecognition of Financial Assets**

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when the financial asset is transferred along with substantially all the risks and rewards of ownership to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership but retains control over the transferred asset, the Group recognizes its retained interest in the asset and the associated liabilities for amounts it may have to settle. If the Group retains substantially all the risks and rewards of the transferred financial asset, it continues to recognize the financial asset, and also recognizes any secured loans related to the income received.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-6 Financial Instruments (continued)****Financial Liabilities**

Financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument and are classified at initial recognition as financial liabilities at fair value through profit or loss, loans, trade payables, or derivative financial instruments designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are initially measured at fair value, and in the case of loans and trade payables, they are presented net of directly attributable transaction costs.

The Group's financial liabilities consist of trade payables, term loans, and amounts due to related parties.

Financial liabilities are classified into the following categories in accordance with IFRS 9 – Financial Instruments:

- Financial liabilities measured at amortized cost;
- Financial liabilities designated at fair value through profit or loss.

**Financial Liabilities Measured at Amortized Cost**

This category is the most relevant to the Group. After initial recognition, interest-bearing loans are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the consolidated statement of profit or loss upon derecognition of the liabilities, as well as through the EIR amortization process.

Amortized cost is calculated taking into account any premium or discount at acquisition, as well as fees or transaction costs that are considered an integral part of the effective interest rate. The EIR amortization is recognized as finance costs in the consolidated statement of profit or loss.

**Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and current liabilities designated at initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in accordance with IFRS 9. Similarly, derivatives included under other separate financial instruments are classified as held for trading unless they are designated as effective hedging instruments.

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FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-6 Financial Instruments (continued)**

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss. Financial liabilities designated at initial recognition at fair value through profit or loss are designated at the date of initial recognition only if they meet the requirements of IFRS 9. The Group has not designated any financial liabilities as "financial liabilities at fair value through profit or loss".

**Derecognition of Financial Liabilities**

Financial liabilities are derecognized when the obligation specified in the contract is settled, cancelled, or expired. In the case of exchange of existing financial liabilities for new ones with the same lender under substantially different terms, or a modification of the terms of existing financial liabilities, such an exchange or modification is treated as derecognition of the original liabilities and recognition of new liabilities. The difference between the carrying amounts is recognized in the consolidated statement of profit or loss.

**Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and presented on a net basis in the consolidated statement of financial position only when there is a currently enforceable legal right to set off the recognized amounts and the Group intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**Derivative Financial Instruments**

Derivative financial instruments are recognized at fair value on the date the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are recorded as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

**2-7 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. Fair value measurement assumes that the sale of the asset or transfer of the liability will take place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.

Fair value of an asset or liability is measured assuming that market participants would act in their economic best interests when pricing the assets or liabilities. Measurement of fair value for non-financial assets takes into account the ability of market participants to derive economic benefits through the asset's highest

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FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-7 Fair Value Measurement (continued)**

and best use or by selling it to other market participants who would use the asset in the best and most efficient manner. The Group uses appropriate valuation techniques based on the circumstances and sufficient data available to measure fair value, emphasizing the use of observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or disclosed in the consolidated financial statements are classified within the following fair value hierarchy, based on the lowest-level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** Valuation techniques using observable inputs, either directly or indirectly, that are significant to the fair value measurement.
- **Level 3:** Valuation techniques using unobservable inputs that are significant to the fair value measurement.

For assets and liabilities that are measured at fair value on a recurring basis in the consolidated financial statements, the Group assesses whether any transfers have occurred between levels of the fair value hierarchy by reassessing the classification (based on the lowest-level input that is significant to the overall fair value measurement) at the end of each reporting period.

**2-8 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, bank balances, and short-term deposits with original maturities of three months or less, which are readily convertible to cash and are subject to an insignificant risk of changes in value.

**2-9 Financial assets at fair value through profit or loss (FVTPL)**

Initial recognition of financial assets at fair value through profit or loss (FVTPL) is made in accordance with IFRS 9 at fair value, including any directly attributable transaction costs when acquired for trading purposes. Transaction costs are recognized directly in the consolidated statement of profit or loss. Subsequently, these assets are measured at fair value at each reporting date, with any changes in fair value recognized directly in the consolidated statement of profit or loss under gains or losses on financial instruments at fair value. Dividend income is recognized in the consolidated statement of profit or loss when the right to receive it is established. Financial assets are derecognized and removed from the consolidated financial statements upon sale or expiry of ownership, with any difference between the net proceeds from sale and the carrying amount recognized in the consolidated statement of profit or loss.

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

**2-11 Related Parties**

The Group discloses the volume of transactions during the reporting period, the nature of the relationships, and the outstanding balances at the end of the reporting period, in addition to the terms and conditions, including pricing policies with related parties, in accordance with IAS 24 – Related Party Disclosures.

A related party is any person or entity that has a relationship with the Group preparing the consolidated financial statements. Related parties include:

- Associates and joint ventures.
- Key management personnel and their close family members.
- Entities under the control or significant influence of the parent company, key management personnel, or their close family members.

Transactions with related parties are recognized and recorded on an arm’s length basis, similar to transactions with independent parties, unless otherwise disclosed. Outstanding balances with related parties at the reporting date are presented in the consolidated statement of financial position under amounts due from related parties or amounts due to related parties, and are not offset unless permitted under the applicable standards. Expected credit loss provisions related to receivables from related parties are assessed and recorded in accordance with IFRS 9.

**2-12 Inventories**

Inventory includes costs incurred in acquiring the inventory and costs incurred to bring it to its present location and condition. Inventory is measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventory is determined using the weighted average method for all inventory items, except for pharmaceuticals and food items, for which the first-in, first-out (FIFO) method is used. The cost of inventory is recognized as an expense in the period in which it is incurred and is included in the consolidated statement of profit or loss under cost of revenue.

The Group performs a comprehensive review of all spare parts to determine whether there is a need to record a provision for obsolete or unusable items. According to the terms of agreements with suppliers, the Group has the right to return pharmaceutical products nearing expiration to the supplier.

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**2-13 Other current assets**

Other current assets primarily consist of prepaid expenses, including, but not limited to, advances to suppliers and prepaid expenses. They are recognized when the Group has:

- Is likely to receive future economic benefits;
- Is expected to realize, or consume them within the Group’s normal operating cycle or within twelve months from the reporting date; and
- Can reliably measure their value.

Other current assets are initially measured at cost. After initial recognition, they are subsequently measured at cost less any provision for impairment, if applicable. Management assesses at the end of each reporting period whether there is objective evidence of impairment of other current assets, and if such evidence exists, impairment losses are recognized in the consolidated statement of profit or loss.

**2-14 Property and Equipment’s**

Property and equipment are recognized at historical cost less accumulated depreciation and any impairment losses, if applicable. Historical cost includes direct costs incurred in acquiring the items. Subsequent expenditures are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of a separately recognized asset is derecognized upon its replacement. All other maintenance and repair costs are recognized in the consolidated statement of profit or loss as incurred.

Depreciation is allocated over the estimated useful lives of the assets on a straight-line basis, commencing when the assets are ready for their intended use. The estimated useful lives, residual values, and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for prospectively.

The Group has estimated depreciation rates for each category of property and equipment as follows:

Category	Depreciation Percentage
Building and renovation	1.75% to 6.67%
Medical equipment’s	10%
Furniture and fixtures	10% to 20%
Computers and Software	10% to 25%
General equipment’s	6.67% to 10%
Motor vehicles	25%

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Expenditures incurred to replace any part of property and equipment items accounted for separately are capitalized, and the carrying amount of the replaced item is derecognized. Other subsequent expenditures are capitalized only when they increase the future economic benefits of the related property and equipment item. All borrowing costs are recognized in the consolidated statement of profit or loss as incurred.

Any item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) are recognized in the consolidated statement of profit or loss in the period in which the asset is derecognized.

The residual value of an asset is estimated as the amount the Group could currently obtain from disposal of the asset, less estimated disposal costs, assuming the asset is in the condition expected at the end of its useful life. Residual values and useful lives of assets are reviewed and adjusted, if appropriate, at the end of each reporting period.

**Projects under construction**

These represent the Group's hospital projects under construction. They are recorded at cost, less any recognized impairment losses, (if applicable). Cost includes directly attributable expenditures on these projects and capitalized borrowing costs for qualifying assets in accordance with the Group's accounting policy. Upon completion and when the assets are ready for their intended use, these projects are classified into the appropriate property and equipment categories. Depreciation commences on the same basis as other items of property and equipment when the assets are ready for their intended use.

