ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
31 December 2025
together with
INDEPENDENT AUDITOR'S REPORT

ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
31 December 2025

INDEX | **PAGE**

KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Arabian International Healthcare Holding Company (A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of **Arabian International Healthcare Holding Company ("the Company") and its subsidiaries ("the Group")**, which comprise of the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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 that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Shareholders of Arabian International Healthcare Holding Company (A Saudi Joint Stock Company) (continued)

Revenue recognition	
Refer Note 3.1 (D) to the consolidated financial statements for the accounting policy relating to revenue recognition and Note 5 to the consolidated financial statements for related disclosure.	
The key audit matter	**How the matter was addressed in our audit**
During the year ended 31 December 2025, the Group recognised total revenue of SR 842,213,536 We have identified revenue recognition as a key audit matter because revenue is one of the Group's performance indicators giving rise to inherent risk that revenue could be subject to overstatement to meet targets and expectations. Furthermore, revenue recognition requires the below considerations: -the analysis of whether the contracts comprise one or more performance obligations -determining whether the performance obligations are satisfied over time or at a point in time	Our audit procedures to assess revenue recognition included the following: – Assessed the design and implementation, and tested the operating effectiveness of the Group's key internal controls on a sample basis which govern the revenue recognition process; – Evaluated the Group's revenue recognition policies in accordance with IFRS 15; – Evaluated key contractual agreements with customers to assess enforceability, right to consideration and commercial substance; – Performed cut-off procedures by testing a sample of sales transactions closer to the year end to assess that revenue is recorded in the correct accounting period. – Performed cash to revenue reconciliation to assess the reasonableness of revenue recorded in line with cash received. – Agreed a sample of cash receipts, from customers subsequent to the financial year end relating to the trade receivable balance as at 31 December 2025, with respective invoice(s), bank statement and related remittance documents. – Tested a sample of subsequent credit notes to relevant supporting documents to assess subsequent sales return; and – Considered the adequacy of the related disclosure in the Group's consolidated financial statements.

Independent Auditor's Report

To the Shareholders of Arabian International Healthcare Holding Company (A Saudi Joint Stock Company) (continued)

Allowance for impairment on trade receivables

Refer Note 3.1 (P) to the consolidated financial statements for the accounting policy of financial instruments and Note 22 to the consolidated financial statements for the related disclosure.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2025, the gross carrying value of trade receivable amounted to SR 776,841,636 and the allowance for expected credit losses on such balance amounted to SR 64,764,758. The Group has applied a simplified expected credit loss ("ECL") model to determine the allowance for impairment of trade receivables. The ECL model involves the use of various assumptions and study of historical trends all of which involves a significant degree of judgement. We have identified allowance for impairment on trade receivables a key audit matter due to the judgements and estimates involved in the application of the expected credit loss model for the calculation of the allowance for expected credit losses. This is inherently subjective and requires significant management judgement, which increases risk of error or potential bias.	Our procedures to assess the allowance for impairment on trade receivables included the following: - Assessed the design and implementation, and tested the operating effectiveness of the Group's key controls relating to credit control, debt collection and estimation of credit losses; - Obtained an understanding of the key practices and assumptions of the expected credit loss model adopted by management, including historical default rate and management's estimated loss rates; - Engaged our own specialist to assess the accuracy and reasonableness of the ECL model and the key inputs, including historical default rates and management's estimated loss rates; - Tested the accuracy and relevance of the information used in the model, including testing of account receivables ageing and testing the actual collections to assess the reasonableness of recoveries assumed in the model. Considered the adequacy of the related disclosure in the Group's consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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.

KPMG

Independent Auditor's Report

To the Shareholders of Arabian International Healthcare Holding Company (A Saudi Joint Stock Company) (continued)

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws 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, 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 International Standards on Auditing 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 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

KPMG

Independent Auditor's Report

To the Shareholders of Arabian International Healthcare Holding Company (A Saudi Joint Stock Company) (continued)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then 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 group 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 of **Arabian International Healthcare Holding Company ("the Company") and its subsidiaries ("the Group").**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company

Fahad Mubark Aldossari
License No: 469

Al Riyadh, 2 April 2026
Corresponding to: 14 Shawwal 1447

ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Notes	31 December 2025 SR	31 December 2024 SR
ASSETS			
Non-current assets			
Goodwill	15	-	19,385,649
Property and equipment	14	**6,252,567**	32,225,957
Right-of-use assets	18	**24,278,250**	39,913,179
Intangible assets	19	**2,344,923**	8,626,970
Deferred consideration	17	**12,608,795**	-
Equity-accounted investees	20	**88,859,068**	76,378,232
Investment in finance lease	13.1	**1,184,713**	3,042,524
Total non-current assets		**135,528,316**	179,572,511
Current assets			
Inventories	21	**353,383,985**	293,922,998
Trade receivables	22	**712,076,878**	734,574,786
Prepayments and other current assets	23	**111,551,521**	57,432,333
Cash and cash equivalents	24	**4,867,571**	80,633,684
Amounts due from related parties	25	**6,214,945**	4,135,942
Current portion of deferred consideration	17	**6,901,961**	-
Current portion of investment in finance lease	13.1	**2,073,787**	611,734
Total current assets		**1,197,070,648**	1,171,311,477
Total assets		**1,332,598,964**	1,350,883,988
EQUITY AND LIABILITIES			
Equity			
Share capital	26	**200,000,000**	200,000,000
Additional capital contribution	27	**100,000,000**	-
Statutory reserve	28	-	23,916,614
Other reserve	28	**23,916,614**	-
Cashflow hedging reserve	29	-	(369,402)
Treasury shares reserve	26	**(8,069,083)**	(8,069,083)
Retained earnings		**49,314,527**	28,569,918
Equity attributable to shareholders of the company		**365,162,058**	244,048,047
Non-controlling interest	30	-	48,677,050
Total equity		**365,162,058**	292,725,097
Non-current liabilities			
Employee defined benefit liabilities	31	**28,004,887**	27,986,174
Loans and borrowings	33	**88,000,000**	145,000,000
Non-current portion of lease liabilities	18	**19,563,799**	34,794,717
Non-current portion of contract liabilities	32	**17,106,039**	32,247,329
Derivative liability	29	**1,117,331**	369,402
Total non-current liabilities		**153,792,056**	240,397,622

	Notes	**31 December 2025 SR**	31 December 2024 SR
Current liabilities			
Trade and notes payables	34	**356,099,079**	303,782,247
Provisions	36	**19,963,090**	20,995,220
Accrued expenses and other current liabilities	35	**134,823,454**	94,094,924
Amounts due to related parties	25	**12,429,205**	11,361,918
Current portion of contract liabilities	32	**51,237,354**	68,869,420
Current portion of lease liabilities	18	**4,871,894**	5,854,043
Current portion of loans and borrowings	33	**224,500,000**	302,396,295
Zakat payable	12	**9,720,774**	10,407,202
Total current liabilities		**813,644,850**	817,761,269
Total liabilities		**967,436,906**	1,058,158,891
Total equity and liabilities		**1,332,598,964**	1,350,883,988

These consolidated financial statements shown on pages 7 to 59 were approved by the Board of Directors on 8 Shawwal 1447H (corresponding to 27 March 2026) and signed on their behalf by

Ziad AlTunisi	**Mohammed Mostafa**	**Wael Aref**
Chairman	Chief Executive Officer	Chief Financial Officer

ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025

	Notes	31 December 2025 SR	31 December 2024 SR (Re-presented - refer Note 16)
Continuing operations			
Revenue	5	**842,213,536**	739,281,889
Cost of revenue	6	**(647,445,061)**	(566,991,865)
Gross profit		**194,768,475**	172,290,024
Selling and marketing expenses	7	**(82,698,237)**	(77,313,749)
General and administrative expenses	8	**(46,584,037)**	(41,024,184)
Impairment of Goodwill	15	-	(93,664,809)
Reversal / (Impairment loss) on trade receivables and contract assets	22	**176,605**	(17,528,705)
Share of loss of equity-accounted investees, net	20	**(1,541,141)**	(5,756,300)
Other income	9	**15,005,515**	18,133,148
Other expenses	10	**(6,080,880)**	(5,432,345)
Bargain purchase gain	42	-	10,041,066
Operating profit/ (loss)		**73,046,300**	(40,255,854)
Finance charges	11	**(36,113,720)**	(40,526,444)
Finance income	13	**1,828,404**	2,140,828
Reversal and change in fair value change in contingent consideration		-	24,123,095
Profit/ (Loss) before zakat		**38,760,984**	(54,518,375)
Zakat for the year	12	**(10,171,572)**	(7,807,032)
Profit/ (Loss) from continuing operations for the year		**28,589,412**	(62,325,407)
Discontinued operations			
Loss from discontinued operations, net of tax	16	**(9,601,367)**	(8,406,588)
Profit/ (Loss) for the year		**18,988,045**	(70,731,995)
Other comprehensive income / (loss)			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement (loss) / gain on employee defined benefit liabilities	31	**(3,488,326)**	2,284,535
Share of other comprehensive income / (loss) of equity-accounted investees	20	**436,670**	(499,540)
Items that may be reclassified subsequently to profit or loss:			
Reclassification/movement in fair value of cash flow hedges	29	**369,402**	2,223,673
Other comprehensive (loss) / income for the year		**(2,682,254)**	4,008,668
Total comprehensive income / (loss) for the year		**16,305,791**	(66,723,327)
Profit/ (Loss) attributable to:			
Owner of the company		**23,597,479**	(66,612,767)
Non-controlling interests		**(4,609,434)**	(4,119,228)
		18,988,045	(70,731,995)
Total comprehensive income / (loss) attributable to:			
Owner of the company		**21,114,011**	(62,543,692)
Non-controlling interests	30	**(4,808,220)**	(4,179,635)
		16,305,791	(66,723,327)
Earnings / (Loss) per share			
Basic and diluted earnings / (loss) per share	41	**1.19**	(3.37)
Basic and diluted earnings / (loss) per share – continuing operations	41	**1.44**	(3.15)

These consolidated financial statements shown on pages 7 to 59 were approved by the Board of Directors on 8 Shawwal 1447H (corresponding to 27 March 2026) and signed on their behalf by

Ziad AlTunisi	**Mohammed Mostafa**	**Wael Aref**
Chairman	Chief Executive Officer	Chief Financial Officer

The accompanying notes 1 to 45 form an integral part of these consolidated financial statements.

