

**MIDDLE EAST HEALTHCARE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS  
ENDED 30 SEPTEMBER 2025**

**MIDDLE EAST HEALTHCARE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW  
OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE SHAREHOLDERS OF MIDDLE EAST HEALTHCARE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Middle East Healthcare Company (A Saudi Joint Stock Company) ("the Company") and its subsidiary (collectively referred to as "the Group") as at 30 September 2025, and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-months period then ended, and explanatory notes.

The Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with *International Accounting Standard 34, "Interim Financial Reporting"* ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

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

**Conclusion**

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

for Ernst & Young Professional Services



Ahmed Ibrahim Reda  
Certified Public Accountant  
Licence No. (356)



Jeddah 18 Jumada Al-Ula 1447  
(9 November 2025)

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2025

	Note	For the three-month period ended		For the nine-month period ended	
		30 September	30 September	30 September	30 September
		2025 (Unaudited) ﷲ	2024 (Unaudited) ﷲ (Restated-note 23)	2025 (Unaudited) ﷲ	2024 (Unaudited) ﷲ (Restated-note 23)
Revenue from contracts with customers		768,971,507	732,074,333	2,293,841,191	2,133,941,104
Cost of revenue		(485,023,442)	(439,173,001)	(1,418,199,906)	(1,302,118,061)
<b>GROSS PROFIT</b>		<b>283,948,065</b>	<b>292,901,332</b>	<b>875,641,285</b>	<b>831,823,043</b>
Selling and marketing expenses		(24,999,925)	(17,844,965)	(67,724,538)	(52,696,192)
General and administrative expenses		(171,509,333)	(159,176,589)	(507,591,364)	(439,882,727)
<b>OPERATING PROFIT</b>		<b>87,438,807</b>	<b>115,879,778</b>	<b>300,325,383</b>	<b>339,244,124</b>
Share of loss in associate		(2,093,606)		(2,593,606)	
Finance costs		(48,004,563)	(46,628,604)	(150,714,316)	(174,971,049)
Other income, net	21	14,531,273	7,764,059	144,470,961	33,118,234
<b>PROFIT BEFORE ZAKAT</b>		<b>51,871,911</b>	<b>77,015,233</b>	<b>291,488,422</b>	<b>197,391,309</b>
Zakat	4	(8,754,725)	(10,982,749)	(19,347,843)	(25,471,060)
<b>PROFIT FOR THE PERIOD</b>		<b>43,117,186</b>	<b>66,032,484</b>	<b>272,140,579</b>	<b>171,920,249</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD:</b>					
<i>Item that will be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		(736,182)	951,115	(1,033,059)	5,390,430
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>42,381,004</b>	<b>66,983,599</b>	<b>271,107,520</b>	<b>177,310,679</b>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Shareholders of the Parent Company		40,290,586	63,838,128	264,089,771	170,714,403
Non-controlling interests		2,826,600	2,194,356	8,050,808	1,205,846
		<b>43,117,186</b>	<b>66,032,484</b>	<b>272,140,579</b>	<b>171,920,249</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Shareholders of the Parent Company		39,554,404	64,789,243	263,056,712	176,104,833
Non-controlling interests		2,826,600	2,194,356	8,050,808	1,205,846
		<b>42,381,004</b>	<b>66,983,599</b>	<b>271,107,520</b>	<b>177,310,679</b>
<b>EARNING PER SHARES</b>					
Basic and diluted earnings per share from net profit for the period attributable to the shareholder of the parent	18	0.44	0.69	2.87	1.85

Sobhi Abduljalil Batterjee  
Chairman

Ahmed Mohamed Shebl  
Chief Executive Officer

Madani Hozaien  
Chief Financial Officer

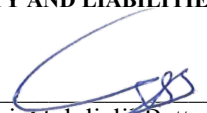
The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

# Middle East Healthcare Company (A Saudi Joint Stock Company)

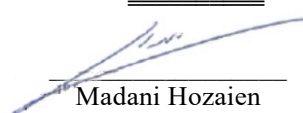
## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025 (Unaudited)	31 December 2024 (Audited)
	Note	ﷲ	ﷲ
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	2,945,275,119	2,766,958,252
Right-of-use assets	9	89,392,635	80,185,708
Intangible assets		47,698,183	44,305,999
Investment in an associate		66,882,866	60,476,472
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,149,248,803</b>	<b>2,951,926,431</b>
<b>CURRENT ASSETS</b>			
Inventories	7	70,671,113	66,263,132
Trade receivables, net	6	1,867,117,812	1,946,412,775
Prepayments and other current assets	8	118,375,299	108,429,461
Bank balances and cash	10	69,974,821	52,282,004
<b>TOTAL CURRENT ASSETS</b>		<b>2,126,139,045</b>	<b>2,173,387,372</b>
<b>TOTAL ASSETS</b>		<b>5,275,387,848</b>	<b>5,125,313,803</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	11(a)	920,400,000	920,400,000
Statutory reserve	11(b)	219,163,736	219,163,736
Foreign currency translation reserves		7,324,274	8,357,333
Retained earnings		696,258,032	478,188,261
<b>Equity attributable to the shareholders of the parent</b>		<b>1,843,146,042</b>	<b>1,626,109,330</b>
Non-controlling interests		56,002,079	47,951,271
<b>TOTAL EQUITY</b>		<b>1,899,148,121</b>	<b>1,674,060,601</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	12(a)	552,153,924	753,361,822
Sukuk	12(b)	991,209,644	989,184,643
Other financial liability	13	92,958,433	97,727,648
Lease liability	9	75,590,965	70,902,624
Deferred income		6,959,599	8,137,438
Derivative financial instruments	14	16,974,056	26,207,840
Employees' end of service benefits		256,564,806	243,830,554
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,992,411,427</b>	<b>2,189,352,569</b>
<b>CURRENT LIABILITIES</b>			
Short-term loans and borrowings	12(a)	761,525,320	640,182,789
Other financial liability	13	6,404,917	6,102,557
Lease liability	9	12,177,561	12,219,053
Trade payables	15	291,675,891	321,610,671
Accrued expenses and other current liabilities	17	287,652,334	255,538,176
Zakat payable	4	24,392,277	26,247,387
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,383,828,300</b>	<b>1,261,900,633</b>
<b>TOTAL LIABILITIES</b>		<b>3,376,239,727</b>	<b>3,451,253,202</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,275,387,848</b>	<b>5,125,313,803</b>