**2-15 Right-of-Use Assets and Lease Liabilities**

The Group recognizes right-of-use assets and lease liabilities for a variety of lease contracts, including hospital land and buildings, administrative office buildings, outpatient clinics buildings, staff accommodation buildings, and medical equipment. Lease terms range from 2 to 23 years. Each lease payment is allocated between the lease liability and finance cost. The Group classified cash payments for the principal and finance cost components of lease contracts as financing activities in the consolidated statement of cash flows. Finance costs are charged to the consolidated statement of profit or loss over the lease term so as to achieve a constant periodic interest rate on the remaining lease liability balance. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments for short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of profit or loss. Short-term leases are leases with a term of 12 months or less.

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Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Lease agreements do not impose any collateral obligations, but the leased assets cannot generally be used as security for borrowing purposes. When determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options are included in the lease term only if the lease is reasonably certain to be extended. In determining the lease term, management considers factors including historical lease periods, significant improvements made to leased properties that provide substantial economic benefits over the lease term, the importance of the leased asset to the Group's operations, and whether alternatives are available that would disrupt operations requiring replacement of the leased asset.

**2-16 Investments in Equity Instruments at Fair Value through Profit or Loss (FVTPL)**

Investments in equity instruments are initially recognized at fair value through profit or loss, including any directly attributable transaction costs. Subsequently, these investments are measured at fair value at each reporting date, with any changes in fair value recognized directly in the consolidated profit or loss under fair value gains or losses on financial instruments. Dividend income is recognized in the consolidated profit or loss when the right to receive payment is established, unless it represents a recovery of the investment cost. Investments are derecognized and removed from the consolidated financial statements upon disposal or expiration of ownership rights, with any difference between the net proceeds from disposal and the carrying amount recognized in the consolidated profit or loss.

**2-17 Impairment of Non-Financial Assets**

Non-financial assets subject to depreciation or amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For non-depreciable/non-amortizable assets, impairment is reviewed at the date of each reporting period. An impairment loss is recognized to the extent that the carrying amount of an asset exceeds its recoverable amount, which is the fair value of the asset less costs of disposal for the purpose of measuring impairment. Assets are grouped at the lowest levels for which identifiable cash flows exist independently (cash-generating units).

Non-financial assets, except for goodwill that has suffered impairment, are reviewed for potential reversal of impairment at the end of each reporting period. When previously recognized impairment losses are reversed, the carrying amount of the asset (or cash-generating unit) is increased to its revised recoverable amount, provided that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment losses been recognized in prior years. Reversal of impairment losses is recognized directly in the consolidated statement of profit or loss.

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FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-18 Trade payables**

Trade payables represent liabilities for goods and services acquired from suppliers in the ordinary course of business. They are classified as current liabilities if payment is due within one year or less; otherwise, they are presented as non-current liabilities. Trade payables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

**2-19 Loans**

Loans are initially recognized at fair value, net of any transaction costs incurred, and are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of profit or loss over the term of the loans using the effective interest method. Loans are derecognized from the consolidated statement of financial position when the specified obligation under the contract is settled, cancelled, or expires. Loans are classified as current liabilities unless there is an unconditional right to defer settlement for at least 12 months from the reporting date.

**2-20 Government Grants and Loans**

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income systematically over the periods in which the related costs, intended to be compensated, are incurred. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives non-monetary grants, both the grant and the asset are recorded at nominal value, and the income is recognized in the consolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of depreciation of the asset's primary benefits through equal annual instalments. When loans or similar assistance are provided by governments or related institutions at interest rates below current market rates, the beneficial effect of this below-market interest is treated as a deferred government grant.

**2-21 Other current liabilities**

Other current liabilities primarily consist of accrued expenses, including, but not limited to, employee salaries and benefits, and provisions for legal cases. They are recognized when the Group has:

- A present or constructive obligation arising from past events.
- It is probable that an outflow of resources will be required to settle the obligation.
- The amount can be reliably estimated.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-21 Other current liabilities (continued)**

Accrued expenses are measured at the present value of the best estimate by management of the amounts expected to be paid for the financial obligations at the end of the year. Provisions are measured using a discount rate that reflects the time value of money and the risks specific to the current liabilities. When discounting is used, the increase in the provision due to the passage of time is recognized as part of finance cost in the consolidated statement of profit or loss.

**2-22 Zakat and Taxes****Zakat**

The Company and its subsidiaries are subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority. Zakat is calculated based on the provisions of the regulations using the consolidated financial statements of the Company and its subsidiaries. The calculated Zakat provision is allocated between the Company and its subsidiaries, and any difference between the provision and the final assessment is recognized in the year in which the final assessment is conducted.

**Value Added Tax (VAT)**

VAT on outputs related to revenue is payable to the Zakat, Tax and Customs Authority either (a) upon collection from customers or (b) upon delivery of goods or services to customers, whichever occurs first. VAT on inputs is generally recoverable against VAT on outputs upon receipt of a valid VAT invoice. The Zakat, Tax and Customs Authority allows for net settlement of VAT. VAT related to sales and purchases is recognized on a net basis in the consolidated statement of financial position and is disclosed separately under other current assets or other current liabilities, as applicable.

**Withholding Tax**

The Group withholds taxes on transactions with non-resident parties in accordance with the regulations of the Zakat, Tax and Customs Authority. These amounts are recorded as payables to the Authority on behalf of the party from whom the amounts are withheld and are disclosed under other current liabilities if not yet due at the reporting date.

**2-23 Employee Benefits****Short-Term Liabilities**

Liabilities arising from wages and salaries, including non-monetary benefits, accrued annual leave, and travel tickets, expected to be settled in full within 12 months after the end of the period in which employees render the related service, are classified as current liabilities under other current liabilities.

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FOR THE YEAR ENDED DECEMBER 31, 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-23 Employee Benefits (Continued)****Defined Contribution Plans**

For defined contribution plans, the Group makes mandatory contributions to the General Organization for Social Insurance, which is a defined contribution scheme. The Group has no further obligations once the contributions are paid, and these contributions are recognized as social insurance expenses in the consolidated statement of profit or loss when due.

**Defined Benefit Plans**

A defined benefit plan is an employee benefit plan that is not a defined contribution plan. The Group makes payments to employees upon resignation or termination of service, typically based on one or more factors, such as age, years of service, and final salary, provided the employee has completed the minimum service period in accordance with the Group's employment regulations.

The Group's defined benefit plans include end-of-service benefits. The recognized obligation in the consolidated statement of financial position represents the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by management using the Projected Unit Credit Method. The Group sets assumptions used to determine key cost elements to meet these future obligations, after consulting with the Group's actuary. These assumptions include those used to determine current service costs and finance costs related to the obligations.

A qualified actuary calculates the employee defined benefit obligations using the Projected Unit Credit Method.

The Group determines the interest expense on defined benefit obligations for the period by applying the discount rate used to measure the defined benefit obligations at the beginning of the annual period, taking into account any changes in the net defined benefit obligations during the year due to contributions and benefit payments. The net interest expense and other costs related to the defined benefit plans are recognized in the consolidated statement of profit or loss.

Actuarial Gains and Losses resulting from experience adjustments and changes in actuarial assumptions (remeasurements) are recognized in the consolidated statement of other comprehensive income in the period in which they occur. Past service costs are recognized immediately in the consolidated statement of profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-24 Revenue Recognition**

Revenue is the income arising in the ordinary course of the Group's activities. Revenue is recognized at the transaction price, which is the amount the Group expects to be entitled to in exchange for transferring control of promised goods or services to the customer, excluding amounts collected on behalf of third parties. Revenue is recognized net of discounts, returns, value-added tax, and other similar mandatory payments.

**The Group recognizes revenue based on the following five steps in accordance with IFRS 15:**

**Step 1:** Identify the contract(s) with the customer: a contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria to be fulfilled under each contract.

**Step 2:** Identify the performance obligations in the contract: a performance obligation is a promise in a contract with a customer to transfer a good or provide a service to the customer.

**Step 3:** Determine the transaction price: the transaction price is the amount the Group expects to be entitled to in exchange for transferring control of promised goods or services to the customer, excluding amounts collected on behalf of third parties.

**Step 4:** Allocate the transaction price to the performance obligations in the contract: for a contract with more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that reflects the consideration the Group expects to be entitled to in exchange for satisfying each performance obligation.

**Step 5:** Recognize revenue when the Group satisfies a performance obligation.

Revenue is recognized over time if the Group satisfies a performance obligation and meets one of the following criteria:

- a. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- b. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c. The Group's performance does not create an asset with an alternative use, and the Group has an enforceable right to payment for performance completed to date.

For performance obligations that do not meet any of the above criteria, revenue is recognized at the point in time when the performance obligation is satisfied.

When the Group satisfies a performance obligation by providing promised services, it creates a contract-

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based asset (contract asset) measured at the amount of consideration earned. If the amount of consideration received from the customer exceeds the recognized revenue, a contract liability is recognized.

Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractual payment terms and excluding taxes and duties. The Group evaluates its revenue arrangements against specific criteria to determine whether it acts as a principal or an agent.

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and, where applicable, the revenue and costs can be measured reliably.