ARABIAN INTERNATIONAL HEALTHCARE
HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	Share Capital SR	*Additional capital contribution SR*	*Statutory reserve SR*	*Other reserve SR*	*Retained earnings SR*	*Treasury share reserves SR*	*Cashflow hedge reserves SR*	*Equity attributable to shareholders of the company SR*	*Non-controlling Interests SR*	*Total equity SR*
As at 1 January 2024	200,000,000	-	23,916,614	-	93,337,283	(8,069,083)	(2,593,075)	306,591,739	52,856,685	359,448,424
Loss for the year	-	-	-	-	(66,612,767)	-	-	(66,612,767)	(4,119,228)	(70,731,995)
Other comprehensive income / (loss)	-	-	-	-	1,845,402	-	2,223,673	4,069,075	(60,407)	4,008,668
Total comprehensive (loss) / income for the year	-	-	-	-	(64,767,365)	-	2,223,673	(62,543,692)	(4,179,635)	(66,723,327)
As at 31 December 2024	200,000,000	-	23,916,614	-	28,569,918	(8,069,083)	(369,402)	244,048,047	48,677,050	292,725,097
As at 1 January 2025	**200,000,000**	**-**	**23,916,614**	**-**	**28,569,918**	**(8,069,083)**	**(369,402)**	**244,048,047**	**48,677,050**	**292,725,097**
Profit / (loss) for the year	-	-	-	-	**23,597,479**	-	-	**23,597,479**	**(4,609,434)**	**18,988,045**
Other comprehensive (loss) / income for the year	-	-	-	-	**(2,852,870)**	-	**369,402**	**(2,483,468)**	**(198,786)**	**(2,682,254)**
Total comprehensive income / (loss) for the year	-	-	-	-	**20,744,609**	-	**369,402**	**21,114,011**	**(4,808,220)**	**16,305,791**
Dividend (Note 43)	-	-	-	-	-	-	-	-	**(12,250,000)**	**(12,250,000)**
Transfer between statutory and other reserve (Note 28)	-	-	**(23,916,614)**	**23,916,614**	-	-	-	-	-	-
Derecognition due to disposal of subsidiary (Note 16)	-	-	-	-	-	-	-	-	**(31,618,830)**	**(31,618,830)**
Additional capital contribution (Note 27)	-	**100,000,000**	-	-	-	-	-	**100,000,000**	-	**100,000,000**
As at 31 December 2025	**200,000,000**	**100,000,000**	**-**	**23,916,614**	**49,314,527**	**(8,069,083)**	**-**	**365,162,058**	**-**	**365,162,058**

These consolidated financial statements shown on pages 7 to 59 were approved by the Board of Directors on 8 Shawwal 1447H (corresponding to 27 March 2026) and signed on their behalf by

Ziad AlTunisi	**Mohammed Mostafa**	**Wael Aref**
Chairman	Chief Executive Officer	Chief Financial Officer

The accompanying notes 1 to 45 form an integral part of these consolidated financial statements.

ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	Notes	**31 December 2025 SR**	31 December 2024 SR
Operating activities			
Profit/ (Loss) for the year		**18,988,045**	(70,731,995)
Adjustments for:			
Provision for employee defined benefit liabilities	31	**4,931,684**	5,125,946
Depreciation of property and equipment	14	**8,197,415**	8,484,716
Depreciation of right of use assets	18	**7,266,930**	6,667,943
Adjustment of net realizable value of inventories	21	**4,698,573**	2,366,292
Accrued interest for leases	18	**2,540,185**	2,470,318
Amortization of intangible assets	19	**2,289,700**	2,589,913
Loss on disposal of property and equipment		**326,272**	1,555,767
Share of loss of equity-accounted investees, net	20	**1,541,141**	5,756,300
(Reversal)/ Impairment loss on trade receivables and contract assets	22	**(176,605)**	17,606,613
Interest income on finance lease	13	**(1,828,404)**	(2,140,828)
Impairment of Goodwill		**-**	93,664,809
Bargain purchase gain		**-**	(10,041,066)
Zakat expense	12	**11,160,416**	9,646,642
Fair value change in derivative liability	29	**1,117,331**	-
Interest expense on borrowings	11	**31,773,635**	38,851,353
Loss of disposal of subsidiary	16	**194,358**	-
Reversal in fair value change of contingent consideration		**-**	(24,123,095)
		93,020,676	87,749,628
Changes in operating assets and liabilities:			
Inventories		**(69,034,487)**	(18,344,709)
Trade receivables		**22,148,243**	58,313,040
Contract assets		**-**	4,854,364
Prepayments and other current assets		**(26,609,230)**	(5,049,970)
Due from related parties		**(37,175,606)**	516,755
Due to related parties		**1,067,287**	(3,547,406)
Trade payable and notes payables		**56,397,305**	49,428,741
Accrued expenses and other current liabilities		**43,272,568**	(23,780,512)
Contract liabilities		**(32,773,356)**	12,997,515
Cash generated from operations		**50,313,400**	163,137,446
Employee defined benefit liabilities paid	31	**(4,978,009)**	(3,001,949)
Zakat paid	12	**(10,809,619)**	(11,633,578)
Interest paid on borrowings		**(32,913,949)**	(42,778,773)
Net cash generated from operating activities		**1,611,823**	105,723,146
Investing activities			
Additions to property and equipment	14	**(3,684,139)**	(3,440,435)
Proceeds from disposal of property and equipment		**-**	1,000
Purchase of intangible assets	19	**-**	(1,234,720)
Dividend received from equity-accounted investee (Philips Healthcare Saudi Arabia)	20	**8,414,693**	7,742,121
Rentals received against finance lease	13	**2,224,162**	2,353,338
Acquisition of subsidiaries, including acquisition of cash		**-**	(42,029,546)
Disposal of discontinued operation, net of cash	16	**(6,403,737)**	-
Cash injection in equity-accounted investee	20	**(22,000,000)**	-
Net cash used in investing activities		**(21,449,021)**	(36,608,242)

	Notes	**31 December 2025 SR**	31 December 2024 SR
Financing activities			
Proceeds from loans from Ultimate Parent Company	25	**259,000,000**	224,500,000
Repayment of loans to Ultimate Parent Company	25	**(241,000,000)**	(262,000,000)
Proceeds from short-term loans from financing institutions		**221,500,000**	106,000,000
Repayment of short-term loans to financing institutions		**(274,396,295)**	(132,611,724)
Payment of lease liabilities	18	**(8,782,620)**	(6,752,650)
Dividends paid	43	**(12,250,000)**	-
Net cash used in financing activities		**(55,928,915)**	(70,864,374)
Decrease in cash and cash equivalents		**(75,766,113)**	(1,749,470)
Cash and cash equivalents at beginning of the year	24	**80,633,684**	82,383,154
Cash and cash equivalents at end of the year		**4,867,571**	80,633,684
Non-cash transactions:			
Remeasurement (loss) / gain on employee defined benefit liabilities	31	**(3,488,326)**	2,284,535
Cashflow hedge reserves	29	**369,402**	2,223,673
Addition in right of use asset	18	**9,063,275**	6,214,216
Share of other comprehensive income / (loss) of equity-accounted investee	20	**436,670**	(499,540)
Loan waived by Ultimate Parent Company (capital contribution)	33	**100,000,000**	-
Consideration not yet received for Subsidiary disposal	17,23	**49,510,756**	-

These consolidated financial statements shown on pages 7 to 59 were approved by the Board of Directors on 8 Shawwal 1447H (corresponding to 27 March 2026) and signed on their behalf by

Ziad AlTunisi	**Mohammed Mostafa**	**Wael Aref**
Chairman	Chief Executive Officer	Chief Financial Officer

1. ACTIVITIES

Arabian International Healthcare Holding Company (the "Company") (trading as Tibbiyah) is a Saudi Joint Stock Company, registered in Riyadh, Kingdom of Saudi Arabia under commercial registration numbered 1010380429 dated 10 Sha'aban 1434H (corresponding to 19 June 2013). The Company and its subsidiaries together are referred to as ("the Group").

The Group is engaged in the import, export, wholesale, and retail trade of medical and surgical equipment, hospital supplies, laboratory systems, and related products. Its activities include the distribution and maintenance of medical devices, imaging equipment, prosthetics, dental and veterinary equipment, and cosmetic products. Additionally, the Group provides along with software and hardware solutions for healthcare applications.

The registered office of the Company is located at the following address:

Qurtubah District, Business Gate, Building No. 9
P.O. Box 62961, Riyadh 11595
Kingdom of Saudi Arabia

The subsidiaries included in these consolidated financial statements are as follows:

Subsidiary	Country of incorporation	Effective shareholding %	
		2025	2024
Al Faisaliah Medical Systems Company	Kingdom of Saudi Arabia	**100**	100
International Medical Supplies Company	Kingdom of Saudi Arabia	**100**	100
International Healthcare Optimization Company	Kingdom of Saudi Arabia	**100**	100
Health Care Technologies Company	Kingdom of Saudi Arabia	**100**	100
Alhammad Medical Services Company	Kingdom of Saudi Arabia	**100**	100
Innovative Healthcare Company Holdings Limited	United Arab Emirates	**-**	51

The Group has following branches and the assets, liabilities and results of operations of the branches are included in these consolidated financial statements.

Branch location	**C.R Number**	**Date**
Jeddah	4030280314	13 Rabi Thani 1436H (corresponding to 2 February 2015)
Khobar	2051062515	17 Sha'aban 1437H (corresponding to 24 May 2016)
Jeddah	4030280313	13 Rabi Thani 1436H (corresponding to 2 February 2015)
Khobar	2051060081	22 Rabi Thani 1436H (corresponding to 11 February 2015)
Jeddah	4030280345	15 Rabi Thani 1436H (corresponding to 4 February 2015)
Khobar	2051060082	22 Rabi Thani 1436H (corresponding to 11 February 2015)
Jeddah	4030280342	15 Rabi Thani 1436H (corresponding to 4 February 2015)
Khobar	2051062516	17 Sha'aban 1437H (corresponding to 24 May 2016)

The Company is owned 75% by Advanced Drugs Company for Pharmaceuticals. The Ultimate Parent Company is Al Faisaliah Group Holding Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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 endorsed in KSA").

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

- Employees' defined benefit liabilities, which has been actuarially valued as explained in the accounting policies below.
- Derivative financial instruments which is measured at fair value (Refer note 29)
- Deferred consideration measured at fair value (Refer note 17)

The financial statements are presented in Saudi Riyals ("SR"), which is the functional currency for the Company and its subsidiaries. The consolidated financial statements have been prepared on a going concern basis.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (as listed in note 1 above) ("the Group") as at 31 December 2025.

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. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of consolidation (continued)

Consolidated statement of income and each component of other comprehensive income are attributed to the shareholders of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES

3.1 Summary of material accounting policies

The following are the material accounting policies applied by the Group in preparing its consolidated financial statements. These are consistent with the prior periods.

A Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

B Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

C Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within Level 2 of the fair value hierarchy in which the lowest level input, that is significant to the fair value measurement, is directly or indirectly observable, except for deferred consideration which is measured at Level 3 in which the lowest level input, that is significant to the fair value measurement, is unobservable.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a 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 in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. 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 a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

D Revenue Recognition

The Group recognizes revenue from the sale of goods, both with and without installation, construction of civil works, the sale of warranties, sale of maintenance contracts and sale of clinical services. Revenue is measured based on the consideration specified in a contract with a customer net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer.