  
Sobhi Abduljaleel Batterjee  
Chairman

  
Ahmed Mohamed Shebl  
Chief Executive Officer

  
Madani Hozaien  
Chief Financial Officer


The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

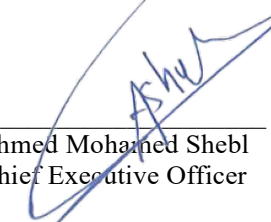
Middle East Healthcare Company (A Saudi Joint Stock Company)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2025

	<i>Attributable to equity holders of the parent</i>						<i>Non-controlling interests</i>	<i>Total</i>
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Foreign currency translation reserves</i>	<i>Retained Earnings</i>	<i>Total</i>			
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Balance as at 1 January 2024 (audited)	920,400,000	219,163,736	2,104,874	177,941,795	1,319,610,405	45,682,417	1,365,292,822	
Profit for the period (Restated – note 23)	-	-	-	170,714,403	170,714,403	1,205,846	171,920,249	
Other comprehensive income for the period	-	-	5,390,430	-	5,390,430	-	5,390,430	
Total comprehensive income for the period	-	-	5,390,430	170,714,403	176,104,833	1,205,846	177,310,679	
Balance as at 30 September 2024 (unaudited) (Restated – note 23)	920,400,000	219,163,736	7,495,304	348,656,198	1,495,715,238	46,888,263	1,542,603,501	
Balance as at 1 January 2025 (audited)	920,400,000	219,163,736	8,357,333	478,188,261	1,626,109,330	47,951,271	1,674,060,601	
Profit for the period	-	-	-	264,089,771	264,089,771	8,050,808	272,140,579	
Other comprehensive income for the period	-	-	(1,033,059)	-	(1,033,059)	-	(1,033,059)	
Total comprehensive income for the period	-	-	(1,033,059)	264,089,771	263,056,712	8,050,808	271,107,520	
Dividends declared (note 11 (c))	-	-	-	(46,020,000)	(46,020,000)	-	(46,020,000)	
<b>Balance as at 30 September 2025 (unaudited)</b>	<b>920,400,000</b>	<b>219,163,736</b>	<b>7,324,274</b>	<b>696,258,032</b>	<b>1,843,146,042</b>	<b>56,002,079</b>	<b>1,899,148,121</b>	

  
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Madani Hozaien  
Chief Financial Officer

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-months period ended 30 September 2025

		<i>For the nine -month period ended 30 September 2025 (Unaudited) ﷲ</i>	<i>For the nine-month period ended 30 September 2024 (Unaudited) ﷲ (Restated-note 23)</i>
	<i>Note</i>		
<b>OPERATING ACTIVITIES</b>			
Profit for the period before zakat		291,488,422	197,391,309
Non-cash adjustments to reconcile profit before zakat to net cash flow:			
Depreciation of property and equipment	5	156,926,889	137,338,344
Depreciation of right-of-use assets	9	15,486,129	13,908,913
Amortisation of intangible assets		9,258,846	7,624,554
Reversal for expected credit losses	6	362,490	(33,081,653)
(Reversal) / provision for slow moving and obsolete inventories		(1,042,000)	2,552,291
Gain on disposal of property and equipment		(114,532,178)	(19,152,106)
Loss on investment in an associate		2,593,606	-
(Gain) / loss on derivative financial instruments		(9,233,784)	4,143,710
Amortization of deferred income		(1,255,775)	(1,331,075)
Provision for employee benefits		37,194,036	36,878,380
Unwinding impact of other financial liability		5,061,722	64,189
Financial charges related to borrowings		140,865,119	169,344,517
Finance charges related to lease obligation	9	4,787,474	5,562,343
Changes in operating assets and liabilities		537,960,996	521,243,716
Inventories		(3,365,982)	1,214,946
Trade receivable		78,932,473	402,922,634
Prepayments and other current assets		(7,920,839)	(9,027,747)
Trade payable		(34,575,772)	(192,110,482)
Accrued expenses and other current liabilities		21,414,007	(42,218,766)
Other financial liabilities		(9,528,576)	(5,932,143)
Cash generated from operations		582,916,307	676,092,158
Zakat paid	4	(21,202,952)	(17,960,103)
Employees' benefits paid		(24,459,784)	(20,496,839)
<b>Net cash generated from operating activities</b>		<b>537,253,571</b>	<b>637,635,216</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment, right of use assets and intangible assets		(360,500,980)	(405,102,968)
Proceeds from disposal of property and equipment	5	139,314,823	21,418,336
Payment for investment in associate		-	(30,000,000)
Investment in an associate		(9,000,000)	(21,000,000)
<b>Net cash used in investing activities</b>		<b>(230,186,157)</b>	<b>(434,684,632)</b>
<b>FINANCING ACTIVITIES</b>			
Lease obligations, net	9	(35,253,933)	(23,711,692)
Financial charges paid		(125,446,039)	(153,912,293)
Dividend paid	11(c)	(46,020,000)	
Proceeds of loans and borrowings		986,054,967	1,064,188,731
Proceeds of Sukuk	12(b)	-	988,509,644
Repayment of loans and borrowings		(1,068,709,592)	(2,072,583,347)
<b>Net cash used in financing activities</b>		<b>(289,374,597)</b>	<b>(197,508,957)</b>
<b>INCREASE IN BANK BALANCES AND CASH</b>		<b>17,692,817</b>	<b>5,441,627</b>
Bank balances and cash at the beginning of the period		52,282,004	44,422,555
<b>BANK BALANCES AND CASH AT THE END OF THE PERIOD</b>		<b>69,974,821</b>	<b>49,864,182</b>