**The Group recognizes revenue in the consolidated statement of profit or loss from the following sources:**

**a. Inpatient and outpatient services**

Revenue from patient services is recognized when the services are provided to the patient, adjusted for any expected discounts or reductions at the time of service. Revenue from outpatient services is recognized at a specific point in time, whereas revenue from inpatient services is recognized over a specific period. Revenue is recorded net of contractual discounts, value-added tax (VAT), any discounts granted to the patient, and other similar mandatory payments.

**b. Sale of medicines, food, and catering services**

Revenue from the sale of medicines, food, and catering services is recognized when the goods are delivered to the patient or customer and control has fully transferred. Sales are recorded net of discounts, returns, VAT, and other similar mandatory payments.

**c. Other revenue**

Other revenue is recognized on an accrual basis, including but not limited to rent, donations, bank deposit interest, and gains or losses from the disposal of property and equipment. These revenues are included in the consolidated statement of profit or loss under the "Other Revenue" line item.

**2-25 Cost of revenue and expenses**

Expenses are recognized when incurred on an accrual basis. Expenses are classified as follows:

- a. Cost of revenue:** this includes costs directly related to revenue from patient services, sales of medicines, food, and catering services, i.e., costs directly associated with revenue recognized in the consolidated statement of profit or loss.

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FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-25 Cost of revenue and expenses (Continued)**

- b. Selling and marketing expenses:** these represent the Group's efforts related to the marketing and sales department, including advertising and promotional expenses.
- c. General and administrative expenses:** all other expenses, excluding cost of revenue and selling and marketing expenses, are classified as general and administrative expenses.

Expenses are allocated between cost of revenue, selling and distribution expenses, and general and administrative expenses, when necessary, based on consistent and reasonable methods.

**2-26 Finance costs**

Borrowing costs are recognized in the consolidated statement of profit or loss using the effective interest method, except for borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets. Qualifying assets are assets that require a substantial period of time, more than one year, to be ready for their intended use. Such borrowing costs are capitalized as part of the cost of these assets until they are ready for their intended use. No borrowing costs are capitalized during periods of suspension.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument to the net carrying amount of the financial liability.

All other borrowing costs are recognized in the consolidated statement of profit or loss in the period in which they are incurred and are included under finance costs.

**2-27 Earnings Per Share (EPS)**

Basic and diluted earnings per share are calculated by dividing the profit for the year attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year.

**2-28 Dividends**

Liabilities for dividends are recognized for any dividends declared that have been appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period, but not distributed by the end of the reporting period. In accordance with the Company's Articles of Association, a shareholder is entitled to their share of dividends according to the resolution of the General Assembly, which specifies the entitlement date and the distribution date. Dividend rights apply to shareholders registered in the shareholders' register at the end of the specified entitlement date.

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FOR THE YEAR ENDED DECEMBER 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)****2-28 Dividends (Continued)**

Dividends are recognized as a direct deduction from retained earnings in the consolidated statement of changes in equity as transactions with shareholders in their capacity as owners. Any unpaid amount is presented in the consolidated statement of financial position under other current liabilities – dividends payable

**2-29 Segment Information**

An operating segment is a component of the Group engaged in activities from which it earns revenue and incurs expenses, including revenue and expenses relating to transactions with other components of the Group. Operating segments are reported in a manner consistent with internal reporting provided to the Group's chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing the performance of the operating segments. Segments whose revenue, results, or assets are ten percent or more of the total for all segments are reported separately.

**2-30 Contingent Liabilities and Assets**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events outside the Group's control. They are also disclosed when there is a present obligation from past events where it is unlikely that an outflow of resources will be required to settle it, or where a reliable estimate cannot be made. Contingent assets are not recognized in the consolidated financial statements but are disclosed when it is probable that economic benefits will flow to the Group.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****3. Critical Accounting Estimates and Judgments**

The Group makes estimates and assumptions that affect the amounts recognized in the consolidated financial statements and the carrying amounts of assets and liabilities during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, aside from those involving estimates, in the process of applying accounting policies. Judgments that have a significant impact on the amounts recognized in the consolidated financial statements, and estimates that may result in a material adjustment to the carrying amounts of assets and liabilities during the reporting period, include:

**A. Useful Lives of Property and Equipment**

The Group's management determines the estimated useful lives and residual values of property and equipment for the purpose of calculating depreciation, as described in Note (2-14). This estimate takes into account the expected use of the asset, as well as physical, technical, and commercial obsolescence, particularly for machinery and equipment.

Estimated useful lives, residual values, and depreciation methods are reviewed at the end of each financial reporting period, with the impact of any changes in estimates applied prospectively. At the end of the year, management estimated that no changes to these estimates were necessary.

**B. Provision for Expected Credit Losses**

The Group has applied IFRS 9 to measure expected credit losses (ECL), using provisions for expected losses for all financial instruments. Financial instruments are grouped according to shared credit risk characteristics and days past due, as follows:

1. Trade receivables.
2. Due from related parties.
3. Other current assets (excluding prepaid expenses).
4. Bank balances.

The key inputs in measuring expected credit losses are the term structure of the following variables:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****3. Critical Accounting Estimates and Judgments (Continued)****B. Provision for Expected Credit Losses (Continued)**

The Group applies a simplified approach to measure expected credit losses based on shared credit risk characteristics and the number of days past due. Expected loss rates are derived from published credit rates and the Group's historical information, and adjusted to reflect expected future outcomes. This information is generally obtained from internally developed statistical models, other historical data, and forward-looking information such as macroeconomic factors including inflation and GDP growth rate.

**C. Defined Employee Benefit Obligations**

The Group establishes provisions for defined employee benefit obligations in accordance with the terms and conditions of the labour system applied within the Group. These estimates require significant judgment by management in calculating such provisions.

The assumptions used in determining the cost of defined employee benefit obligations include the discount rate, employee turnover rate, mortality rate, and expected future salary increases. Any change in these assumptions will affect the amounts of defined employee benefit obligations. The Group determines appropriate assumptions at the end of each year after consulting the Group's actuary. These assumptions are used to calculate the current service cost as well as the finance cost related to the obligations. A qualified actuary calculates the defined employee benefit obligations using the projected unit credit method.

**D. Revenue from Contracts with Customers**

Recognition of revenue in accordance with IFRS 15 requires management to make the following judgments:

- **Satisfaction of Performance Obligations**

The Group evaluates all contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to establish the appropriate method for recognizing revenue.

- **Determination of Transaction Prices**

The Group determines the transaction price for all contracts with customers (primarily insurance companies). In doing so, the Group assesses the impact of any variable consideration in the contract resulting from discounts or other variable terms, as well as the existence of significant financing components and any non-cash consideration in the contract.

- **Transfer of Control in Contracts with Customers**

If the Group determines that a performance obligation is satisfied over time, revenue is recognized as control of the assets subject to the contract is transferred to the customer.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****3. Critical Accounting Estimates and Judgments (Continued)****D. Revenue from Contracts with Customers (Continued)****Medical Claim Objections**

Objections to medical claims from customers (primarily insurance companies) are estimated based on the Group's past experience and are recognized against the revenue recognized during the year. These estimates are subsequently adjusted based on actual settlements with customers (primarily insurance companies).

**E. Zakat**

The Group determines the Zakat base in accordance with the regulations and instructions issued by the Zakat, Tax and Customs Authority, based on its interpretation of the nature of items included in the Zakat base, including the classification of certain assets and liabilities as Zakat able or non-Zakat able. Provisions for potential Zakat differences, if any, are based on management's best estimate of the likelihood of additional liabilities arising from Zakat assessments for prior years, taking into account prior assessments or any correspondence with the Authority. Any additional Zakat differences are recognized when new information becomes available or a final Zakat assessment is issued. Estimates and judgments related to Zakat are reviewed regularly, and any adjustments resulting from changes in estimates are recognized in the consolidated statement of profit or loss in the period of the change.

**F. Determination of Lease Term**

The Group determines the lease term based on the non-cancellable period together with (a) periods covered by an extension option if the lessee is reasonably certain to exercise that option, and (b) periods covered by a termination option if the lessee is reasonably certain not to exercise that option. For contracts that include extension or termination options, the Group uses judgment to assess whether it is reasonably certain to exercise (or not exercise) such options. In doing so, the Group considers all relevant factors that create an economic incentive to exercise (or not exercise) the option, including current and expected performance, the cost and terms of alternatives, improvements made to the leased premises, and the duration and cost of the extension or renewal. After the commencement date of the lease, the Group reassesses whether it is reasonably certain to exercise or not exercise an option if a significant event or change in circumstances occurs that is within the Group's control and affects the previous assessment of the lease term.

**G. 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. Fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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FOR THE YEAR ENDED DECEMBER 31, 2025****3. Critical Accounting Estimates and Judgments (Continued)****G. Fair Value Measurement (Continued)**

- in the principal market for the asset or liability, or
- in the most advantageous market in the absence of a principal market.