The specific recognition criteria described below must also be met before revenue is recognized.

(i) Sales of goods and installation services

Revenue from the sale of goods is recognized at a point in time when control of the goods has transferred, being when the goods have been shipped to the customers' specific location (delivery) and duly received and accepted by the customer. Revenue is recognized over time as the installation services are provided. The stage of completion for determining the amount of revenue to recognize is assessed based on input method applying/using the [for example, cost incurred] as measure of progress. A receivable is recognized by the Group when the performance obligation is satisfied in full and the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Group recognised revenue together with a 3 - 5% provision against revenue for estimated penalty and rebates, based on its past experience.

The Group also considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) Sale of warranty

Sales-related warranties, associated with goods which cannot be purchased separately, serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.
Revenue is recognized overtime over the period in which the service-type warranty is provided based on the time elapsed. The management consider that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

(iii) Revenue from maintenance contracts

Maintenance contracts with customers require that the Group maintains a specified piece of equipment overtime. Revenue is recognized when the service is rendered to the customer overtime. The Group considers that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

(iv) Revenue from clinical services

Revenue is recognized at point in time when services are rendered to its customers. The Group recognizes revenue at the point in time at which the customer obtains control of asset or service and the entity satisfies the performance obligations. Revenues are measured at transaction price which is the amount of consideration the Group expects to be entitled to in exchange of services provided.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

E Trade receivables

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.1(O) for further details.

F Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group allocates a portion of the consideration received to warranty revenue. This allocation is based on the relative stand-alone selling prices. The amount allocated to warranty revenue is deferred, and is recognised as revenue over the period of warranty. The deferred warranty revenue is included in contract liabilities.

G Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (L) Impairment of tangible and intangible assets.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

G Leases (continued)

Group as a lessee (continued)

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Group as a lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of “Other income”.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

H Employee benefits

Employee defined benefit liabilities

The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurements

The Group presents the first two components of defined benefit costs in profit or loss in relevant line items.

Short-term employee benefits
A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, and air tickets that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

I Zakat

Zakat is computed on the higher of the zakat base or adjusted net income. Zakat is calculated using rates that have been substantively enacted at the reporting date in the consolidated statement of profit or loss and other comprehensive income. Any difference in the estimate is recorded when the final assessment is approved, at which time the amount provided for is cleared.

J Value Added Tax

The Company is subject to a VAT filing on a monthly basis. It is paid and settled through the monthly statements submitted by the Group to the Zakat, Tax and Customs Authority "ZATCA".

K Property and equipment

Property and equipment, except land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land and capital work-in-progress are stated at cost less impairment in value, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

K Property and equipment (continued)

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

Following are the useful life used to calculate depreciation for all periods presented in these consolidated financial statements:

Leasehold improvements	7 years or the lease term whichever is shorter
Machinery, tools and equipment	3 to 10 years
Furniture and fixtures	5 years
Office equipment	6 to 7 years
Computer hardware	3 years
Motor vehicles	4 years

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

L Goodwill and Intangible assets

Intangible assets, other than goodwill, with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. The cost of intangible assets acquired in a business combination is their fair value at the effective date of the business combination. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The Group applies an annual rate of amortization ranging from 14.3% to 20% to its software and applies an annual rate of amortization ranging from 8% to 20% to its brands and trade name. Distributor license fees is amortized over the period of the underlying legal agreement.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held), over the net identifiable assets acquired and liabilities assumed.

The consideration transferred in the acquisition is generally measured at fair value, as are the Identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

M Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Assets that have indefinite useful life are tested annually for impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

A Cash-Generating Unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows independently. The determination of CGUs is based on factors such as cash flow independence, operational structure, market conditions, and management’s monitoring practices.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

N Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on the weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

O Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks, all of which are available for use by the Group unless otherwise stated and have original maturities of three months or less, and are subject to insignificant risk of changes in values.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

P Financial Instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value net of directly attributable transaction costs.

The Group's financial assets at amortised cost includes trade receivables, contract assets and amounts due from related parties.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

P Financial Instruments - initial recognition and subsequent measurement (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, short-term loans from Ultimate Parent Company, contract liabilities and amounts due to related parties which are subsequently measured at amortised cost.

Subsequent measurement
After initial recognition, all financial liabilities, including the short-term loans from Ultimate Parent Company are measured at amortised cost. In case of long-term interest-bearing loans, EIR method will be applied.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

Q Foreign currency translation

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

R Dividend

The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the by-laws of the Company, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

S Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties.

surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

T Equity-accounted investees

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
The results and assets and liabilities of equity-accounted investees are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the joint venture.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

T Equity-accounted investees (continued)

When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in the consolidated statement of profit or loss and other comprehensive income in the period in which the investment is acquired. The requirements of IFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognized forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognized in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

T Equity-accounted investees (continued)

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognized in the Group’s consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

The Group incurs costs on behalf of investees. All such cost which are directly attributable to the investment and for which the Group believes that it is probable that costs will be contributed to the investment are recorded as advance towards investment.

U Trade payables and other liabilities

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. No interest charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

V Expenses

Selling and marketing expenses are those arising from the Group’s efforts underlying the marketing and selling functions. All other expenses, excluding cost of sales and finance cost, are classified as general and administrative expenses. Allocations of common expenses between cost of sales, selling and marketing, and general and administrative expenses, when required, are made on a consistent basis.

W Operating segment

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses;
- results of whose operations are continuously analysed by management in order to make decisions related to resource allocation and performance assessment; and
- for which discrete financial information is available.

The Group's operating business are organized and managed separately according to the nature of the services provided with each segment representing a strategic business unit that offers different products to its respective market.

For management purpose, the Group is organised into three segments, as described below:
- Project and medical equipment-based business
- Consumable business
- Clinical and pharmaceutical business

A geographical segment is a group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group only operates in KSA and accordingly has no geographical segments.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

X Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of the ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible debt instruments and share options granted to employees, if any.

Y Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date, fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Z Deferred consideration

Deferred consideration arising from the disposal of subsidiaries is recognised as a financial asset at its fair value on the disposal date.

Subsequently, the receivable is measured at amortised cost using the effective interest method. Any discount unwind is recognised as finance income over the period until settlement.

AA Treasury Shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in additional paid-in capital.

AB Finance income and finance cost

The Group’s finance income and finance costs include:

- interest income;
- interest expense;

Interest income or expense is recognised using the effective interest method.
The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Summary of material accounting policies (continued)

AB Finance income and finance cost (continued)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.2 Standards, interpretations, and amendments

a) New standards, interpretations, and amendments effective in the current year

Following are the new currently effective requirements which are effective for annual periods beginning after 1 January 2025. These requirements does not have any material impact in these financial statements.

Effective date	New standards or amendments
Annual periods beginning on or after 1 January 2025	Lack of exchangeability – Amendment to IAS 21

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

b) IFRS issued but not yet effective and amendments to standards

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted for certain new standards and amendments; however, the Group has not early adopted them in preparing these Consolidated Financial Statements. The Group is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.

Effective date	New standards or amendments
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
1 January 2026	Contract Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
1 January 2026	Annual Improvements to IFRS Accounting Standards – Volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
1 January 2027	IFRS 19, Subsidiaries without Public Accountability: Disclosures

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of trade receivables and contract assets

An estimate of the provision for ECL is calculated in accordance with the accounting policy detailed in note 3.1(P) to the consolidated financial statements.

At the reporting date, gross trade receivables were SR 776.8 million (2024: SR 800 million) with SR 64.76 million (2024: SR 65.45 million) being allowance for ECL. Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in profit or loss.

For ECL on trade receivables and contract assets, the Group has divided its trade receivable and contract assets in two broad categories, private customers and government / government controlled entities ("government customers").

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable/contract asset progressing through successive stages of delinquency to write-off.

Loss rates are based on actual historic credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth.

For trade receivable and contract assets from government customers, the Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions.

Useful lives and residual values of property and equipment and intangible assets

An estimate of the useful lives and residual values of property and equipment and intangible assets is made for the purposes of calculating depreciation and amortization respectively. These estimates are made based on expected usage for useful lives. Residual value is determined based on experience and observable data where available.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Employee defined benefit liabilities

Employee defined benefit liabilities are determined using an actuarial valuation which requires estimates to be made of the various inputs. These estimates have been disclosed in note 31 to the consolidated financial statements.

Determination of Joint Control over a Joint Venture

The Group has assessed its investment in equity-accounted investees (“JVs”) as disclosed in note 20 and has determined that it qualifies as a joint venture in accordance with the accounting policy detailed in note 3.1(T) to the consolidated financial statements. This determination required significant judgment in evaluating whether the contractual arrangement provides the Group with joint control over the investee.

Under the terms of the joint venture agreement, key strategic and operational decisions related to the relevant activities of JVs require the unanimous consent of both parties. Based on this requirement, the Group concluded that joint control exists.

Impairment of inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis.

Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the net realizable value of the underlying inventory.

At the reporting date, gross inventories were SR 373 million (2024: SR 315.5 million) with allowance for net realizable value amounting to SR 19.6 million (2024: SR 21.6 million) being held against them. Any difference between the amounts actually realized in future periods and the amounts expected to be realized will be recognized in the consolidated statement of profit or loss and other comprehensive income.

5. REVENUE

	2025 **SR**	2024 SR
Timing of revenue recognition		
At a point in time		
Revenue from delivery of goods	**722,618,165**	695,526,934
Revenue from clinical services and pharmaceutical	**68,072,709**	75,143,217
Over time		
Revenue from rendering of services and civil works	**111,069,480**	32,342,823
Revenue from warranties	**8,525,891**	11,412,132
	910,286,245	814,425,106

	Continuing Operations		**Dis-continued Operations**		**Total**	
	2025 **SR**	2024 SR	**2025** **SR**	2024 SR	**2025** **SR**	2024 SR
Timing of revenue recognition						
At a point in time						
Revenue from delivery of goods	**722,618,165**	695,526,934	**-**	-	**722,618,165**	695,526,934
Revenue from clinical services and pharmaceutical	**-**	-	**68,072,709**	75,143,217	**68,072,709**	75,143,217
Over time						
Revenue from rendering of services and civil works	**111,069,480**	32,342,823	**-**	-	**111,069,480**	32,342,823
Revenue from warranties	**8,525,891**	11,412,132	**-**	-	**8,525,891**	11,412,132
	842,213,536	739,281,889	**68,072,709**	75,143,217	**910,286,245**	814,425,106

Seasonal nature of operations

Due to the seasonal nature of the operations of the medical devices segment, higher revenues and operating profits are usually expected in the last quarter of the year in comparison to the first nine months. In the financial year ended 31 December 2025, 61% (2024: 55%) of revenues accumulated in the first nine months of the year, with 39% (2024: 45%) accumulating in the last three months.