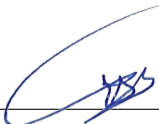
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Middle East Healthcare Company (A Saudi Joint Stock Company)

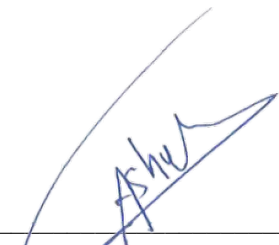
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued) For the nine-month period ended 30 September 2025

		<i>For the nine - month period ended 30 September 2025 (Unaudited)</i>	<i>For the nine- month period ended 30 September 2024 (Unaudited)</i> <i>(Restated-note 23)</i>
	<i>Note</i>	<i>ﷲ</i>	<i>ﷲ</i>
Additions to right-of-use assets and lease liabilities	9	<b>35,113,309</b>	5,238,833
Borrowing costs capitalised during the year	5	<b>8,708,646</b>	11,705,525
Transfer of assets from CWIP to Intangible assets		<b>11,304,162</b>	13,053,475
Transfer of assets from CWIP to Property and equipment		<b><u>69,396,723</u></b>	<b><u>92,008,140</u></b>



Sobhi Abduljalil Batterjee  
Chairman



Ahmed Mohamed Shebl  
Chief Executive Officer



Madani Hozaien  
Chief Financial Officer



# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025

### 1 CORPORATE INFORMATION

Middle East Healthcare Company (the “Company” or “the Parent Company”) and its subsidiary (collectively referred to as “the Group”) consist of the Company and a subsidiary in the Kingdom of Saudi Arabia.

The Company was a closed joint stock company operating under commercial registration number 4030149460 dated 6 Rabi Al Thani 1425H, corresponding to 25 May 2004. On 19 Rabi Al-Awal 1437H, corresponding to 30 December 2015, the Company obtained approval from Capital Market Authority (CMA) to offer 27,612,000 shares in Initial Public Offering and the Company’s shares are listed at Saudi Stock Exchange (Tadawul) on 20 Jumada Al Thani 1437H, corresponding to 29 March 2016. Accordingly, the Company was converted to a Public Joint Stock Company.

The main activities of the Company are managing, operating and maintaining hospitals, medical centres, educational centres, rehabilitation centres, physiotherapy, laboratories and radiology centres, pharmacies, to buy land for the purpose of constructing medical projects and to establish, manage, construction and organize exhibitions for the Company.

The accompanying condensed consolidated interim financial statements include assets, liabilities, the results of the operations and the cash flows of the following branches:

<i>Branch name</i>	<i>Commercial registration</i>	<i>Issued on</i>	<i>Corresponding to</i>
Saudi German Hospital – Jeddah	4030124187	5 Safar 1419H	30 May 1998
Saudi German Hospital – Riyadh	1010162269	24 Rajab 1421H	22 October 2000
Saudi German Hospital – Aseer	5855019364	28 Dhul Hijah 1420H	3 April 2000
Saudi German Hospital – Madinah	4650032396	18 Safar 1423H	5 August 2002
Abdul Jaleel Ibrahim Batterjee Sons	4030181710	4 Shaban 1429H	6 August 2008
Saudi German Hospital – Dammam	2050105713	18 Rajab 1436H	7 May 2015
Beverly Clinics – Jeddah	4030297688	26 Safar 1439H	15 November 2017
Saudi German Hospital – Makkah	4031215509	19 Shawwal 1439H	3 July 2018
MEAHCO – Dubai	Foreign branch	18 Muharram 1442H	6 September 2020
MEAHCO – Cairo	Foreign branch	15 Muharram 1442H	3 September 2020
Saudi German Hospital – Hai Jamaa	4030393745	17 Safar 1442H	4 October 2020
Saudi German Hospital – Hail	3350019735	24 Muharram 1438 H	25 October 2016
Abha Clinics - Aseer	5850124337	24 Ramadan 1442H	6 May 2021

The Company also has investment in the following subsidiary:

<i>Subsidiary name</i>	<i>Principal activities</i>	<i>Effective holding</i> 30 September 2025	<i>Effective holding</i> 31 December 2024
National Hail Company for Healthcare (NHC)	Healthcare	53.89%	53.89%

The Company also has investment in the following associate:

<i>Associate name</i>	<i>Principal activities</i>	<i>Effective holding</i> 30 September 2025	<i>Effective holding</i> 31 December 2024
Al Sobh Investment Holding Limited	Healthcare	22.41%	22.41%

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These interim condensed consolidated financial statements for the three-month and nine-month period ended 30 September 2025 have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia (“KSA”). The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. The Board of Directors have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

## **2 BASIS OF PREPARATION (continued)**

### **2.1 Statement of compliance (continued)**

These interim condensed consolidated financial statements do not include all the information and disclosures required in full set of annual consolidated financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the interim period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

### **2.2 Basis of measurement**

These interim condensed consolidated financial statements have been prepared under the historical cost basis using the accrual basis of accounting and the going concern assumption.