Principal or most advantageous markets must be accessible to the Group. Fair value of assets or liabilities is measured assuming that market participants act in their economic best interest. For non-financial assets, fair value measurement considers the ability of market participants to generate economic benefits through the highest and best use of the asset or by selling it to other market participants who would use the asset in that way.

**H. Going Concern**

The Group's management has assessed the Group's ability to continue as a going concern and is confident that the Group has sufficient resources to continue its operations in the near future. Furthermore, management is not aware of any material uncertainty that may cast significant doubt on the Group's ability to continue its operations on a going concern basis. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

**I. Financial Assets at FVTPL**

The Group holds an investment interests in certain fund (refer Note 12). Based on an assessment of the relevant facts and circumstances in accordance with IFRS 10 Consolidated Financial Statements, management has concluded that the Group does not control these funds.

Control under IFRS 10 requires (i) power over the relevant activities of the investee, (ii) exposure, or rights, to variable returns from involvement with the investee, and (iii) the ability to use power to affect those returns.

Although the Group is currently the only investor in the fund, the Group does not have substantive rights to direct the relevant activities of the funds. Decision-making authority over key financial and operating activities resides with the fund manager.

As a result, the Group does not meet the definition of control and therefore does not consolidate this fund in its consolidated financial statements.

The investment is accounted for as a financial asset in accordance with IFRS 9 Financial Instruments and is measured at fair value through profit or loss.

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FOR THE YEAR ENDED DECEMBER 31, 2025****4. CASH AND CASH EQUIVALENTS**

	As of December 31,	
	2025 (SAR)	2024 (SAR)
Cash at Banks – Short-Term Deposit Accounts *	200,000,000	-
Cash at Banks – Current Accounts	46,088,145	92,001,325
Cash on Hand	614,430	486,656
	<b>246,702,575</b>	<b>92,487,981</b>

\* The maturity of short-term deposits ranges from one day to one month, depending on the Group's liquidity requirements. Such deposits are placed with financial institutions that have high credit ratings and are considered to have low credit risk. Interest income on deposits is accrued on a time-apportioned basis by reference to the outstanding principal amount and using the applicable effective interest rate.

The Group management's assessment, the impact of applying International Financial Reporting Standard (IFRS) 9 on all bank balances (short-term deposit accounts, short-term investment accounts, and current accounts) is not material. Accordingly, no impact was recognized for the years ended 31 December 2025 and 2024. The Group's management has decided to maintain these balances with financial institutions that have high credit ratings.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

Movement of financial assets at FVTPL	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	-	-
Additions during the year	7,072,566	-
Unrealized losses (note 27)	(1,566,383)	-
Realized gains (note 27)	1,175,205	-
Disposals during the year	(3,938,951)	-
<b>Balance as of the ending of the year</b>	<b>2,742,437</b>	<b>-</b>

Financial assets at fair value through profit or loss consist of securities traded on the Saudi Stock Exchange – Saudi Tadawul Group – and are measured at fair value. The fair value is determined based on the closing prices traded on the Saudi Stock Exchange – Saudi Tadawul Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**6. TRADE RECEIVABLES**

	As of December 31,	
	2025 (SAR)	2024 (SAR)
Trade receivables	490,243,558	424,869,155
Less: Allowance of expected credit losses	(30,900,524)	(18,265,205)
	<b>459,343,034</b>	<b>406,603,950</b>

Movement of allowance of expected credit losses	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	18,265,205	86,653,689
Charged during the year	12,635,319	9,678,156
Written-off during the year	-	(78,066,640)
<b>Balance as of the ending of the year</b>	<b>30,900,524</b>	<b>18,265,205</b>

The expected credit loss allowance for trade receivables is determined in accordance with the provision matrix pre-sented in the table below. The provision matrix is based on the number of days past due of the financial asset

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FOR THE YEAR ENDED DECEMBER 31, 2025**6. TRADE RECEIVABLES (Continued)**

Aging Analysis of Trade Receivables	As of December 31,	
	2025 (SAR)	2024 (SAR)
Not due	160,686,095	123,084,932
1 – 90 days	136,689,429	141,102,575
91 – 180 days	83,699,832	73,840,347
181 – 270 days	16,999,679	53,759,520
271- 360 days	4,751,780	5,352,634
More than 360 days	87,416,743	27,729,147
<b>Total carrying amount of trade receivables</b>	<b>490,243,558</b>	<b>424,869,155</b>
<b>Analysis of expected credit loss allowance by aging of trade receivables</b>		
Not due	-	-
1 – 90 days	1,746,014	2,053,805
91 – 180 days	2,400,922	1,287,478
181 – 270 days	1,105,519	1,823,844
271- 360 days	624,951	927,379
More than 360 days	25,023,118	12,172,699
<b>Total allowance for expected credit losses</b>	<b>30,900,524</b>	<b>18,265,205</b>
<b>Net carrying amount of trade receivables</b>	<b>459,343,034</b>	<b>406,603,950</b>

\*\*As of 31 December 2025, approximately 91.5% of the Group's trade receivables balance was due from government entities and insurance companies (31 December 2024: 92.2%).

Based on the Group management's past experience, it is expected that all trade receivables will be collected. Accordingly, the Group does not have a policy of obtaining collateral in respect of trade receivables.

The Group's credit terms require trade receivables to be settled within 30–90 days, depending on the type of customer, which is consistent with the healthcare business. Given the credit period granted to customers, a significant portion of trade receivables is not past due and their value has not decreased – classified as not due.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**7. TRANSACTIONS AND BALANCES WITH RELATED PARTY**

Related parties include shareholders, companies owned by them, members of the Board of Directors, and their relatives. During its ordinary course of business, the Group conducted transactions with related parties in accordance with terms approved by the Group's management.

Name of Related Party	Relationship
Saudi Bonyan Company	Owned by one of the shareholders
Snow Bright Laundry Company	Owned by one of the shareholders
Advance Food Company	Owned by one of the shareholders
Adeem Al Sahra Trading Company	Owned by one of the shareholders
Cotton Experts Company	Owned by one of the shareholders
Bonyan Reit Fund	Owned by one of the shareholders
Food Aroma Company	Owned by one of the shareholders
Danah Real Estate Company	Owned by a close family member of a shareholder
Khalid Medical Clinic Company	Owned by a close family member of a shareholder
Resaleh Mubashera Trading Est	Owned by a close family member of a shareholder
Wakillk for law and legal advice Company	Owned by a close family member of a shareholder
Invention Code Company	Owned by a close family member of a shareholder
Abdulrahman Saad Al-Rashid & Sons Company	Shareholder
Abdullah Saad Al Rashid & Sons Company	Shareholder
Rashid Saad Al Rashid & Sons Company	Shareholder
Al-Thomad Travel and Tourism Company	Shareholder
Dr. Khalid Al Sebaiaiy	Shareholder
Dr. Mohammad Saleh Al Konbaz	Shareholder
Family members of shareholders, board members, and those related to them	Family Members

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**7. TRANSACTIONS AND BALANCES WITH RELATED PARTY**  
(continued)

Significant transactions and the related amounts	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Amounts due and collected from shareholders related to dividends reversal *	200,000,000	-
Expenses incurred on behalf of shareholders **	33,993,869	3,594,358
Rent and lease liabilities payments	16,854,290	16,506,892
Purchases and services	12,619,536	8,759,074
Construction works for projects under progress	6,134,717	10,871,653
Expenses incurred on behalf	5,085,016	394,336
Revenue	2,797,857	3,988,694
Other revenue	2,686,095	1,411,900
Advance payments	-	724,959

\* The Ordinary General Assembly of the Group on their meeting held May 22, 2025 (corresponding 24 Dhu Al-Qi'dah 1446H) decided the following:

- Reverse the Board of Directors' resolution dated January 21, 2025 (corresponding 21 Rajab 1446H) regarding the distribution of interim dividends to shareholders amounting to SAR 100,000,000 based on their respective shareholding in the capital. These dividends were distributed and paid on January 26, 2025 (corresponding 26 Rajab 1446H).
- Reverse the Board of Directors' resolution dated November 5, 2024 (corresponding 3 Jumada Al-Awwal 1446H) and ratified by the General Assembly of the Group on December 15, 2024 (corresponding 14 Jumada Al-Thani 1446H) regarding the distribution of interim dividends to shareholders amounting to SAR 100,000,000 based on their respective shareholding in the capital. These dividends were distributed and paid on December 19, 2024 (corresponding 18 Jumada Al-Thani 1446H) and December 21, 2024 (corresponding 20 Jumada Al-Thani 1446H).
- Each shareholder required to repay these dividends to the Group's accounts by no later than June 30, 2025 (corresponding 5 Muharram 1447H).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**7. TRANSACTIONS AND BALANCES WITH RELATED PARTY**  
(continued)

On June 30, 2025 (corresponding 5 Muharram 1447H) an amount of SAR 200,000,000 was collected from shareholders through a bank transfer to the Group's account.