6. COST OF REVENUE

	2025 **SR**	2024 SR
Material cost	**623,902,169**	551,051,235
Salaries and other employee related costs	**15,998,874**	11,899,999
Depreciation (Notes 14)	**54,827**	60,756
Net realizable value of inventory (Note 21)	**4,698,573**	2,034,058
Travel expense	**2,028,561**	1,619,128
Amortization (Note 19)	**26,250**	20,855
Others	**735,807**	305,834
	647,445,061	566,991,865

SR 567.13 million (2024: SR 556.94 million) within the cost of sales is attributable to inventories.

7. SELLING AND MARKETING EXPENSES

	2025 **SR**	2024 SR
Salaries and other employee related costs	**57,702,356**	51,580,523
Marketing, advertising and promotion	**1,610,071**	2,067,791
Depreciation (Notes 14 & 18)	**5,039,273**	5,103,458
Distribution Cost	**5,272,672**	4,658,843
Travel	**3,928,756**	4,027,437
Communication and information technology	**3,184,464**	3,690,829
Amortization (Note 19)	**699,973**	1,094,297
Professional charges	**1,586,283**	756,661
Utilities and rent expenses	**904,621**	401,216
Others	**2,769,768**	3,932,694
	82,698,237	77,313,749

8. GENERAL AND ADMINISTRATIVE EXPENSES

	2025 **SR**	2024 SR
Salaries and other employee related costs	**26,466,367**	27,157,415
Depreciation (Notes 14 & 18)	**2,772,982**	2,331,214
Legal and professional charges	**8,115,346**	5,948,928
Communication and information technology	**3,066,945**	2,552,585
Amortization (Note 19)	**247,703**	172,467
Utilities and rent expense	**262,717**	415,408
Travelling and transportation expense	**786,638**	603,950
Others	**4,865,339**	1,842,217
	46,584,037	41,024,184

During the year, the audit fees for the Group amounted to SR 1.2 million which includes Arabian International Healthcare Holding Company, Al Faisaliah Medical Systems Company Limited, International Medical Systems Company Limited, International Healthcare Optimization Company, Health Care Technologies Company and Mohamed Hamad Abdullah Al Hammad for Medical Services Company (2024: 1.4 million which also includes a fee of 0.3 million pertaining to discontinued operations).

9. OTHER INCOME

	2025 **SR**	2024 SR
Royalty income from joint venture (Note 25)	**12,937,589**	11,903,507
Income from customer contracts transferred to new distributor*	**-**	1,000,000
Other income**	**2,067,926**	5,229,641
	15,005,515	18,133,148

*During the prior year the Group received a consideration of SR 1 million pertaining to the transfer of certain contracts pertaining to Oncology to a company.

** During the prior period, the Group secured a judicial ruling from the General Court obligating defendant party in the case to pay SR 3 million in favor of the Group.

10. OTHER EXPENSES

	2025 **SR**	2024 SR
Bank charges	**4,035,106**	3,374,803
Foreign exchange losses	**1,067,779**	937,172
Other expenses	**977,995**	1,120,370
	6,080,880	5,432,345

11. FINANCE CHARGES

	2025 **SR**	2024 SR
Interest on loans	**27,556,874**	36,732,658
Interest on lease	**1,580,480**	1,440,053
Factoring cost of trade receivables*	**4,216,761**	2,118,695
Other charges	**2,759,605**	235,038
	36,113,720	40,526,444

*Interest on accounts receivable discounting represents bank charges deducted on the non-recourse factoring of receivables due from National Unified Procurement Company (NUPCO), as reflected on the customer portal, under a Murabaha facility with a financial institution. During the year ended 31 December 2025, receivables amounting to SR 199.3 million were factored (2024: SR 100 million)..

12. ZAKAT

The Group files Zakat return separately from the Ultimate Parent Company from 2021 onwards and files separately for wholly owned entities and partially owned entities.

Tax years 2021, 2022 and 2024
The Group has filed its consolidated zakat declarations, together with the information declarations of its wholly owned subsidiaries, with ZATCA within the prescribed statutory deadlines. These declarations are currently under review by ZATCA.

Tax year 2023
ZATCA issued its final zakat assessment for the year ended 2023. The related liability has been settled by the Group during 2025.

Movement of provision for zakat

	2025 **SR**	2024 SR
At the beginning of the year	**10,407,202**	11,573,916
Acquisition of subsidiary during the year	**-**	820,222
Charge for the year	**11,160,416**	9,646,642
Extinguished via payment to ZATCA	**(10,809,619)**	(11,633,578)
Due to disposal of subsidiary during the year (Note 16)	**(1,037,225)**	-
At end of the year	**9,720,774**	10,407,202

Zakat charge included in the above movement table represent the total charge for the year. Amounts attributable to discontinued operations have been presented within the discontinued operations line in the statement of profit or loss, refer note 16.

13. FINANCE INCOME

	2025	2024
	SR	SR
Interest income from leased assets – refer 13.1	**1,828,404**	2,140,828
	1,828,404	2,140,828

13.1 Investment in finance lease

The Group signed a MOU in 2023 with a Company for novation of its contract with customers (government hospital) in the Dialysis business, to the Group. The transfer amount contained SR 3.5 million consideration for the assets already transferred to the respective customers of that company.

The contracts contains a finance lease arrangement for the assets transferred to the customers, against which the Group shall receive payments over the term of each respective contract.

During the year, the Group earned interest income on investment in finance lease amounting to SR 1.83 million (2024: SR 2.14 million) and charged rentals against the investment amounting to SR 2.22 million (2024: SR 2.35 million).

The following table sets out a maturity analysis of investment in finance lease, showing the undiscounted lease payments to be received after the reporting date.

	2025	2024
	SR	SR
Less than one year	**2,963,911**	2,402,334
One to two year	**873,780**	2,775,118
Two to three years	**873,780**	873,780
Three to four years	**973,901**	873,780
Four to five years	**-**	1,019,410
More than five years	**-**	-
Total undiscounted lease receivable	**5,685,372**	7,944,422
Unearned finance income	**(2,426,872)**	(4,290,164)
Net investment in the Lease	**3,258,500**	3,654,258
Non-current portion	**1,184,713**	3,042,524
Current portion	**2,073,787**	611,734

14. PROPERTY AND EQUIPMENT

	Leasehold improvements SR	Machinery, tools and equipment SR	Furniture and fixtures SR	Office equipment SR	Computer hardware SR	Motor Vehicles SR	Total SR
Cost:							
As at 1 January 2025	**26,723,189**	**53,714,765**	**6,023,072**	**1,784,198**	**3,593,209**	**5,626,490**	**97,464,923**
Additions	**294,569**	**2,882,872**	**2,734**	**233,187**	**255,297**	**15,480**	**3,684,139**
Disposals	**-**	**(866,036)**	**(2,307,325)**	**(428,282)**	**(156,678)**	**(1,062,060)**	**(4,820,381)**
Derecognition due to disposal of Subsidiary (note 16)	**(19,308,968)**	**(31,463,119)**	**(986,081)**	**(32,705)**	**(2,365,106)**	**(506,923)**	**(54,662,902)**
As at 31 December 2025	**7,708,790**	**24,268,482**	**2,732,400**	**1,556,398**	**1,326,722**	**4,072,987**	**41,665,779**
Accumulated Depreciation:							
As at 1 January 2025	**13,004,833**	**37,304,326**	**5,235,576**	**1,516,263**	**2,628,189**	**5,549,779**	**65,238,966**
Charge for the year	**1,909,782**	**5,411,145**	**282,496**	**120,661**	**400,695**	**72,636**	**8,197,415**
Disposals	**-**	**(580,381)**	**(2,278,661)**	**(417,160)**	**(160,229)**	**(1,057,678)**	**(4,494,109)**
Derecognition due to disposal of Subsidiary (note 16)	**(8,028,770)**	**(22,177,177)**	**(945,505)**	**(32,692)**	**(1,853,157)**	**(491,759)**	**(33,529,060)**
As at 31 December 2025	**6,885,845**	**19,957,913**	**2,293,906**	**1,187,072**	**1,015,498**	**4,072,978**	**35,413,212**
Net Book Value:							
As at 31 December 2025	**822,945**	**4,310,569**	**438,494**	**369,326**	**311,224**	**9**	**6,252,567**

14. PROPERTY AND EQUIPMENT (CONTINUED)

	Leasehold improvements SR	Machinery, tools and equipment SR	Furniture and fixtures SR	Office equipment SR	Computer hardware SR	Motor Vehicles SR	Total SR
Cost:							
As at 1 January 2024	22,331,420	51,748,094	5,004,699	1,386,239	2,686,889	3,966,285	87,123,626
Additions	405,769	1,782,780	450,136	21,190	780,560	-	3,440,435
Acquisition through business combination	3,986,000	3,309,483	568,237	376,769	131,035	1,660,205	10,031,729
Disposals	-	(3,125,592)	-	-	(5,275)	-	(3,130,867)
As at 31 December 2024	26,723,189	53,714,765	6,023,072	1,784,198	3,593,209	5,626,490	97,464,923
Accumulated Depreciation:							
As at 1 January 2024	11,073,799	32,953,741	4,492,299	1,058,988	2,211,529	3,828,754	55,619,110
Charge for the year	1,931,034	5,716,555	296,935	105,686	347,839	86,667	8,484,716
Acquisition through business combination	-	207,816	446,342	351,589	69,135	1,634,358	2,709,240
Disposals	-	(1,573,786)	-	-	(314)	-	(1,574,100)
As at 31 December 2024	13,004,833	37,304,326	5,235,576	1,516,263	2,628,189	5,549,779	65,238,966
Net Book Value:							
As at 31 December 2024	13,718,356	16,410,439	787,496	267,935	965,020	76,711	32,225,957

14.1 Depreciation expense is allocated as follows:

Allocation of depreciation expense	**2025 SR**	2024 SR
Cost of sales	**54,827**	60,756
Selling and marketing expenses	**2,682,047**	2,786,082
General and administrative expenses	**201,686**	320,102
	2,938,560	3,166,940

Depreciation stated in the table above represents the total charge for the year related to continued operations only. Amounts attributable to discontinued operations have been presented within the discontinued operations line in the statement of profit or loss, refer (note 16).