### **2.3 Functional and presentation currency**

These interim condensed consolidated financial statements are presented in Saudi Riyals (ﷲ) which is the functional and presentation currency of the Group.

### **2.4 Basis of consolidation**

These interim condensed consolidated financial statements comprising the financial statements of the Company and its subsidiary as set out in note 1. The financial statements of the subsidiary are prepared for the same reporting period as that of the Parent Company.

#### **2.4.1 Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. To meet the definition of control, all of the following three criteria must be met:

- i) the Group has power over an entity;
- ii) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
- iii) the Group has the ability to use its power over the entity to affect the amount of the entity's returns.

The Group re-assesses whether or not it controls an investee in case facts and circumstances indicate that there are changes to one or more of the criteria of control.

Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The results of subsidiaries acquired or disposed of during the period, if any, are included in the interim condensed consolidated statement of income from the date of the acquisition or up to the date of disposal, as appropriate.

#### **2.4.2 Non-controlling interests**

Non-controlling interests represent the portion of net income and net assets of subsidiaries not owned, directly or indirectly, by the Group in its subsidiaries and are presented separately in the interim condensed consolidated statement of income and within equity in the interim condensed consolidated statement of financial position, separately from the Group's equity. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### **2.4.3 Transactions eliminated on consolidation**

Balances between the Group entities, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the interim condensed consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## 2 BASIS OF PREPARATION (continued)

### 2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2024.

The significant judgments, estimates and assumptions made by the management in applying the Group's accounting policies are same as those used described in the annual consolidated financial statements for the year ended 31 December 2024.

## 3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 21 Lack of exchangeability	The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.	1 January 2025.

### New standards not yet effective

Standard, interpretation, amendments	Description	Effective date
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments which Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition.	1 January 2026.
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	The amendment specifies the application of the 'own-use' requirements for in-scope contracts. Under the amendments, the sale of unused nature-dependent electricity will be in accordance with an entity's expected purchase or usage requirements, if specified criteria are met.	1 January 2026.
IFRS 18 – Presentation and Disclosure in Financial Statements	In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.	1 January 2027.
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified.	1 January 2027.

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 4 ZAKAT

The movement in the zakat provision during the period/year is as follows:

	<i>For the nine-month period ended 30 September 2025 (Unaudited)</i>	<i>For the year ended 31 December 2024 (Audited)</i>
	ﷲ	ﷲ
At the beginning of the period/year	26,247,387	170,387,385
Provided during the period/year	19,347,843	26,277,245
Paid during the period/year	(21,202,953)	(17,960,103)
Transfer to other financial liability	-	(152,457,140)
At the end of the period/year	<u>24,392,277</u>	<u>26,247,387</u>

The Group's latest zakat assessment status is as follows:

#### Zakat status of Middle East Health Care Company

The Company finalized its Zakat status up to the year 2014.

ZATCA issued a Zakat assessment for the years ended 31 December 2015 to 2018 and claimed additional Zakat differences of ﷲ 104,116,626. Following the objection, ZATCA issued a revised assessment showing a reduction of the Zakat differences to ﷲ 97,391,676. The case was escalated to the General Secretariat of Zakat, Tax and Customs Committee (GSTC). A preliminary decision was issued showing a reduction of the Zakat due to ﷲ 83,369,470. Following the Appeal a decision was issued showing a reduction of the Zakat differences to ﷲ 72,885,846. ZATCA did not implement the Appeal decision correctly and reflected a higher amount of ﷲ 84,867,277 on the Erad system. The Company filed a petition against the Appeal decision. which is still under study to date.

ZATCA issued a withholding tax assessment for the years ended 31 December 2015 to 2018 and claimed withholding tax and penalties differences of ﷲ 52,741,685. The case was escalated to the Appeal Committee at the GSTC. A decision was issued supporting ZATCA. The Company filed a petition against the Appeal decision. which is still under study to date. The Company benefited from the ZATCA's initiative and waived the delay fines of ﷲ 14,210,681.

ZATCA issued the assessment for the years ended 31 December 2019 and 2020 and claimed additional Zakat differences of ﷲ 71,030,487. Following the objection, ZATCA issued a revised assessment showing a reduction of the Zakat differences to ﷲ 67,589,953. The case was escalated to the Appeal Committee at the GSTC. A decision was issued supporting ZATCA. The Company filed a petition against the Appeal decision. which is still under study to date.

The Company obtained the approval to install the Zakat and withholding tax differences for the years 2015 to 2020 over 12 years.

The Company filed the Zakat/tax return for the years ended 31 December 2021 to 31 December 2024 and obtained the Zakat/tax certificate for the said years. The ZATCA did not issue the Zakat/tax assessment for the said years till date.