\*\* On July 8, 2025 (corresponding 13 Muharram 1447H) an amount of SAR 37,588,227 was collected from shareholders through a bank transfer to the Group's account related to IPO expenses incurred on behalf of them up to date of transfer.

Compensation of Key Management Personnel of the Group	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Short term employment benefits	4,077,224	9,665,435
Board of Directors' remuneration	1,100,000	1,500,000
Post-employment benefits	2,015,450	1,212,348
	<b>7,192,674</b>	<b>12,377,783</b>

Due from Related Parties	As of December 31,	
	2025 (SAR)	2024 (SAR)
Advance food Company	1,271,900	1,271,900
Saudi Bunyan Company	857,351	394,336
Family members of shareholders, board members, and those related them	763,089	577,597
Abdulrahman Saad Al-Rashid & Sons Company	5,382	1,449,949
Abdullah Saad Al Rashid & Sons Company	-	738,166
Al-Thomad Travel and Tourism Company	-	722,291
Cotton Experts Company	-	720,266
Rashid Saad Al Rashid & Sons Company	-	465,647
Dr. Khalid Al Sebaiaiy	-	136,732
Dr. Mohammad Saleh Al Konbaz	-	68,785
	<b>2,897,722</b>	<b>6,545,669</b>

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FOR THE YEAR ENDED DECEMBER 31, 2025**7. TRANSACTIONS AND BALANCES WITH RELATED PARTY**  
(continued)

Due to related parties	As of December 31,	
	2025 (SAR)	2024 (SAR)
Food Aroma Company	592,231	-
Cotton Experts Company	181,291	-
Al-Thomad Travel and Tourism Company	142,772	-
Code Invention Company	46,952	107,858
Adeem Al Sahra Trading Company	37,201	48,150
Snow Bright Laundry Company	-	228,618
	<b>1,000,447</b>	<b>384,626</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**8. INVENTORIES**

	As of December 31,	
	2025 (SAR)	2024 (SAR)
Medical supplies and consumables for operating rooms and clinics	23,531,363	18,884,830
Food and beverages	2,148,396	938,838
Consumable spare parts	899,467	1,012,662
Others	579,678	1,926,009
	<b>27,158,904</b>	<b>22,762,339</b>

**9. OTHER CURRENT ASSETS**

	As of December 31,	
	2025 (SAR)	2024 (SAR)
Prepaid expenses	20,009,936	20,948,681
Advances payments to suppliers	19,137,886	22,185,144
Employee receivables	1,706,027	2,882,517
Contract assets *	1,447,456	7,477,455
Others	3,964,215	966,250
	<b>46,265,520</b>	<b>54,460,047</b>

\*Contract asset balances represent the Group's right to fulfill performance obligations by delivering the promised goods or services to customers by December 31, and before the invoice date for the agreed consideration.

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FOR THE YEAR ENDED DECEMBER 31, 2025

## 10. PROPERTY AND EQUIPMENT

	Lands (ﷲ)	Building and renovation (ﷲ)	Medical equipment's (ﷲ)	Furniture and fixtures (ﷲ)	Computers and software (ﷲ)	General equipment's (ﷲ)	Motor vehicles (ﷲ)	Projects under construction (ﷲ)	Total (ﷲ)
<b>Cost</b>									
As of December 31, 2023	337,582,889	822,443,797	415,313,753	15,133,721	86,498,413	66,399,513	6,295,176	52,188,968	1,801,856,230
Additions	-	19,494,972	35,000,155	708,531	5,717,281	5,964,351	585,800	26,795,835	94,266,925
Transfers	-	29,234,646	-	-	-	-	-	(29,234,646)	-
Disposals	-	(3,711,194)	(5,941,277)	(22,921)	(254,719)	(1,779,012)	(871,450)	-	(12,580,573)
<b>As of December 31, 2024</b>	<b>337,582,889</b>	<b>867,462,221</b>	<b>444,372,631</b>	<b>15,819,331</b>	<b>91,960,975</b>	<b>70,584,852</b>	<b>6,009,526</b>	<b>49,750,157</b>	<b>1,883,542,582</b>
Additions	-	18,556,673	36,813,642	-	6,929,752	2,288,000	73,837	29,797,460	94,459,364
Transfers	-	235,000	-	-	-	-	-	(235,000)	-
Disposals	-	(86,107)	(1,944,417)	-	(1,155,059)	(85,269)	(77,722)	-	(3,348,574)
Disposals (Note 12)	(39,374,025)	-	-	-	-	-	-	-	(39,374,025)
<b>As of December 31, 2025</b>	<b>298,208,864</b>	<b>886,167,787</b>	<b>479,241,856</b>	<b>15,819,331</b>	<b>97,735,668</b>	<b>72,787,583</b>	<b>6,005,641</b>	<b>79,312,617</b>	<b>1,935,279,347</b>
<b>Accumulated depreciation</b>									
As of December 31, 2023	-	174,729,883	273,943,444	9,394,849	74,639,998	36,588,166	5,982,217	-	575,278,557
Additions	-	24,576,773	24,410,883	977,077	3,683,808	4,579,024	239,146	-	58,466,711
Disposals	-	(1,588,495)	(5,931,388)	(19,998)	(246,087)	(698,665)	(871,450)	-	(9,356,083)
<b>As of December 31, 2024</b>	<b>-</b>	<b>197,718,161</b>	<b>292,422,939</b>	<b>10,351,928</b>	<b>78,077,719</b>	<b>40,468,525</b>	<b>5,349,913</b>	<b>-</b>	<b>624,389,185</b>
Additions	-	26,378,738	26,810,317	494,930	4,567,917	3,948,477	256,198	-	62,456,577
Disposals	-	(86,107)	(1,770,953)	-	(1,155,078)	(84,751)	(77,722)	-	(3,174,611)
<b>As of December 31, 2025</b>	<b>-</b>	<b>224,010,792</b>	<b>317,462,303</b>	<b>10,846,858</b>	<b>81,490,558</b>	<b>44,332,251</b>	<b>5,528,389</b>	<b>-</b>	<b>683,671,151</b>
<b>Net book value</b>									
<b>As of December 31, 2025</b>	<b>298,208,864</b>	<b>662,156,995</b>	<b>161,779,553</b>	<b>4,972,473</b>	<b>16,245,110</b>	<b>28,455,332</b>	<b>477,252</b>	<b>79,312,617</b>	<b>1,251,608,196</b>
<b>As of December 31, 2024</b>	<b>337,582,889</b>	<b>669,744,060</b>	<b>151,949,692</b>	<b>5,467,403</b>	<b>13,883,256</b>	<b>30,116,327</b>	<b>659,613</b>	<b>49,750,157</b>	<b>1,259,153,397</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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**10. PROPERTY AND EQUIPMENT (Continued)**

Depreciation expense was allocated as follows	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Cost of revenue	57,214,074	53,541,350
General and administrative expenses	5,242,503	4,925,361
	<b>62,456,577</b>	<b>58,466,711</b>

  

Movement of projects under constrictions	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	49,750,157	52,188,968
Additions during the year *	29,797,460	26,795,835
Transfers during the year	(235,000)	(29,234,646)
<b>Balance as of the ending of the year</b>	<b>79,312,617</b>	<b>49,750,157</b>

\* For the year ended December 31, 2025, an amount of SAR 10,415,773 (December 31, 2024: SAR 12,302,261) represents borrowing costs capitalized on projects under construction.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025

**11. RIGHT OF USE ASSETS AND LEASE LIABILITIES**

Reconciliation of the carrying amount of right-of-use assets	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	370,582,402	378,901,195
Additions during the year	91,839,751	1,643,718
Adjustments during the year	-	(9,962,511)
Balance as of the ending of the year	462,422,153	370,582,402
<b>Accumulated depreciation</b>		
Balance as of the beginning of the year	168,704,117	149,654,284
Additions during the year	30,595,506	29,012,344
Adjustments during the year	-	(9,962,511)
Balance as of the ending of the year	199,299,623	168,704,117
Net book value	263,122,530	201,878,285
<b>Details of the net book value by type of lease contract</b>		
Hospital land and buildings and outpatients clinic buildings	243,947,574	186,207,865
Administrative office buildings and staff accommodation	15,834,497	10,752,105
Medical equipment and devices	3,340,459	4,918,315
	<b>263,122,530</b>	<b>201,878,285</b>

Depreciation expense was allocated as follows	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Cost of revenue	28,523,586	27,153,826
General and administrative expenses	2,071,920	1,858,518
	<b>30,595,506</b>	<b>29,012,344</b>