15. GOODWILL

	Note	**2025 SR**	2024 SR
Gross amount of Goodwill as at 1 January		**127,672,108**	127,672,108
Addition due to acquisition of branch in Innovative Care Trading Company		**2,578,350**	2,578,350
Accumulated Impairment loss of Goodwill related to Innovative Healthcare Holding Ltd		**(110,864,809)**	(110,864,809)
Derecognition of Goodwill due to disposal of Innovative Healthcare Holding Ltd	16	**(19,385,649)**	-
Net amount of Goodwill as at 31 December		**-**	19,385,649

16. DISCONTINUED OPERATIONS

In December 2025, the Group sold its controlling share in Innovative Healthcare Holding Ltd, refer note 17. Management committed to a plan to sell this segment in light of the structural shifts in the industry away from the obesity market, following a strategic decision to focus on the Group's core business activities and enabling disciplined capital redeployment into higher-return strategic healthcare opportunities aligned with Group's growth mandate.

The results and cash flows of the disposed segment have been presented as discontinued operations in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The loss on disposal, representing the excess of the carrying amount of the net assets of the segment over the consideration received, is included within the results of discontinued operations.

Comparative information for prior periods has been re-presented to show the results of the discontinued segment separately, in accordance with IFRS 5.

A. Effect of disposal on the financial position of the Group

	Note	**2025 SR**
Property and equipment	14	(21,133,842)
Goodwill	15	(19,385,649)
Right-of-use assets	18	(17,431,274)
Intangible assets	19	(3,992,347)
Inventories		(4,874,927)
Trade and other receivables		(526,270)
Cash and cash equivalents		(6,403,737)
Prepayment and other receivable		(2,490,042)
Due from a related party		(35,096,603)
Employee defined benefits liabilities	31	3,423,288
Lease liabilities	18	19,033,907
Trade payables		4,080,473
Accrued expenses and other payables		2,435,854
Zakat Payable	12	1,037,225
Non-controlling interest	30	31,618,830
Net assets and liabilities disposed of		**(49,705,114)**
Cash Consideration*	23	30,000,000
Fair Value of Deferred Consideration	17	19,510,756
Loss on disposal		**(194,358)**

* The cash consideration has been received subsequent to the year-end in January 2026.

16. DISCONTINUED OPERATIONS (CONTINUED)

B. Results of discontinued operations

	2025 SR	2024 SR
Revenue	**68,072,709**	75,143,217
Expenses	**(73,680,120)**	(78,915,604)
Incremental depreciation due to fair valuation	**(2,810,754)**	(2,794,591)
Result from operating activities	**(8,418,165)**	(6,566,978)
Zakat expense	**(988,844)**	(1,839,610)
Result from operating activities, net of zakat	**(9,407,009)**	(8,406,588)
Loss on sale of discontinued operations	**(194,358)**	-
Loss from discontinued operations, net of Zakat	**(9,601,367)**	(8,406,588)
Loss attributable to Shareholders	**(4,991,933)**	(4,287,360)
Weighted average number of outstanding shares	**19,790,000**	19,790,000
Basic and diluted loss per share from discontinued operations	**(0.25)**	(0.22)

C. Cash flows (used in) / generated from discontinued operations

	2025 SR	2024 SR
Net cash (used in) / generated from operating activities	**(33,578,464)**	7,969,385
Net cash used in investing activities	**(7,357,613)**	(11,180,110)
Net cash used in financing activities	**(14,539,198)**	(1,258,734)
Net cash flow for the year	**(55,475,275)**	(4,469,459)

17. DEFERRED CONSIDERATION

As disclosed in note 16, during the year the Group entered into a conditional share purchase agreement on 31 December 2025 to sell its entire shareholding (51% equity interest) in Innovative Healthcare Holdings Ltd. Control over the subsidiary was transferred on 31 December 2025, and the subsidiary was deconsolidated as of that date.

Under the terms of the sale agreement, a portion of the consideration is deferred and is contractually receivable in instalments on the following dates:

Payment date	**Amount SR**
31 December 2026	7,333,334
31 December 2027	7,333,333
31 December 2028	7,333,333
Total deferred consideration	**22,000,000**
Discount to present value	(2,489,244)
Present value recognized	**19,510,756**
Current portion of Deferred consideration	**6,901,961**
Non- Current portion of Deferred consideration	**12,608,795**

The deferred consideration represents fixed contractual amounts and is not contingent on future performance.

17. DEFERRED CONSIDERATION (CONTINUED)

The deferred consideration receivable has been initially recognised at its fair value at the date of disposal. Where the impact of the time value of money is material, the receivable has been discounted using an appropriate market-based discount rate (which is the incremental borrowing rate), with the unwinding of the discount recognised as finance income over the period until settlement.

At the reporting date, the deferred consideration receivable is presented as non-current financial assets, except for amounts expected to be received within twelve months of the reporting date, which are classified as current.

18. LEASES

The Group has lease contracts for building used in its operations. Information about assets for which the Group is a lessee is presented below:

	Right-of-use assets 2025 SR	Right-of-use assets 2024 SR
Cost:		
As at 1 January	**58,647,485**	55,478,136
Additions during the year	**9,063,275**	6,214,216
Derecognition of right-of-use assets	**(642,491)**	(3,044,867)
Derecognition due to disposal of Subsidiary (note 16)	**(26,812,715)**	-
As at 31 December	**40,255,554**	58,647,485
Depreciation:		
As at 1 January	**18,734,306**	15,111,230
Charge for the year	**7,266,930**	6,667,943
Derecognition of right-of-use assets	**(642,491)**	(3,044,867)
Derecognition due to disposal of Subsidiary (note 16)	**(9,381,441)**	-
As at 31 December	**15,977,304**	18,734,306
Net book value:		
At 31 December	**24,278,250**	39,913,179
Allocation of depreciation expense		
Selling and marketing expenses	**2,357,226**	2,317,376
General and administrative expenses	**2,571,296**	2,011,112
	4,928,522	4,328,488

Depreciation stated in the table above represents the total charge for the year related to continued operations only. Amounts attributable to discontinued operations have been presented within the discontinued operations line in the statement of profit or loss, refer note 16.

18. LEASES (CONTINUED)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025 SR	2024 SR
As at 1 January	**40,648,760**	38,716,876
Additions during the year	**9,063,275**	6,214,216
Accrued interest	**2,540,185**	2,470,318
Payments during the year	**(8,782,620)**	(6,752,650)
Derecognition due to disposal of Subsidiary (note 16)	**(19,033,907)**	-
As at 31 December	**24,435,693**	40,648,760
Non-current portion	**19,563,799**	34,794,717
Current portion	**4,871,894**	5,854,043

Amounts recognized in statement of profit or loss and other comprehensive income:

Interest on lease liabilities	**2,540,185**	2,470,318

Amounts recognized in statement of cash flows:

Total cash outflow for leases	**8,782,620**	6,752,650

Following is the maturity analysis of leases:

Minimum lease payments		
Not later than one year	**6,239,935**	7,639,630
Later than one year and not later than five years	**12,561,750**	22,656,220
More than five years	**12,210,000**	21,450,000
	31,011,685	51,745,850
Less: future finance charges	**(6,575,992)**	(11,097,090)
Present value of minimum lease payments	**24,435,693**	40,648,760

19. INTANGIBLE ASSETS

	Distribution rights SR	**Software SR**	**Brands SR**	**Trade Name SR**	**Total SR**
Cost:					
As at 1 January 2025	**6,570,074**	**25,380,825**	**1,833,675**	**8,133,000**	**41,917,574**
Derecognition due to disposal of Subsidiary (note16)	**-**	**(1,547,559)**	**(188,075)**	**(8,133,000)**	**(9,868,634)**
As at 31 December 2025	**6,570,074**	**23,833,266**	**1,645,600**	**-**	**32,048,940**
Accumulated amortization:					
As at 1 January 2025	**4,599,441**	**23,962,298**	**1,733,555**	**2,995,310**	**33,290,604**
Charge for the year	**684,962**	**311,580**	**9,000**	**1,284,158**	**2,289,700**
Derecognition due to disposal of Subsidiary (note 16)	**-**	**(1,499,864)**	**(96,955)**	**(4,279,468)**	**(5,876,287)**
As at 31 December 2025	**5,284,403**	**22,774,014**	**1,645,600**	**-**	**29,704,017**
Net book value:					
At 31 December 2025	**1,285,671**	**1,059,252**	**-**	**-**	**2,344,923**

19. INTANGIBLE ASSETS (CONTINUED)

	Distribution rights SR	Software SR	Brands SR	Trade Name SR	Total SR
Cost:					
As at 1 January 2024	6,570,074	23,558,050	1,833,675	8,133,000	40,094,799
Acquistion of subsidiary	-	588,055	-	-	588,055
Additions	-	1,234,720	-	-	1,234,720
As at 31 December 2024	6,570,074	25,380,825	1,833,675	8,133,000	41,917,574
Accumulated amortization:					
As at 1 January 2024	3,520,155	23,336,242	1,724,560	1,712,211	30,293,168
Acquistion of subsidiary	-	407,523	-	-	407,523
Charge for the year	1,079,286	218,533	8,995	1,283,099	2,589,913
As at 31 December 2024	4,599,441	23,962,298	1,733,555	2,995,310	33,290,604
Net book value:					
At 31 December 2024	1,970,633	1,418,527	100,120	5,137,690	8,626,970

Allocation of amortization expense	**2025 SR**	2024 SR
Cost of sales	**26,250**	20,855
Selling and marketing expenses	**699,973**	1,094,297
General and administrative expenses	**247,703**	172,467
	973,926	1,287,619

Amortisation stated in the table above represents the total charge for the year related to continued operations only. Amounts attributable to discontinued operations have been presented within the discontinued operations line in the statement of profit or loss, refer note 16.

20. EQUITY-ACCOUNTED INVESTEES

	Ownership		**Carrying value as at**	
	2025 %	2024 %	**2025 SR**	2024 SR
Equity-accounted investees				
Philips Healthcare Saudi Arabia Limited (note 20.a)	**50%**	50%	**56,056,090**	51,595,893
Genalive Medical Lab Company Limited (note 20.b)	**50%**	50%	**32,802,978**	24,782,339
			88,859,068	76,378,232

The equity-accounted investees ("JVs") are structured as a separate vehicle and the Group has a residual interest in the net assets of the JVs. Accordingly, the Group has classified its interest in the JVs as a joint venture.

20. EQUITY ACCOUNTED INVESTEES (CONTINUED)

a) Philips Healthcare Saudi Arabia Limited

The investment in a joint venture pertains to a 50% holding in Philips Healthcare Saudi Arabia Limited (the "Joint Venture"), which is incorporated in the Kingdom of Saudi Arabia.

The principal activities of the Joint Venture are importing, installing, repairing and leasing of medical devices and equipment, providing training services and technical support related to the medical devices and equipment, information technology and software. The Joint Venture is accounted for using the equity method in these consolidated financial statements.

Summarized below are the financial information in respect of the Group's share in the Joint Venture. The summarized financial information below represents amounts shown in the Joint Venture's financial statements prepared in accordance with IFRS as endorsed in Kingdom of Saudi Arabia.