#### **Zakat status of Subsidiary Company ("National Hail Company for Health Care" or "NHC")**

The subsidiary has finalized its Zakat assessment up to the year ended 31 December 2013.

The Subsidiary filed the Zakat/tax returns for the years ended 31 December 2014 to 2024 and obtained the Zakat/tax certificate for the said years. The ZATCA did not issue the Zakat/tax assessment for the said years till date.

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 5 PROPERTY AND EQUIPMENT

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Operating assets	2,639,620,692	2,490,925,253
Capital work-in-progress (CWIP)	305,654,427	276,032,999
	<u>2,945,275,119</u>	<u>2,766,958,252</u>

- 5.1 CWIP mainly contains the progress payments for renovations of several hospitals' buildings and digitalization projects at different locations.
- 5.2 During the period finance charges amounting to ﷲ 8.7 million (31 December 2024: ﷲ 11.7 million) have been capitalized in CWIP.
- 5.3 The land and buildings with a net book value of ﷲ 683.4 million (31 December 2024: ﷲ 683.4 million) are mortgaged to secure loan from Ministry of Finance (note 12).

The movement in property and equipment for the period/year is shown below:

	For the nine-months period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
	ﷲ	ﷲ
<b>Cost:</b>		
At the beginning of the period/year	4,357,533,443	3,938,957,117
Additions during the period/year	359,154,110	470,823,666
Disposals during the period/year (note a)	(60,829,871)	(35,863,062)
Transfers to intangible assets	(11,304,162)	(15,350,443)
Translation differences	1,824,440	(1,033,835)
At the end of the period/year	<u>4,646,377,960</u>	<u>4,357,533,443</u>
<b>Depreciation:</b>		
At the beginning of the period/year	1,590,575,191	1,436,653,425
Charge for the period/year	156,926,889	187,884,517
Relating to disposals	(46,467,480)	(33,429,534)
Translation differences	68,241	(533,217)
At the end of the period/year	<u>1,701,102,841</u>	<u>1,590,575,191</u>
<b>Net book value:</b>		
At the end of the period/year	<u>2,945,275,119</u>	<u>2,766,958,252</u>

- a) on 23 March 2025, the Group has sold a building that used to be employee residential building with a net book value of ﷲ 8 million, at a price of ﷲ 122 million resulting in a gain of ﷲ 114 million recognized in the interim condensed consolidated statement of profit or loss (note 21).

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 6 TRADE RECEIVABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Third party customers	1,929,072,091	2,006,049,467
Related parties (note 16)	7,890,318	9,845,415
	<u>1,936,962,409</u>	<u>2,015,894,882</u>
Less: expected credit losses	<u>(69,844,597)</u>	<u>(69,482,107)</u>
	<u><u>1,867,117,812</u></u>	<u><u>1,946,412,775</u></u>

#### Terms and conditions of the above financial assets:

Trade receivables are non-interest bearing and are generally on terms of 90 days. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

As at 30 September 2025, approximately 91% of the group's accounts receivable's balance was due from various governmental and insurance entities (31 December 2024: 90%).

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	At 30 September 2025					
	Current	<90 days	90–180 days	181–365 days	>1 year	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Total exposure at default	745,319,849	558,240,608	270,305,268	314,973,077	40,233,289	1,929,072,091
Expected loss rate	2.87%	2.97%	2.97%	4.87%	20.83%	3.63%
Expected credit loss	(21,446,145)	(16,571,185)	(8,035,314)	(15,408,167)	(8,383,786)	(69,844,597)
	<u>723,873,704</u>	<u>541,669,423</u>	<u>262,269,954</u>	<u>299,564,910</u>	<u>31,849,503</u>	<u>1,859,227,494</u>

	At 31 December 2024					
	Current	<90 days	90–180 days	181–365 days	>1 year	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Total exposure at default	804,937,574	574,407,330	246,718,149	318,971,331	61,015,083	2,006,049,467
Expected loss rate	2.41%	2.64%	2.55%	4.67%	22.47%	3.46%
Expected credit loss	(19,392,789)	(15,192,528)	(6,287,720)	(14,895,980)	(13,713,090)	(69,482,107)
	<u>785,544,785</u>	<u>559,214,802</u>	<u>240,430,429</u>	<u>304,075,351</u>	<u>47,301,993</u>	<u>1,936,567,360</u>

The movement in expected credit losses for the period/year is shown below:

	For the nine-months period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
	ﷲ	ﷲ
At the beginning of the period/year	69,482,107	98,529,311
Provided/ ( reversed) during the period/year	362,490	(29,047,204)
At the end of the period/year	<u>69,844,597</u>	<u>69,482,107</u>

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 7 INVENTORIES

	30 September 2025 (Unaudited) ﷼	31 December 2024 (Audited) ﷼
Pharmacy items	41,550,598	35,284,519
Consumables and others	37,610,789	40,049,163
Kitchen items	443,931	905,655
	<u>79,605,318</u>	<u>76,239,337</u>
Less: provision for slow moving and obsolete inventories	(8,934,205)	(9,976,205)
	<u><u>70,671,113</u></u>	<u><u>66,263,132</u></u>

The movement in provision for slow moving and obsolete inventories for the period/year is shown below:

	For the nine-months period ended 30 September 2025 (Unaudited) ﷼	For the year ended 31 December 2024 (Audited) ﷼
At the beginning of the period/year	9,976,205	7,002,870
(Reversal) / charge during the period / year	(1,042,000)	2,973,335
At the end of the period/year	<u><u>8,934,205</u></u>	<u><u>9,976,205</u></u>