Expenses related to short-term and low-value lease contracts for the year ended December 31, 2025 amounted to SAR 247,228 (December 31, 2024: SAR 958,183).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**11. RIGHT OF USE ASSETS AND LEASE LIABILITIES (Continued)**

Movement of lease liabilities	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	225,528,207	239,833,221
Additions during the year	91,839,751	1,643,718
Finance costs during the year (note 26)	10,135,875	9,359,146
Paid during the year	(34,219,665)	(25,307,878)
Balance as of the ending of the year	293,284,168	225,528,207
Current portion of lease liabilities	39,655,973	23,536,645
Non-current portion of lease liabilities	253,628,195	201,991,562

  

Present value of lease liabilities	As of December 31,	
	2025 (SAR)	2024 (SAR)
Minimum future lease liabilities	404,200,979	313,306,639
Less: unamortized finance costs	(110,916,811)	(87,778,432)
Present value of minimum lease liabilities	293,284,168	225,528,207
Current portion of lease liabilities	39,655,973	23,536,645
Non-current portion of lease liabilities	253,628,195	201,991,562

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**12. INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

	As of December 31,	
	2025 (SAR)	2024 (SAR)
Al- Wadi Fund *	100,000,000	-
	<b>100,000,000</b>	<b>-</b>

\* On 22 December 2025 (corresponding to 2 Rajab 1447H), the Company entered into an in-kind contribution agreement with Al Arjaa Al Mushayyadah Company, acting on behalf of BLME Kingdom Fund (the "Fund"). The Fund is a closed-ended private real estate investment fund, compliant with Shariah standards and controls, and established in accordance with the Investment Funds Regulations issued by the Board of the Capital Market Authority in the Kingdom of Saudi Arabia. The Fund is managed by BLME capital Company (the "Fund Manager"), a Company licensed by the Capital Market Authority. The purpose of the agreement was to transfer ownership of a plot of land owned by the Company, located in Al Wadi District, Riyadh, to the Fund in exchange for the Company receiving units issued by the Fund equivalent to the value of the in-kind contribution. The fair value of the land amounted to SAR 100,000,000, and the land was valued by independent valuers accredited by the Saudi Authority for Accredited Valuers ("Taqeem").

On 30 December 2025 (corresponding to 10 Rajab 1447H), ownership of the land was transferred from the Company to the Fund. As a result of this transaction, a gain on disposal of property and equipment (capital gain on land) amounting to SAR 60,625,975 was recognized (Note 27), representing the difference between the fair value of the land at the date of disposal and its net book value, which amounted to SAR 39,374,025 (Note 10). Such gain was recognized in the consolidated statement of profit or loss under other income (Note 27).

The investment in the Fund has been classified as an investment in equity instruments at fair value through profit or loss, as the Company does not have control over, nor significant influence on, the Fund.

The Fund aims to develop the land and construct hospitality units (hotel rooms and residential apartments) and subsequently sell them.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**12. INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) (Continued)**

The investment is classified as Level 3.

Financial investments at FVTPL are recognized at fair value and categorized within the level of the fair value hierarchy based on the lowest level input that is significant to fair value measurement in their entirety. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

**13. TRADE PAYABLES**

	As of December 31,	
	2025 (SAR)	2024 (SAR)
Trade payables to local and foreign suppliers	115,494,647	104,488,395
	115,494,647	104,488,395
Current portion of trade payables	115,494,647	104,158,709
Non-current portion of trade payables	-	329,686

The average credit period with suppliers is 3 months. Trade payables to foreign suppliers mainly relate to the purchase of medical equipment and supplies, which are settled through letters of credit issued by local commercial banks, with payment periods exceeding 12 months.

**14. SHORT-TERM LOANS**

The Group obtained Shariah-compliant bank facilities from local commercial banks at an interest rate plus SAIBOR to finance the working capital requirements. The value of the withdrawal until as of December 31, 2025 amounted to SAR 246,523,301 (December 31, 2024: SAR 490,537,492).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**15. LONG -TERM LOANS**

Movement of long term loans	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	143,877,551	201,428,571
Additions during the year	200,000,000	-
Paid during the year	(57,551,020)	(57,551,020)
Balance as of the ending of the year	286,326,531	143,877,551
Current portion of long term loans	57,551,020	57,551,020
Non-current portion of long term loans	228,775,511	86,326,531

The Group obtained Shariah-compliant bank facilities from local commercial banks at an interest rate plus SAIBOR to finance projects under construction.

**16. GOVERNMENT GRANTS AND LOAN**

Movement of government loan	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	2,747,992	5,403,055
Amortization during the year	(2,747,992)	(2,655,063)
Balance as of the ending of the year	-	2,747,992
Current portion of government loan	-	2,747,992

The Group received an interest-free government loan for medical equipment and furniture. The loan was secured by a mortgage over land and a building. The final installment was paid on February 27, 2025, and the mortgage was released.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**16. GOVERNMENT GRANTS AND LOAN (Continued)**

Movement of deferred government grant	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	96,177	285,287
Amortization during the year	(96,177)	(189,110)
Balance as of the ending of the year	-	96,177
Current portion of deferred government grant	-	96,177

The government grant represents the difference between the fair value and the carrying amount of the interest-free loan obtained from the Ministry of Finance to finance the purchase of medical equipment and furniture. All conditions for the grant have been fulfilled by the Group.

**17. ZAKAT PAYABLE**

Main elements of the Zakat base	As of December 31,	
	2025 (SAR)	2024 (SAR)
Equity and equivalents	1,201,448,449	838,747,166
Non-current liabilities	660,575,435	622,284,516
Non-current assets	(1,615,630,193)	(1,461,031,682)
<b>Zakat base</b>		
Minimum Zakat base	272,500,312	185,219,494
Maximum Zakat base	1,201,448,449	838,747,166
Zakat due from the minimum Zakat base*	7,024,196	4,787,453

\*Zakat is calculated based on the higher of the adjusted net income or the Zakat base, in accordance with the rules of the Zakat, Tax and Customs Authority of Saudi Arabia.

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FOR THE YEAR ENDED DECEMBER 31, 2025**17. ZAKAT PAYABLE (Continued)**

Movement of zakat payable	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	8,351,552	5,714,642
Additions during the year	6,273,672	8,435,573
Paid during the year	(4,787,426)	(5,798,663)
Balance as of the ending of the year	9,837,798	8,351,552

**Zakat Status**

Zakat declarations have been submitted to the Zakat, Tax and Customs Authority (the "Authority") for all years up to December 31, 2024. The Group has received final assessments up to the year ended 2018 and is still awaiting final assessments for the years 2019 to 2024 from the Authority. Subsequent to the financial statement date, the Group obtained a final assessment for the year ended December 31, 2024. This assessment resulted in zakat differences amounting to SAR 24,000 approximately, which were recognized in the subsequent period in the profit or loss statement.

**18. OTHER CURRENT LIABILITIES**

	As of December 31,	
	2025 (SAR)	2024 (SAR)
Employees' salaries and benefits	35,005,569	51,406,839
Value added tax	16,253,781	2,893,949
Contract liability *	8,957,364	9,341,309
Accrued expenses	8,361,671	7,996,456
General organization for social insurance	2,380,541	2,301,326
Unearned other revenue	2,284,116	1,176,406
Others	8,722,162	6,115,603
	<b>81,965,204</b>	<b>81,231,888</b>

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FOR THE YEAR ENDED DECEMBER 31, 2025

**18. OTHER CURRENT LIABILITIES (Continued)**

\* Contract liability balances represent the Group's obligations to customers arising from amounts received in advance, before fulfilling the promised performance obligations, or when the amount received from a customer exceeds the promised performance obligations – recognized revenue. The Group derecognizes contract liabilities and recognizes them as revenue when the promised services are delivered to customers.