	2025 **SR**	2024 SR
Current assets	**568,045,424**	400,203,071
Non-current assets	**12,944,344**	15,002,231
Current liabilities	**(394,321,578)**	(233,330,622)
Non-current liabilities	**(77,508,250)**	(79,569,104)
Net assets (100%)	**109,159,940**	102,305,576
Adjustments to net assets*	**2,952,240**	886,210
Adjusted net assets	**112,112,180**	103,191,786
Group's share in Joint Venture's net assets – 50% (2024: 50%)	**56,056,090**	51,595,893

*The adjustments to net assets pertain to zakat expense, income tax expense and financial reporting framework differences between the Group and Joint Venture to arrive at the base amount used for the calculation of the Group's share in the Joint Venture. The Group determined that it has a joint control because it has meaningful representation on the board of investee to establish a unanimous consent for the decisions.

Summary of the financial performance of the Joint Venture during the year ended 31 December are as follows:

	2025 **SR**	2024 SR
Revenue	**395,653,302**	345,558,333
Adjusted profit before tax and zakat for the year	**28,046,052**	13,330,840
Group's share in Joint Venture's profit – 50% (2024: 50%)	**12,631,220**	5,152,381
Dividends from Joint Venture during the year	**8,414,693**	7,742,121

	2025 **SR**	2024 SR
As at 1 January	**51,595,893**	54,737,156
Share of profit of joint venture	**12,631,220**	5,152,381
Share of OCI of joint venture	**243,670**	(551,523)
Dividend received	**(8,414,693)**	(7,742,121)
Investment as at 31 December	**56,056,090**	51,595,893

20. EQUITY ACCOUNTED INVESTEES (CONTINUED)

b) Genalive Medical Company Limited

The investment in a joint venture pertains to a 50% holding in Genalive Medical Company Limited (the “Joint Venture”), which is incorporated in the Kingdom of Saudi Arabia.
The principal activities of the Company is to provide clinical laboratory testing services and genetic testing services to hospitals, research institutes, medical centers and clinics for both the public and private sectors. The Joint Venture is accounted for using the equity method in these consolidated financial statements.

Summarized below are the financial information in respect of the Group's share in the Joint Venture. The summarized financial information below represents amounts shown in the Joint Venture's financial statements prepared in accordance with IFRS as endorsed in Kingdom of Saudi Arabia.

	2025	2024
	SR	SR
Current assets	**44,547,205**	21,722,511
Non-current assets	**50,629,729**	58,776,841
Current liabilities	**(23,308,826)**	(24,072,435)
Non-current liabilities	**(6,674,152)**	(7,274,239)
Net assets	**65,193,956**	49,152,678
Group’s share in Joint Venture’s net assets – 50% (2024: 50%)	**32,596,978**	24,576,339
Initial Direct Cost incurred at acquisition	**206,000**	206,000
Investment as at 31 December	**32,802,978**	24,782,339

	2025	2024
	SR	SR
Revenue	**12,443,587**	12,297,046
Loss for the period	**(28,344,722)**	(21,817,362)
Group’s share in Joint Venture’s loss – 50% (2024: 50%)	**(14,172,361)**	(10,908,681)

Movement during the year:

	2025	2024
	SR	SR
As at 1 January	**24,782,339**	35,639,037
Cash injection during the year	**22,000,000**	-
Share in OCI	**193,000**	51,983
Share of loss of joint venture	**(14,172,361)**	(10,908,681)
Investment as at year end	**32,802,978**	24,782,339

21. INVENTORIES

	2025 SR	2024 SR
Goods held for sale and in relation to projects in progress	**353,590,486**	308,227,644
Spare parts	**1,531,303**	1,391,099
Goods in transit	**17,838,823**	5,880,236
	372,960,612	315,498,979
Less: net realizable value of inventories	**(19,576,627)**	(21,575,981)
	353,383,985	293,922,998

Movement of net realizable value of inventories during the year.

	2025 SR	2024 SR
As at 1 January	**21,575,981**	10,198,344
Due to acquisition of subsidiary	**-**	12,026,517
Charge during the year	**4,698,573**	2,366,292
Write-offs during the year	**(6,163,596)**	(3,015,172)
Due to disposal of subsidiary	**(534,331)**	-
As at 31 December	**19,576,627**	21,575,981

22. TRADE RECEIVABLES

	2025 SR	2024 SR
Gross amount of trade receivables	**776,841,636**	800,028,210
Less: allowance for expected credit losses (note 38.4)	**(64,764,758)**	(65,453,424)
Net trade receivables	**712,076,878**	734,574,786

The average credit period on sales of goods is 90 to 120 days. No interest is charged on outstanding trade receivables.

Movement of allowance for expected credit losses during the year:

	2025 SR	2024 SR
As at 1 January	**65,453,424**	36,994,715
Due to acquisition through business combination	**-**	11,603,304
(Reversal) / impairment during the year	**(176,605)**	17,678,540
Written off during the year	**-**	(823,135)
Due to disposal of subsidiary	**(512,061)**	-
As at 31 December	**64,764,758**	65,453,424

23. PREPAYMENTS AND OTHER CURRENT ASSETS

	2025 **SR**	2024 SR
Advances to suppliers	**69,609,657**	28,994,738
Consideration for subsidiary disposal (note 16)	**30,000,000**	-
Claims receivable	**5,313,760**	7,731,153
Prepaid expenses	**3,226,162**	4,708,534
Dividend receivable from joint venture (PHC)	**3,010,806**	4,103,228
Other receivables	**391,136**	11,894,680
	111,551,521	57,432,333

24. CASH AND CASH EQUIVALENTS

	2025 **SR**	2024 SR
Cash at bank	**4,857,571**	81,252,092
Cash in hand	**10,000**	142,685
Overdraft	**-**	(761,093)
	4,867,571	80,633,684

25. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Group include its shareholder and their related companies if such shareholder or related company has control, joint control or significant influence. In the ordinary course of business, the Group enters into transactions with related parties, which are based on mutually agreed prices and contract terms approved by the management of the Group.

The amounts outstanding with related parties are unsecured and will be settled in cash.

The following are the details of major related parties' transactions during the year and year end balances:

Related party	**Nature of transactions**	**2025** **SR**	2024 SR
Ultimate Parent Company (Al Faisaliah Group Holding Company)	Payments made to the Ultimate Parent Company for services purchased	**12,688,300**	13,636,072
	Purchase of services from the Ultimate parent Company under Service Level Agreements	**10,536,634**	8,494,180
	Interest cost on loans and borrowings	**6,859,030**	15,800,877
	Loan waived by Ultimate Parent Company (capital contribution)	**100,000,000**	-
	Repayment of loans and borrowings	**(241,000,000)**	(262,000,000)
	Receipts of loans and borrowings	**259,000,000**	224,500,000

25. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Related party	Nature of transactions	2025 SR	2024 SR
Philips Healthcare Saudi Arabia Limited (Joint venture)	Royalty income	**12,937,589**	11,903,507
	Payments made to related party against purchases of goods	**5,871,673**	11,871,255
	Purchases of goods from related party	**4,452,141**	13,010,366
	Collections against royalty	**13,467,514**	14,025,230
Genalive Medical Company Limited (Joint Venture)	Purchases of goods from related party	**4,638,485**	774,273
	Equity contribution	**22,000,000**	-
	Payments received related party	**-**	9,000,000
	Payments made to related party for working capital support	**445,898**	9,318,898
	Sales made to related party	**222,392**	-

Amounts due from and to related parties are as follows:

	2025 SR	2024 SR
Amounts due from related parties:		
Philips Healthcare Saudi Arabia Limited	**5,546,655**	4,135,942
Genalive Medical Company Limited	**668,290**	-
	6,214,945	4,135,942
Amounts due to related parties:		
Al Faisaliah Group Holding Company	**6,342,514**	8,494,180
Genalive Medical Company Limited	**5,387,175**	748,690
Philips Healthcare Saudi Arabia Limited	**699,516**	2,119,048
	12,429,205	11,361,918

The amount due to Philips Healthcare Saudi Arabia Limited pertains to the purchase of services amounting to SR 699,516 (2024: SR 2,119,048), whereas the amount due to Genalive Medical Company Limited pertains to purchases amounting to SR 5,387,175 (2024: SR 774,273).

No guarantees have been given or received. No amount has been expensed in the current year for bad or doubtful debts in respect of amounts owed by related parties. Compensation charged to key management personnel during the year, in the form of short-term benefits, was SR 7,320,545 (2024: SR 11,005,601) and in the form of post-employment benefits expense was SR nil (2024: 2,075,113).

26. SHARE CAPITAL

	2025 SR	2024 SR
20,000,000 shares of SR 10 each	**200,000,000**	200,000,000

As at 31 December 2025, the share capital of the Company amounting to SR 200,000,000 is divided into 20,000,000 shares of SR 10 each and is owned by the following shareholders:

26. SHARE CAPITAL (CONTINUED)

Shareholders	**Number of Shares**	**Face Value of shares in SR**	**% of shareholding**
Advanced Drug Company for Pharmaceuticals	15,000,000	150,000,000	75.00
Institutional & other Investors	4,790,000	47,900,000	23.95
Arabian International Healthcare Holding Company	210,000	2,100,000	1.05
	20,000,000	**200,000,000**	**100.00**

On 25 Jamada Al Awwal 1443H (corresponding to 29 December 2021), the Authority announced the approval to offer 5,000,000 shares for public subscription representing 25% of Company's shares.

The Company passed a resolution in its extra ordinary general meeting dated 29 June 2023 to buy-back its 210,000 number of its ordinary shares in accordance with Article 12 from Part 4 of Chapter 1 of the 'Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies at the market price. The Company will issue a share-based payment plan to its employees. The Company purchased 210,000 treasury shares for a consideration of SR 8,069,083.

27. ADDITIONAL CAPITAL CONTRIBUTION

During the year, the Company received an additional capital contribution from its Ultimate Parent Company through the waiver of an outstanding loan amounting to SR 100 million. The amount has been recognized directly in equity. No impact has been recorded in the statement of profit or loss.

28. STATUTORY RESERVE AND OTHER RESERVE

During the year, the management transferred the amount from statutory reserve to other reserve in accordance with the amended By-Laws, as aligned with new companies law through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022), which removes the mandatory requirement to maintain a statutory reserve.

29. DERIVATIVE FINANCIAL INSTRUMENT

During the year ended 31 December 2025, the Group's hedged loan facility amounting to SR 130 million was fully revoked, following a waive-off of SR 100 million loan amount from the Ultimate Parent Company. As a result, the related interest rate swap contract, previously designated as a cash flow hedge, ceased to qualify for hedge accounting under IFRS 9. Consequently, the full amount of the previously recognized cash flow hedge reserve of SR 369,402 was reclassified to profit or loss within finance costs. The interest rate swap continues to be held by the Group and is now accounted for as a standalone derivative measured at fair value through profit or loss.