### 8 PREPAYMENTS AND OTHER CURRENT ASSETS

	30 September 2025 (Unaudited) SR ﷼	31 December 2024 (Audited) SR ﷼
Prepayments	44,306,510	36,260,035
Advances to suppliers	21,750,766	22,356,424
Margins against letter of guarantees and deposits (refer note 19)	20,949,412	19,363,691
Receivable from ZATCA against closed appeal (note a)	11,498,037	11,522,871
Advances to a related party supplier (refer note 16)	3,575,266	8,605,113
Advances to staff	2,589,864	1,916,582
Others	13,705,444	8,404,745
	<u><u>118,375,299</u></u>	<u><u>108,429,461</u></u>

a) This balance represents amounts paid for ZATCA against assessments as below:

- Refundable balance with ZATCA amounting to ﷼ 11.5 million for closed assessment that will be utilized against any further finalized assessments with ZATCA related to income tax paid on behalf of foreign entity who is exempted from tax for the year 2010.

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 9 RIGHT OF USE AND LEASE LIABILITIES

The movement in right-of-use assets and lease liability for the year is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
<b>Right of use assets</b>		
<b>Cost:</b>		
At the beginning of the period/year	125,534,100	92,760,731
Addition during the period/year	35,113,309	45,046,029
Lease contract terminated during the period / year	(18,311,441)	(12,272,660)
At the end of the period/year	142,335,968	125,534,100
<b>Depreciation:</b>		
At the beginning of the period/year	45,348,392	37,800,948
Depreciation for the period / year	15,486,129	18,292,162
Relating to terminated contract	(7,891,188)	(10,744,718)
At the end of the period/year	52,943,333	45,348,392
<b>Net book value:</b>	89,392,635	80,185,708
	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
<b>Lease liabilities</b>		
At the beginning of the period/year	83,121,678	58,631,925
Interest expense for the period/year	4,787,474	6,991,404
Addition for the period/year	35,113,309	45,046,029
Payments made during the period / year	(35,253,935)	(26,019,739)
Relating to terminated contract		(1,527,942)
At the end of the period/year	87,768,526	83,121,677
Non-current	75,590,965	70,902,624
Current	12,177,561	12,219,053
	87,768,526	83,121,677

### 10 BANK BALANCES AND CASH

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Cash at bank – current accounts	67,234,864	50,699,095
Cash in hand	2,739,957	1,582,909
	69,974,821	52,282,004

At 30 September 2025, the Group had available ﷲ 1,520 million (31 December 2024: ﷲ 1,516 million) of undrawn committed borrowing facilities.

### 11(a) SHARE CAPITAL

As at 30 September 2025, the Parent Company's authorized, issued and fully paid share capital is ﷲ 920.4 million (31 December 2024: ﷲ 920.4 million) which is divided into 92.04 million (31 December 2024: 92.04 million) shares of ﷲ 10 par value each (31 December 2024: ﷲ 10 par value each).



# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 11(b) STATOURY RESERVE

In accordance with the previous Companies' Law and Group's By-laws, the Group was required to set aside 10% of its net income in each year as a statutory reserve until such reserve equals to 30% of the share capital. According to the new Companies' Law, the mandatory statutory reserve requirement had been removed. On 7 Dhu al-hijjah 1445H (corresponding to 13 June 2024) the Group's extraordinary general assembly ("EGA") approved the amendment of the Company's Bylaws to comply with the new Companies' Law, and the Group's Bylaws has been amended accordingly.

### 11(c) DIVIDENDS

On 24 March 2025, the Board of Directors recommended the distribution of cash dividends to the Group's shareholders for the fiscal year 2024 amounted to ﷲ 46.02 million at ﷲ 0.50 per share. The distribution was on 23 July 2025 as announced in Tadawul.

### 12(a) LOANS AND BORROWINGS

Term loans comprise of the following:

	<i>30 September 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
	ﷲ	ﷲ
Loan from Ministry of Finance	323,283,469	316,836,737
Less: Unamortised portion of transaction cost	(8,137,438)	(9,393,213)
Loan from Ministry of Finance, net	315,146,031	307,443,524
Long term loans	456,455,762	540,881,663
Short term loans	542,077,451	545,219,424
	<u>1,313,679,244</u>	<u>1,393,544,611</u>
	<i>30 September 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
	ﷲ	ﷲ
<b>Current portion:</b>		
Long term loans	172,604,459	75,736,640
Short-term borrowings	542,077,451	545,219,424
Loan from Ministry of Finance	46,843,410	19,226,725
	<u>761,525,320</u>	<u>640,182,789</u>
<b>Non-current portion:</b>		
Long term loans	283,851,303	465,145,023
Loan from Ministry of Finance	268,302,621	288,216,799
	<u>552,153,924</u>	<u>753,361,822</u>
	<u>1,313,679,244</u>	<u>1,393,544,611</u>

Loan from Ministry of Finance are secured by the mortgage of land and building of Saudi German Hospital – Dammam, Makkah and Hail (Note 5.3). Hail branch loan is interest free. Loans from commercial banks and loans from Ministry of Finance of Dammam and Makkah branches are borrowed at SIBOR plus an agreed mark up. These loans are secured through promissory notes issued by the Group.

Other information relating to the loans, including covenants, repayment terms, collaterals etc. are primarily consistent with the information disclosed in the consolidated financial statements for the year ended 31 December 2024.