**19. EMPLOYEES DEFINED BENEFITS LIABILITIES**

Movement of employees defined benefits liabilities	As of December 31,	
	2025 (SAR)	2024 (SAR)
Balance as of the beginning of the year	159,552,201	155,938,697
Additions during the year *	32,589,667	29,088,100
Paid during the year	(14,587,000)	(25,474,596)
Balance as of the ending of the year	177,554,868	159,552,201

Movement of employees defined benefits liabilities	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Current service cost	18,755,968	19,112,901
Interest cost	8,365,426	6,802,067
Expenses charged to the consolidated statement of profit or loss	27,121,394	25,914,968
Actuarial losses arising from remeasurement	5,468,273	3,173,132
Expenses charged to the consolidated statement of other comprehensive income	5,468,273	3,173,132
<b>Total additions to employees defined benefits liabilities</b>	<b>32,589,667</b>	<b>29,088,100</b>

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**19. EMPLOYEES DEFINED BENEFITS LIABILITIES (Continued)**

Key actuarial assumptions used in the measurement	As of December 31,	
	2025 %	2024 %
Discount rate	5.50	5.25
Salary increase rate	3.50	3.75
Employee turnover rate	13	22

Sensitivity of employees defined benefits liabilities to changes in the weighted key assumptions	As of December 31,	
	2025 (SAR)	2024 (SAR)
<b>Discount rate assumption</b>		
Increase in the assumption by 1%	171,458,802	153,050,552
Decrease in the assumption by 1%	184,252,852	167,748,726
<b>Salary increase rate assumption</b>		
Increase in the assumption by 1%	184,302,578	167,806,938
Decrease in the assumption by 1%	171,303,685	152,872,165

The sensitivity analysis has been determined based on reasonably possible changes in the relevant assumptions occurring at the end of the financial reporting period, with all other assumptions held constant. The sensitivity analysis presented above may not represent the actual change in employees defined benefit liabilities, as it is unlikely that changes in assumptions would occur independently of one another, and some assumptions may be interrelated. There were no changes in the methods and assumptions used in preparing the sensitivity analysis for the current year compared to the prior year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**19. EMPLOYEES DEFINED BENEFITS LIABILITIES (Continued)**

expected maturity analysis of employees defined benefit liabilities	As of December 31,	
	2025 (SAR)	2024 (SAR)
Year 1	60,492,245	34,593,760
Year 2	25,599,791	22,950,457
Year 3	22,574,424	18,660,223
Year 4	14,739,725	18,558,437
Year 5	13,628,026	15,710,622
Year 6 and thereafter	87,677,363	100,669,307

**20. SHARE CAPITAL**

The Company's share capital as of December 31, 2025 & December 31, 2024 amounted to SAR 250,000,000 consisting of 250,000,000 shares fully paid and issued shares of SAR 1 each. Holders of these shares are entitled to dividends as declared from time to time and entitled to one vote per share at general assembly meeting.

**21. STATUTORY RESERVE**

The statutory reserve included in the consolidated statement of financial position as of December 31, 2025 & December 31, 2024, was required under the Company's previous by-laws. However, following amendments to the Company's by-laws during the year ended December 31, 2024, the requirement to set aside a statutory reserve has been removed. The Board of Directors, in its meeting held on July 29, 2025 (Corresponding 4 Safar 1447H), recommended to the General Assembly to transfer the balance of the statutory reserve amounting SAR 49,653,238 to retained earnings balance. The Extraordinary General Assembly, in its meeting held on 6 January 2026 (corresponding to 17 Rajb 1447H), approved this recommendation. Subsequent to the reporting date of the consolidated financial statements and upon approval by the Extraordinary General Assembly, the full balance was transferred to retained earnings.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025**22. REVENUE**

The Group primarily generates revenue from contract with customers from:

1. Services relating to inpatient and outpatient clinics; and
2. Sale of medicines - pharmaceutical; and
3. Sale food and catering services.

	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Services relating to inpatient and outpatient clinics	1,254,730,804	1,180,193,726
Medicines - Pharmaceutical	258,034,331	236,010,001
Food and catering services	25,695,333	21,621,597
	<b>1,538,460,468</b>	<b>1,437,825,324</b>

**23. COST OF REVENUE**

	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Salaries and employee benefits	599,674,652	570,578,069
Medicines, operating room supplies, and food	436,219,884	393,062,513
Depreciation of property and equipment	57,214,074	53,541,350
Depreciation of right-of-use assets	28,523,586	27,153,826
Maintenance and repairs	11,320,985	12,847,824
Others	22,616,391	18,641,448
	<b>1,155,569,572</b>	<b>1,075,825,030</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025

## 24. SELLING AND MARKETING EXPENSES

	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Advertising and promotion	15,993,616	8,949,370
	<b>15,993,616</b>	<b>8,949,370</b>

## 25. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Salaries and employee benefits	88,138,436	92,157,655
Expected credit loss	12,635,319	9,678,156
Depreciation of property and equipment	5,242,503	4,925,361
Subscriptions	2,490,082	1,878,139
Depreciation of right-of-use assets	2,071,920	1,858,518
Maintenance and repairs	1,303,829	935,888
Others	11,664,408	4,341,691
	<b>123,546,497</b>	<b>115,775,408</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025

## 26. FINANCE COST

	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Interest cost on long and short term loans	32,338,213	35,806,499
Interest cost on lease liabilities	10,135,875	9,359,146
Interest cost on Employees defined benefits liabilities	8,365,426	6,802,067
Unwinding of deferred income on MOF loan	96,177	189,110
	<b>50,935,691</b>	<b>52,156,822</b>

## 27. OTHER INCOME

	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Gains on disposal of property and equipment "Land" (note 10 & 12)	60,625,975	-
Supports and donations	8,449,232	7,642,792
Rent	6,594,021	2,998,448
Interest on short-term deposits	4,849,613	-
Realized gains of financial assets at FVTPL (note 5)	1,175,205	-
Unwinding of deferred income on MOF loan	96,177	189,110
Unrealized losses of financial assets at FVTPL (note 5)	(1,566,383)	-
Losses on disposal of property and equipment	(138,620)	(2,293,977)
	<b>80,085,220</b>	<b>8,536,373</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****28. EARNINGS PER SHARE**

	For the year ended December 31,	
	2025 (SAR)	2024 (SAR)
Profit for the year attributable to owners of the Company	266,226,640	185,219,494
Divided by: Weighted average number of outstanding ordinary shares	250,000,000	250,000,000
Basic and diluted earnings per share	1.06	0.74

**29. INCREASE IN SHARE CAPITAL**

The Company's share capital as of December 31, 2023 amounted to SAR 85,000,000, divided into 8,500,000 fully paid ordinary shares with a nominal value of SAR 10 each. During the period ended September 30, 2024, the Company decided to increase its share capital by SAR 165,000,000 through the capitalization of retained earnings and a share split from SAR 10 per share to SAR 1 per share, based on the approval of the Board of Directors dated August 27, 2024 (Corresponding to 23 Safar 1446H) and the approval of the Extraordinary General Assembly at its meeting held on September 15, 2024 (Corresponding to 12 Rabi' al-Awwal 1446H). The Company obtained the approval of the Ministry of Commerce and updated its commercial register on November 19, 2024 (Corresponding to 17 Jumada al-Awwal 1446H), resulting in a total share capital of SAR 250,000,000, composed of 250,000,000 fully paid ordinary shares, each with a nominal value of SAR 1.

**30. APPROVED AND PROPOSED DIVIDENDS**

The Board of Directors, in its meeting held on November 3, 2025 (corresponding to 12 Jumada I 1447H), recommended to the General Assembly the distribution of exceptional cash dividends to shareholders amounting to SAR 200,000,000. The Extraordinary General Assembly, at its meeting held on 6 January 2026 (corresponding to 17 Rajb 1447H), approved this recommendation. Subsequent to the reporting date of the consolidated financial statements, the amount of SAR 200,000,000 was paid and distributed to the shareholders.

The Board of Directors, in its meeting held on 8 March 2025 (Corresponding 19 Ramadan 1447H), recommended to the General Assembly to distribute cash dividend to the shareholders of SAR 80,000,000 for the year ended December 31, 2025.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****30. APPROVED AND PROPOSED DIVIDENDS (Continued)**

(December 31, 2024: SAR 200,000,000) The General Assembly, in its meeting held on December 15, 2024 (corresponding to 14 Jumada al-Akhirah 1446H), approved the distribution of annual dividends amounting to SAR 200,000,000 for the year ended December 31, 2024.

**31. COMMITMENTS AND CONTINGENT LIABILITIES**

Capital commitments related to projects under constructions	As of December 31,	
	2025 (SAR)	2024 (SAR)
Project - SMC 3	19,951,364	11,551,359
Project - SMC 4	82,326,917	206,918
	<b>102,278,281</b>	<b>11,758,277</b>
<b>Letters of Guarantee</b>		
Bank Letters of Guarantee	17,195,754	81,153,071

**32. SEGMENT INFORMATION**

\*As the Group operates in the Kingdom of Saudi Arabia, for management purposes, the Group is organized into business units based on its products and services, and it has two reportable segments. Operating segments are identified based on the internal reports submitted to the Chief Operating Decision Maker (CODM) for operational decision-making. The CODM has been identified as the person responsible for allocating resources to the segments and assessing the performance of each segment. Revenue and the segment's gross profit are consistent measures used within the Group. The principal identified segments are Medical Services, Pharmacies, and Others.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****32. SEGMENT INFORMATION (Continued)**

The following table presents segment information (assets, liabilities, revenue, and gross profit) for each of the business segments.