The following table detail the notional principal amounts and fair values of the derivative financial instruments outstanding as at the reporting date:

Interest rate swap contract	***Current***	***Non-Current***	
	Liabilities at fair value SR	***Liabilities at fair value SR***	***Notional amount SR***
31 December 2025	**-**	**(1,117,331)**	**130,000,000**
31 December 2024	-	(369,402)	130,000,000

30. NON-CONTROLLING INTEREST

	2025 SR	2024 SR
Revenue	**68,072,709**	75,143,217
Total comprehensive loss during the period	**(9,812,695)**	(8,530,741)
Total comprehensive (loss) allocated to NCI	**(4,808,220)**	(4,179,635)

Below is the movement of NCI:

	2025 SR	2024 SR
At beginning of the year	**48,677,050**	52,856,685
Share of total comprehensive loss during the year	**(4,808,220)**	(4,179,635)
Dividend paid to NCI during the year (Note 43)	**(12,250,000)**	-
Derecognition due to disposal of subsidiary (Note 16)	**(31,618,830)**	-
At the end of the year	**-**	48,677,050

31. EMPLOYEE DEFINED BENEFIT LIABILITIES

The Group grants employee defined benefit liabilities (“benefit plan”) to its employees taking into consideration the local labor law requirements in the Kingdom of Saudi Arabia. The benefit provided by this benefit plan is a lump sum based on the employees’ final salaries and allowances and their cumulative years of service at the date of termination of employment.

The benefit liability recognized in the consolidated statement of financial position in respect of the employee defined benefit liabilities is the present value of the defined benefit obligation at the reporting date. The most recent actuarial valuation was performed by an independent, qualified actuary using the projected unit credit method.

The movement of employee defined benefit liabilities for the year is as follows:

	2025 SR	2024 SR
At beginning of the year – present value of defined benefit obligation	**27,986,174**	24,097,566
Acquisition of subsidiary	**-**	4,049,146
Current service cost	**3,431,629**	3,863,961
Interest cost	**1,500,055**	1,261,985
Paid during the year	**(4,978,009)**	(3,001,949)
Remeasurement gain / (loss) during the year	**3,488,326**	(2,284,535)
Derecognition due to disposal of subsidiary (note 16)	**(3,423,288)**	-
At end of the year – present value of defined benefit obligation	**28,004,887**	27,986,174

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	2025	2024
Financial assumptions:		
Net discount rate (per annum)	**4.7**	5.4
Rate of salary increases (per annum)	**3.0**	3.0
Demographic assumptions:		
Retirement age – Non-Saudi Nationals	**60**	60
Retirement age – Saudi Nationals	**65**	60

31. EMPLOYEE DEFINED BENEFIT LIABILITIES (CONTINUED)

All movements in the employee defined benefit liabilities are recognized in consolidated statement of profit or loss and other comprehensive income. The actuarial loss / (gain) is recorded in the other comprehensive income.

The sensitivity analysis presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. A positive amount represents an increase in the liability whilst a negative amount represents a decrease in the liability.

	2025 **SR**	2024 SR
Increase in discount rate of 1%	**(821,518)**	(778,942)
Decrease in discount rate of 1%	**869,145**	823,335
Increase in rate of salary of 1%	**949,452**	908,767
Decrease in rate of salary of 1%	**(904,593)**	(866,431)

32. CONTRACT LIABILITIES

	2025 **SR**	2024 SR
Advance from customers	**38,139,960**	68,553,768
Unearned warranty revenue	**30,203,433**	32,562,981
	68,343,393	101,116,749
Non-current portion	**17,106,039**	32,247,329
Current portion	**51,237,354**	68,869,420

An amount of SR 192.6 million has been recognised as revenue during the year ended 31 December 2025, against advances of SR 159.84 million received during the year and contract liabilities recorded at the beginning of the year.

33. LOANS AND BORROWINGS

	2025 **SR**	2024 SR
Current portion of long-term loans from Ultimate Parent Company	**-**	25,000,000
Refinance loans from Ultimate Parent Company	**88,000,000**	145,000,000
Short-term loans from Banks	**224,500,000**	277,396,295
	312,500,000	447,396,295
Non-current portion	**88,000,000**	145,000,000
Current portion	**224,500,000**	302,396,295

33. LOANS AND BORROWINGS (CONTINUED)

Set out below is the movement of loans and borrowings for the year ended 31 December:

	2025 **SR**	2024 SR
Opening	**447,396,295**	471,500,000
Loan assumed as part acquisition of subsidiary	**-**	40,008,019
Proceeds from loans during the year	**480,500,000**	330,500,000
Loan waived by Ultimate Parent Company (capital contribution)	**(100,000,000)**	-
Repayments of loans during the year	**(515,396,295)**	(394,611,724)
Closing	**312,500,000**	447,396,295

33.1 The Group has unsecured roll-over loans of SR 88,000,000 (2024: SR 145,000,000) from Ultimate Parent Company to finance its working capital requirements and at agreed commercial rates (SAIBOR +1.15%). Commission on the loans and borrowings from Ultimate Parent Company during 2025 for refinance loans is SR 6,167,051 (2024: SR 14,178,655). The Group has the right to roll over the loan facility and hence reclassified as long term in accordance with updated guidance under IAS1.

33.2 During the year, the Group fully settled its long-term loan from the Ultimate Parent Company through repayment of SR 25,000,000. The loan, originally obtained in 2020 for SR 100,000,000, carried a fixed commission rate of 3.65%, payable quarterly. The commission expense for the year amounted to SR 691,979 (2024: SR 1,622,222).

33.3 The Group has short term loans from banks at commission rate ranging between SAIBOR + 1.15% - SAIBOR + 1.25%. Commission on the loans from banks is SR 20,697,844 (2024: SR 20,931,781)

All the above loans are shariah compliant.

34. TRADE AND NOTES PAYABLES

	2025 **SR**	2024 SR
Trade payable	**248,772,016**	242,157,983
Notes payable	**107,327,063**	61,624,264
	356,099,079	303,782,247

No interest is charged on trade payables. The Group has financial risk management policies disclosed in note 38 to the consolidated financial statements in place to ensure that all payables are paid within the credit timeframe.

The Group participates in a supplier finance arrangement under which its suppliers may elect to receive payment directly from a bank on the due date. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers payment on the due date of the invoices.

The Group has not derecognized the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

34. TRADE AND NOTES PAYABLES (CONTINUED)

All payables under the arrangement are classified as current as at 31 December 2025 and 2024. Additional information about the Group's trade payables is provided below:

	2025 **SR**	2024 SR
Carrying amount of financial liabilities		
Presented in trade and other payables of which suppliers have received payment from finance provider	**107,327,063**	61,624,264
Range of payment due dates (in Days)		
Liabilities that are part of the arrangements	**360**	240 – 270
Comparable trade payables that are not part of the arrangements	**180**	150 – 180

35. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2025 **SR**	2024 SR
Accrued expenses	**116,069,015**	69,203,913
Accrued salaries and related expenses	**13,513,121**	11,997,179
Accrued interest	**1,057,199**	2,197,513
Deferred consideration	**-**	4,975,000
Other payables	**4,184,119**	5,721,319
	134,823,454	94,094,924

36. PROVISIONS

	2025 **SR**	2024 SR
Penalties from customers	**16,963,090**	17,995,220
Warranty and installation	**3,000,000**	3,000,000
	19,963,090	20,995,220

37. COMMITMENTS AND CONTINGENCIES

37.1 The Group has issued letters of guarantee through its banks amounting to SR 530.1 million (2024: SR 532.9 million) in the ordinary course of business.

37.2 In 2021, Al Faisaliah Medical Systems Company Limited ("the Component") incurred a penalty of SR 11.15 million due to a delay in delivery of goods. The Component filed a legal claim asserting that the delay was attributable to civil works performed by another contractor. The claim was initially dismissed by the Administrative Court. Although the Court of Appeal subsequently ruled in favor of the Component, the Administrative Supreme Court overturned that judgment and remanded the case. Upon reconsideration, the Court of Appeal cancelled its previous ruling and declared the claim inadmissible on procedural grounds, stating that the matter was premature in light of the ongoing execution of the project and unsettled contractual obligations. The Court concluded that the claim was not ready for adjudication at this stage and did not rule on the merits of the dispute. Based on external legal advice, the ruling does not prevent the filing of a new substantive claim in the future. As at the reporting date, no asset has been recognized, as recovery remains uncertain.

38. RISK MANAGEMENT

38.1 Capital Management

The Group manages its capital to ensure it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Group's overall strategy remains unchanged from the previous year.

The capital structure of the Group consists of equity and debt comprising capital, statutory reserve, additional contribution to capital, retained earnings and loans from the Ultimate Parent Company and banks.

	2025 SR	2024 SR
Earning / (Losses) from operating activities *	**73,046,300**	(40,255,854)
Total Equity attributable to owners	**365,162,058**	244,048,047
Return / (Loss) on the capital *	**20.0%**	(16.5%)

Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

* Comparative information has been re-presented due to a discontinued operation, refer note 16.

The Group's net debt to total equity at the end of the reporting year was as follows:

	2025 SR	2024 SR
Total liabilities	**967,436,906**	1,058,158,891
Less: cash and cash equivalents	**(4,867,571)**	(80,633,684)
Net debt	**962,569,335**	977,525,207
Total equity attributable to shareholders	**365,162,058**	244,048,047
Debt to equity ratio	**2.64:1**	4:1

38.2 Market Risk

The Group was exposed to market risk, in the form of foreign currency risk and interest rate risk as described below.

A **Foreign currency risks**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group is subject to fluctuations in foreign exchange rates in the normal course of its business. The Group did not undertake significant transactions in currencies other than Saudi Riyals during the year. As at the consolidated statement of financial position date, the Group does not have significant foreign currency exposure.

B **Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk on its interest bearing liabilities which is managed though hedging arrangement.

With all other variables held constant, the Group's profit before zakat is affected by an increase or decrease of SR 2,102,198 (2024: increase or decrease of SR 2,441,611) due to change in floating rate by +/(-) 0.5% on borrowings for the year ended 31 December 2025 after hedging. The management monitors the movement in interest on a regular basis to ensure interest costs can be managed.