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 12(b) Sukuk

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Sukuk	1,000,000,000	1,000,000,000
Less: Unamortised portion of transaction cost	(8,790,356)	(10,815,357)
Non-current portion	<u>991,209,644</u>	<u>989,184,643</u>

On 14 January 2024, the Group issued its first Sukuk – Series I amounting to SR 1,000 million out of SR 1,500 million Sukuk Programme with minimum purchase of 5 Sukuk with par value SR 5,000. The Sukuk Issuance bears a return of 7.2% per annum payable quarterly in arrears. The Sukuk will be redeemed at par on its date of maturity after 5 years. These Sukuk are registered with Saudi Exchange (Tadawul).

### 13 OTHER FINANCIAL LIABILITY

It represents financial liabilities which are payable on account of the agreement entered by the Group in the year ended 31 December 2024 for instalment plan to settle the zakat and withholding tax differences for the years 2015 to 2020 over 12 years on 48 instalments (note 4). The Company measured the liability at fair value, discounted to net present value using 6.25% discounting factor.

The breakup of current portion and non-current portion is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Non-current portion	92,958,433	97,727,648
Current portion	6,404,917	6,102,557
	<u>99,363,350</u>	<u>103,830,205</u>

### 14 DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into different derivative instruments with local banks to manage some of its transaction exposures. The derivative instruments are designated as derivative financial instruments. The tables below show the negative fair values of derivatives, together with the notional amounts and fair value as of reporting date. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor to market risk.

The fair value and notional amount of the derivative is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Notional amount	1,800,000,000	1,800,000,000
Negative Fair value of derivative financial instrument	<u>(16,974,056)</u>	<u>(26,207,840)</u>

The term to maturity for all derivative instruments entered by the group falls withing years 2027 and 2028. The derivative financial instruments gain recognised in profit or loss is equal to the change in fair.

**15 TRADE PAYABLES**

Trade payables comprise of the following:

	<i><b>30 September 2025 (Unaudited)</b></i>	<i><b>31 December 2024 (Audited)</b></i>
	<b>ﷲ</b>	<b>ﷲ</b>
Third party suppliers	<b>255,175,308</b>	299,099,488
Due to related parties (note 16)	<b>36,500,583</b>	22,511,183
	<b><u>291,675,891</u></b>	<b><u>321,610,671</u></b>

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) At 30 September 2025

### 16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Following is the list of related party transactions and balances of the Group:

Related party	Nature of relationship	Nature of transactions	Transactions for the nine-months period ended		Balance as at	
			30 September 2025	30 September 2024	30 September 2025	31 December 2024
<b>a) Amounts due from related parties</b>			ﷲ	ﷲ	ﷲ	ﷲ
Emirates Healthcare Development Company	Entity under common control	Management fee	87,094	1,209,882	3,791,654	7,007,103
Egypt Healthcare Company	Entity under common control	Management fee	1,297,184	1,777,196	4,098,412	2,641,048
Bait Al Batterjee Medical College	Entity under common control	Training fee	-	312,267	-	62,220
Bait Al Batterjee Fitness Company	Entity under common control	Medical services	-	-	252	135,044
					<u>7,890,318</u>	<u>9,845,415</u>
<b>b) Prepayments and other current assets</b>						
Megamind IT Solution Company	Entity under common control	Advance against outsourced IT services	58,599,144	54,260,285	1,318,159	842,178
Bait Al Batterjee Medical Company	Entity under common control	Advisory fee	4,725,671	4,594,147	1,244,179	5,929,366
Abdul Jalil Khalid Batterjee Medical Instrumentation Maintenance Company	Entity under common control	Repair of medical instruments	372,953	2,242,271	1,012,928	1,833,569
					<u>3,575,266</u>	<u>8,605,113</u>

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) At 30 September 2025

### 16 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The above balances are unsecured, interest free and have no fixed repayment. The management estimate the allowance on due from related party balance at the reporting date at an amount equal to lifetime expected credit losses. No receivable balance from related parties at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate, the management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 September 2025 and year ended 31 December 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

Related party	Nature of relationship	Nature of transactions	Transactions for the nine-months period ended		Balance as at	
			30 September 2025	30 September 2024	30 September 2025	31 December 2024
<b>c) Amounts due to related parties</b>			<b>ﷲ</b>	<b>ﷲ</b>	<b>ﷲ</b>	<b>ﷲ</b>
International Hospital Construction Company	Entity under common control	Construction and renovation	<b>61,179,483</b>	207,236,952	<b>18,796,204</b>	9,129,206
Abdul Jalil Khalid Batterjee Medical Instrumentation Maintenance Company	Related party, shareholder / Board member	Repair of medical instruments	-	2,242,271	-	-
Sawaed Al Halool Maintenance & Cleaning Company (JAN-PRO)	Entity under common control	Janitorial services	<b>21,607,541</b>	23,624,198	<b>2,178,365</b>	2,731,745
Bait Al Batterjee Pharmaceutical Company	Entity under common control	Supplies of certain pharmaceutical products	<b>36,782,934</b>	34,029,318	<b>15,526,014</b>	10,650,232
					<b>36,500,583</b>	22,511,183

Amount due from / to related parties are shown in notes 6,8 and 15, respectively.

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 16 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### d) Compensation of key management personnel of the Group:

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management is shown below:

	<i>For the nine-month period ended 30 September 2025</i>	<i>For the nine-month period ended 30 September 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Salaries and other benefits	8,268,517	8,298,748
Post-employment benefits	481,905	1,275,778
	<u>8,750,422</u>	<u>9,574,526</u>

The amounts disclosed in the table are the amounts recognised as an expense during the period related to key management personnel.