For the year ended December 31, 2025	Medical Services (S)	Pharmacies, and Others (S)	Total (S)
Revenue	1,254,730,804	283,729,664	1,538,460,468
Gross profit	316,561,754	66,329,142	382,890,896
For the year ended December 31, 2024			
Revenue	1,180,193,727	257,631,597	1,437,825,324
Gross profit	303,748,275	58,252,019	362,000,294
<b>As of December 31, 2025</b>			
<b>Total assets</b>	<b>2,329,994,062</b>	<b>69,846,856</b>	<b>2,399,840,918</b>
<b>Total liabilities</b>	<b>1,158,158,044</b>	<b>53,828,920</b>	<b>1,211,986,964</b>
<b>As of December 31, 2024</b>			
<b>Total assets</b>	<b>1,977,685,481</b>	<b>66,206,187</b>	<b>2,043,891,668</b>
<b>Total liabilities</b>	<b>1,169,300,803</b>	<b>47,495,278</b>	<b>1,216,796,081</b>

**33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****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. As the Group's financial instruments are generally aggregated at historical cost, differences may arise between the carrying amounts and estimated fair values. The management believes that the fair values of the Group's financial assets and liabilities do not differ materially from their carrying amounts.

Management has assessed the financial assets and liabilities and found that their carrying amounts approximate their fair values, given the short-term maturities of these instruments.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)****Fair Value Measurement (Continued)**

The table below shows the carrying amounts of the financial assets and liabilities:

Financial Assets at Amortized Cost	As of December 31,	
	2025 (S)	2024 (S)
Cash and cash equivalents	246,702,575	92,487,981
Trade receivables	459,343,034	406,603,950
Due from related parties	2,897,722	6,545,669
Other current assets	26,255,584	33,511,366
	<b>735,198,915</b>	<b>539,148,966</b>
<b>Financial Liabilities at Amortized Cost</b>		
Trade payables	115,494,647	104,488,395
Due to related parties	1,000,447	384,626
Short-term loans	246,523,301	490,537,492
Long-term loans	286,326,531	143,877,551
Government loan	-	2,747,992
Lease liabilities	293,284,168	225,528,207
Other current liabilities	81,965,204	81,231,888
	<b>1,024,594,298</b>	<b>1,048,796,151</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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**33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

**Fair Value Measurement (Continued)**

In measuring the fair value of assets or liabilities, the Group uses observable market data to the extent possible. Fair values are classified into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (derived from prices).

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, the entire fair value measurement is classified in the same level of the hierarchy as the lowest level input that is significant to the measurement as a whole.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred. Management believes that its estimates and judgments are reasonable and adequate.

**Financial Risk Management**

The Group is exposed to risks arising from its use of financial instruments. This note outlines the Group’s objectives, policies, and processes for managing these risks, as well as the methods used to measure them. Additional quantitative information regarding these risks is presented in the consolidated financial statements.

The Board of Directors has the overall responsibility for setting the Group’s objectives and policies for risk management. The Group’s financial management assists the Board in fulfilling its responsibilities by designing and operating processes to ensure the effective implementation of these objectives and policies. The Board’s overall objective is to establish policies that aim to minimize risks.

There have been no material changes in the Group’s exposure to financial instrument risks, or in its objectives, policies, and processes for managing these risks, or in the methods used to measure them compared to previous periods.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
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**33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

**Financial Risk Management (Continued)**

The Group is exposed to the following risks arising from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk
- Commission rate risk

**Credit risk**

Credit risk is the risk of the Group incurring a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group’s assets that are subject to credit risk consist of cash and cash equivalents (excluding cash on hand), trade receivables, amounts due from related parties, and other current assets (excluding prepayments). The Group’s management has decided to maintain bank balances with financial institutions with high credit ratings. Customer credit limits are monitored on a regular basis, which mitigates credit risk. The Group does not consider there to be a significant risk of default by these financial institutions and is not exposed to significant concentration of credit risk in trade receivables due to the diversity of its customer base.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date of the consolidated statement of financial position is as follows:

	As of December 31,	
	2025 (SAR)	2024 (SAR)
Cash and cash equivalents	246,702,575	92,487,981
Financial assets at FVTPL	2,742,437	-
Trade receivables	459,343,034	406,603,950
Due from related parties	2,897,722	6,545,669
Other current assets	26,255,584	33,511,366
	<b>737,941,352</b>	<b>539,148,966</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025

**33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

**Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group’s objective is to maintain a balance between continuity of funding and flexibility by using short-term bank facilities to ensure that it always has sufficient funds to meet its obligations when due. The Group’s operating cash flows are generally predictable. The Group maintains a short cash conversion cycle reflecting the nature of its business, trade receivables management, and credit terms granted by suppliers. Cash flow forecasts are prepared regularly to assist management in determining future liquidity requirements.

The following table summarizes the contractual maturities of the Group’s financial liabilities, including estimated interest payments:

As of December 31, 2025	Carrying Amount (SAR)	Contractual Cash Flows (SAR)	Less than 1 year (SAR)	More than 1 year (SAR)
<b>Non-Derivative Financial Liabilities</b>				
Trade payables	115,494,647	115,494,647	115,494,647	-
Due to related parties	1,000,447	1,000,447	1,000,447	-
Short-term loans	246,523,301	247,800,607	247,800,607	-
Long-term loans	286,326,531	391,171,395	76,305,065	314,866,330
Lease liabilities	293,284,168	404,200,979	39,655,973	364,545,006
Other current liabilities	81,965,204	81,965,204	81,965,204	-
	<b>1,025,094,299</b>	<b>1,241,633,279</b>	<b>562,221,943</b>	<b>679,411,336</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025

**33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

**Liquidity Risk (Continued)**

As of December 31, 2024	Carrying Amount (SAR)	Contractual Cash Flows (SAR)	Less than 1 year (SAR)	More than 1 year (SAR)
<b>Non-Derivative Financial Liabilities</b>				
Trade payables	104,488,395	104,488,395	104,158,709	329,686
Due to related parties	384,626	384,626	384,626	-
Short-term loans	490,537,492	519,171,179	519,171,179	-
Long-term loans	143,877,551	155,872,902	65,777,206	90,095,696
Government loan	2,747,992	2,747,992	2,747,992	-
Lease liabilities	225,528,207	313,306,639	23,536,645	289,769,994
Other current liabilities	81,231,888	81,231,888	81,231,888	-
	<b>1,048,796,151</b>	<b>1,177,203,621</b>	<b>797,008,245</b>	<b>380,195,376</b>

**Market Risk**

Market risk is the risk of exposure to changes in the fair value or future cash flows of financial instruments due to fluctuations in market prices. Market prices include three types of risk: interest rate risk, currency risk, and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and bank deposits.

**Foreign Currency Risk**

Foreign currency risk is the risk of changes in the fair value or future cash flows of a financial instrument due to fluctuations in foreign exchange rates. The Group’s management monitors movements in exchange rates and believes that foreign currency risk is not significant. The Group’s primary transactions are denominated in SAR.

**Interest Rate Risk**

The Group is exposed to interest rate risk relating to cash flow fluctuations arising from borrowings from local banks, which may be linked to variable interest rates. When the Group borrows, it uses short-term Shariah-compliant financing, repay within one year, to finance working capital requirements. Long-term Shariah-compliant financing is used solely to finance projects under construction. Bank borrowings generally carry a floating interest rate, plus the prevailing SAIBOR rate.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2025****34. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to maximize returns to shareholders. The Group's policy is to maintain a strong capital base to retain investor and creditor confidence and to support the future development of its business. For the purpose of capital management, the Group's capital includes issued and paid-up share capital and all reserves within equity attributable to the shareholders of the Company. Management monitors return on capital and the level of dividends paid to shareholders and seeks to maintain a balance between higher returns and the security provided by a sound capital position. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and its financial requirements to maintain or adjust the capital structure.

**35. RECLASSIFICATION OF COMPARATIVE FINANCIAL STATEMENTS**

Certain prior year amounts have been reclassified to conform to the current year's presentation.

**36. SUBSEQUENT EVENTS**

1. The Extraordinary General Assembly, in its meeting held on 6 January 2026 (corresponding to 17 Rajb 1447H) , approved the Board of Directors' recommendation to transfer the statutory reserve balance, as presented in the consolidated statement of financial position as of December 31, 2025 and December 31, 2024, amounting to SAR 49,653,238, to retained earnings.
2. The Extraordinary General Assembly, in its meeting held on 6 January 2026 (corresponding to 17 Rajb 1447H), approved the Board of Directors' recommendation to distribute an exceptional cash dividend to shareholders amounting to SAR 200,000,000.
3. The Board of Directors, in its meeting held on 8 March 2025 (Corresponding 19 Ramadan 1447H), recom-mended to the General Assembly to distribute cash dividend to the shareholders of SAR80,000,000 for the year ended December 31, 2025.

There were no events, except for aforementioned, subsequent to December 31, 2025, and occurring before the date of the approval of the consolidated financial statements that are expected to have a significant impact on these consolidated financial statements.

**37. BOARD OF DIRECTORS APPROVAL**

These consolidated financial statements were approved by the Board of Directors on behalf of the Shareholders on March 8 ,2026 (corresponding 19 Ramadan 1447H).



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