38. RISK MANAGEMENT (CONTINUED)

38.3 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group manages its liquidity risk by ensuring that bank facilities are available. The Group's terms of sales require amounts to be collected within 90 to 120 days of the date of sale. Accounts payable are normally settled within 90 days to 270 days of the date of purchase. The non-current contract liabilities consist of deferred warranty revenue expected to be amortised after 1 year subsequent to year end. All other financial liabilities mature within 1 year subsequent to date of consolidated statement of financial position.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

31 December 2025 Details	**Within one year** **SR**	**One year to five years** **SR**	**Over five years** **SR**	**Total** **SR**	**Total Carrying Amount** **SR**
Trade and notes payables	**356,099,079**	**-**	**-**	**356,099,079**	**356,099,079**
Lease liabilities	**6,239,935**	**12,561,750**	**12,210,000**	**31,011,685**	**24,435,693**
Loans and borrowings	**224,500,000**	**88,000,000**	**-**	**312,500,000**	**312,500,000**
Derivative liability	**-**	**1,117,331**	**-**	**1,117,331**	**1,117,331**

31 December 2024 Details	Within one year SR	One year to five years SR	Over five years SR	Total SR	Total Carrying Amount SR
Trade and notes payables	303,782,247	-	-	303,782,247	303,782,247
Lease liabilities	7,639,630	22,656,220	21,450,000	51,745,850	40,648,760
Loans and borrowings	302,396,295	145,000,000	-	447,396,295	447,396,295
Derivative liability	-	369,402	-	369,402	369,402
Deferred consideration	4,975,000	-	-	4,975,000	4,975,000

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

38. RISK MANAGEMENT (CONTINUED)

38.3 Liquidity Risk (continued)

As at 31 December 2025, the Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity		
	1-6 months	**6-12 months**	**More than 1 year**
Interest rate risk			
Interest rate swaps			
Net exposure (in SR)	-	-	1,117,331

38.4 Credit Risk

Credit is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivable balances.

The Group sells its products to a large number of Government and quasi-government customers which account for the majority of receivable balance at the end of the year. The Group performs credit-vetting procedures which are reviewed and updated on an ongoing basis before granting credit to its customers. The Group does not hold any significant collateral or other credit enhancements to cover its credit risks associated with its financial assets with respect to non-government customers.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue receivables and contract assets. Furthermore, the Group reviews the recoverable amount of each trade receivable and contract assets on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

As at 31 December 2025, trade receivables consist of a large number of customers, however, National unified procurement company (NUPCO) accounts for 49.68% (2024: NUPCO 46.15%) of the Group's trade receivables balance. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

38. RISK MANAGEMENT (CONTINUED)

38.4 Credit Risk (continued)

The Group's credit exposure is primarily limited to its trade receivables which is presented below and in note 22, respectively. The credit risk on liquid balances is limited because the counterparties are banks with high credit-ratings.

		Contract assets and trade receivables –past due					
31 December 2025	**Not past due SR**	**0 – 90 days SR**	**91 – 180 days SR**	**181 – 270 days SR**	**271 – 365 days SR**	**Above 365 days SR**	**Total SR**
Gross carrying amount	**321,201,072**	**93,463,536**	**50,694,818**	**72,050,588**	**39,335,391**	**200,096,231**	**776,841,636**
Allowance for ECL	**(4,678,935)**	**(2,790,798)**	**(2,090,182)**	**(5,305,384)**	**(5,068,170)**	**(44,831,289)**	**(64,764,758)**
Net carrying amount	**316,522,137**	**90,672,738**	**48,604,636**	**66,745,204**	**34,267,221**	**155,264,942**	**712,076,878**

		Contract assets and trade receivables –past due					
31 December 2024	Not past due SR	0 – 90 days SR	91 – 180 days SR	181 – 270 days SR	271 – 365 days SR	Above 365 days SR	Total SR
Gross carrying amount	358,685,544	82,664,477	36,135,059	58,011,791	64,138,894	200,392,445	800,028,210
Allowance for ECL	(6,775,037)	(2,784,251)	(1,606,187)	(4,445,298)	(6,534,046)	(43,308,605)	(65,453,424)
Net carrying amount	351,910,507	79,880,226	34,528,872	53,566,493	57,604,848	157,083,840	734,574,786

The expected loss rate in case of default for government customers is 18.2% and for private customers is 24.4%.

39. FAIR VALUE HIERARCHY

The Group's financial instruments comprising trade receivables, contract assets, amounts due from related parties, cash and cash equivalents, long-term and refinance loans from the Ultimate Parent Company, short-term loans from financial institutions, trade payables, accrued expenses and other current liabilities, contract liabilities, and amounts due to related parties are measured at amortised cost. The fair value of the Group's derivative liabilities and deferred consideration are measured at their fair values using Level 2 and Level 3 of the fair value hierarchy, respectively.

During the current and prior year, there were no transfers between into/out of Level 2 of the fair value hierarchy.

39. FAIR VALUE HIERARCHY (CONTINUED)

39.1 Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Interest rate swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated future cash flows are discounted using a yield curve obtained from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices. This is considered Level 2.	Not applicable.	Not applicable.
Deferred consideration	The fair value of the deferred consideration was determined using a discounted cash flow valuation technique. The valuation incorporates a discount rate based on the Group's incremental borrowing rate, which represents a significant unobservable input. This is considered Level 3.	Incremental borrowing rate (6.25%)	The estimated fair value would increase (decrease) if: the incremental borrowing rate were lower (higher)

40. SEGMENT REPORTING

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief operating decision maker reviews internal management reports on at least a monthly basis.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Chief executive officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The Group's principal business activities involve sale of a broad line of medical goods and services. Selected financial information categorised by these business segments, is as follows:

Medical Equipment	Sales of a broad line of branded Medical Devices
Medical Supplies	Sales of a broad line of branded Medical Consumables
Clinical & Pharmaceutical*	Medical services at clinics and sale of health and beauty related medicines

Other operations include investments made by the Company. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2025 or 2024

40. SEGMENT REPORTING (CONTINUED)

31 December 2025	**Medical Equipment SR**	**Medical Supplies SR**	**Clinical & Pharmaceutical* SR**	**Other Activities SR**	**Total SR**
Revenue from external Customers	**428,444,688**	**413,768,848**	**68,072,709**	**-**	**910,286,245**
Depreciation and amortisation	**6,096,893**	**2,750,115**	**8,907,037**	**-**	**17,754,045**
Share of profit/(loss) of JV's	**12,631,220**	**-**	**-**	**(14,172,361)**	**(1,541,141)**
ECL reversal / (impairment)	**3,725,979**	**(3,549,374)**	**-**	**-**	**176,605**
Finance charges	**(14,373,249)**	**(11,244,217)**	**(1,109,338)**	**(10,496,254)**	**(37,223,058)**
Profit/(loss) for the period	**56,909,100**	**2,612,522**	**(9,407,009)**	**(31,126,568)**	**18,988,045**
Total assets	**741,576,316**	**502,895,947**	**-**	**88,126,701**	**1,332,598,964**
Total liabilities	**412,512,312**	**291,102,791**	**-**	**263,821,803**	**967,436,906**

31 December 2024	Medical Equipment SR	Medical Supplies SR	Clinical & Pharmaceutical* SR	Other Activities SR	Total SR
Revenue from external Customers	364,806,825	374,475,064	75,143,217	-	814,425,106
Depreciation and amortisation	6,007,343	2,775,705	8,959,523	-	17,742,571
Goodwill Impairment	-	-	-	(93,664,809)	(93,664,809)
Share of profit/(loss) of JV's	5,152,381	-	-	(10,908,681)	(5,756,300)
ECL impairment	(2,424,835)	(15,103,869)	(77,909)	-	(17,606,613)
Finance charges	(16,413,784)	(14,494,094)	(1,467,804)	(9,618,567)	(41,994,249)
Reversal and change in fair value change in contingent consideration	-	-	-	24,123,095	24,123,095
Profit/(loss) for the period	34,519,284	(10,168,781)	(8,422,740)	(86,659,758)	(70,731,995)
Total assets	637,079,592	521,272,851	135,263,374	57,268,171	1,350,883,988
Total liabilities	373,906,942	213,263,601	36,075,490	434,912,858	1,058,158,891

*The Clinic & Pharmaceutical segment was disposed during the year. Accordingly, no segment assets or liabilities remain as at 31 December 2025.

41. EARNINGS / LOSS PER SHARE

Basic and diluted earnings / (loss) per share are calculated by dividing the (loss) / profit for the year by the weighted average number of outstanding shares during the period. There were no potentially dilutive shares or options in the period, therefore no difference between the basic and the diluted (loss) / earnings per share. Basic and diluted earnings / (loss) per share are calculated as follows:

	2025 SR	2024 SR
Profit / (loss) for the year	**23,597,479**	(66,612,767)
Weighted average number of outstanding shares during the period	**19,790,000**	19,790,000
Basic and diluted earnings/ (loss) earnings per share	**1.19**	(3.37)
Profit / (loss) for the year – continued operations	**28,589,412**	(62,325,407)
Weighted average number of outstanding shares during the period	**19,790,000**	19,790,000
Basic and diluted earnings/ (loss) per share – continued operations	**1.44**	(3.15)

41. EARNINGS / LOSS PER SHARE (CONTINUED)

No. of shares as at 1 January	**20,000,000**	20,000,000
Effect of treasury shares held	**(210,000)**	(210,000)
Weighted average number of shares	**19,790,000**	19,790,000

42. MEASUREMENT PERIOD ADJUSTMENTS

In the prior year the Group acquired 100% shareholding in Alhammad Medical Services Company dated 2nd July 2024. The subsidiary has been consolidated for the post acquisition period up to year ended 31st December 2024. The acquisition has resulted into a bargain purchase gain due to the difference between the net assets acquired and consideration paid. As a result of this acquisition the Group is expected to achieve growth through expansion in its medical supplies business.

The following table summarizes the acquisition date fair value of consideration transferred:

	SR
Net assets acquired	32,516,066
Less: Cash consideration	(22,475,000)
Initial bargain purchase gain	10,041,066
Purchase price allocation impact	-
Final bargain purchase gain	**10,041,066**

During the current year, the Purchase Price Allocation ("PPA") relating to the acquisition of Mohamed Hamad Abdullah Al Hammad for Medical Services Company, which was acquired during 2024, was finalised. The PPA was performed by an external valuation specialist and the intangible assets valued are immaterial, hence the initial bargain purchase gain is not revised.

43. DIVIDENDS

No dividend was approved by the shareholders for the period ended 31 December 2025. (2024: nil).

However, one of the Group's subsidiaries declared a dividend of SR 25 million during the year in respect of the year ended 31 December 2024. Out of this amount, SR 12.25 million pertains to non-controlling interests.

44. SUBSEQUENT EVENTS

Subsequent to year end, the Group completed the acquisition of a 49% equity interest in Nephrocare Health Services Saudi Arabia Company for a consideration of SR 279,829. As the transaction was completed after the reporting date, no adjustment has been made to these financial statements.

There are no other events that have occurred subsequent to the reporting date and before the issuance of these consolidated financial statements which requires adjustment to, or disclosure thereto.

45. CONSOLIDATED FINANCIAL STATEMENTS APPROVAL

The consolidated financial statements were approved on 8 Shawwal 1447H (corresponding to 27 March 2026).