### 17 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise of the following:

	<i>30 September 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Payroll related accrued expenses	129,894,581	125,678,486
Cost related accrued expenses	86,028,251	69,088,203
Provision for claims (note a)	38,531,203	38,531,203
Advance payment for provision for claims (note a)	(38,531,203)	(38,531,203)
Value added tax (VAT) payable	17,821,472	18,251,719
Deferred income	1,177,840	1,255,774
Other liabilities	52,730,190	41,263,994
	<u>287,652,334</u>	<u>255,538,176</u>

a) This balance represents the provision taken and amounts paid for ZATCA against Withholding assessments as below:  
An amount of ﷲ 38.5 million to avail the amnesty scheme and waiver of penalties for open ZAKAT and withholding tax assessment for the years 2018 and 2019 amounting. The Group escalated the appeal to the Appellate Committee for Tax Violations and Disputes (ACTVD), and the ACTVD rejected the Company's appeal regarding all of the items in dispute. The Company filed a plea against the decision mentioned, which is still under study, management taken a full provision against this claim.

### 18 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the period have been computed by dividing the net profit attributable to shareholders of the Parent Company for the period by the weighted average number of shares outstanding during the period.

	<i>For the three- month period ended 30 September 2025 Unaudited</i>	<i>For the three- month period ended 30 September 2024 Unaudited</i>	<i>For the nine- month period ended 30 September 2025 Unaudited</i>	<i>For the nine- month period ended 30 September 2024 Unaudited</i>
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
		<i>(Restated-note 23)</i>		<i>(Restated-note 23)</i>
Profit for the period attributable to ordinary shareholders of the Parent	<u>40,290,585</u>	<u>63,838,128</u>	<u>264,089,862</u>	<u>170,714,403</u>

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 18 BASIC AND DILUTED EARNINGS PER SHARE (continued)

	<i>For the three- month period ended 30 September 2025 Unaudited ﷼</i>	<i>For the three- month period ended 30 September 2024 Unaudited ﷼ (Restated-note 23)</i>	<i>For the nine- month period ended 30 September 2025 Unaudited ﷼</i>	<i>For the nine- month period ended 30 September 2024 Unaudited ﷼ (Restated-note 23)</i>
Weighted average number of ordinary shares in issue	<b>92,040,000</b>	92,040,000	<b>92,040,000</b>	92,040,000
Basic and diluted earnings per share	<b>0.44</b>	0.69	<b>2.87</b>	1.85

### 19 COMMITMENTS AND CONTINGENCIES

19.1 Various employees have filed cases against the Group for various claims. These claims include unlawful dismissal, dismissal without notice and other compensation as per the contractual arrangements. The total claims amount to ﷼ 0.6 million (31 December 2024: ﷼ 0.3 million). Most of the cases are under hearing in various labour courts. The management is confident that the outcome will be in the favour of the Group and no provision is required in this regard.

19.2 The Company and its Subsidiary is also contesting various cases on account of alleged non-compliance of regulations. Most of the cases are under hearing. The management is confident that the outcome will be in favour of the Group and no provision is required in this regard.

### 20 SEGMENTAL INFORMATION

As the operations of the Group are conducted in the Kingdom of Saudi Arabia and other countries. Business in other countries represent management fees on Dubai and Cairo Hospitals which represent 0.41% of total revenue, accordingly, for chief operating decision maker purposes, the Group is organized into business units based on its products and services and has mainly three reportable segments. Information regarding the Group's reportable segments is presented below:

#### Based on nature of services

	<i>30 September 2025 (unaudited)</i>				
	<i>In patient services ﷼</i>	<i>Outpatient services ﷼</i>	<i>Pharmacy sales ﷼</i>	<i>Others ﷼</i>	<i>Total ﷼</i>
Revenue	1,278,540,865	701,318,293	311,028,263	2,953,770	2,293,841,191
Cost of revenue	(760,572,766)	(429,398,355)	(227,715,425)	(513,269)	(1,418,199,906)
Gross profit	517,968,099	271,919,938	83,312,838	2,440,501	875,641,285
Operating expenses					(575,315,902)
Operating profit					300,325,383
Share of loss in associate					(2,593,606)
Finance charges					(150,714,316)
Other income					144,470,961
Zakat					(19,347,843)
Net profit					272,140,579

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 20 SEGMENTAL INFORMATION (continued)

	30 September 2024 (unaudited) (Restated – note 23)				
	<i>In patient services</i>	<i>Outpatient services</i>	<i>Pharmacy sales</i>	<i>Others</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Revenue	1,213,303,561	628,537,993	286,297,384	5,802,166	2,133,941,104
Cost of revenue	(703,208,222)	(378,337,283)	(219,113,916)	(1,458,640)	(1,302,118,061)
Gross profit	510,095,339	250,200,710	67,183,468	4,343,526	831,823,043
Operating expenses					(492,578,919)
Operating profit					339,244,124
Finance charges					(174,971,049)
Other income					33,118,234
Zakat					(25,471,060)
Net profit					171,920,249

### Geographical information

All of the Group's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia.

### 21 OTHER INCOME, NET

	30 September 2025 (Unaudited) ﷲ	30 September 2024 (Unaudited) ﷲ (Restated-note 23)
Gain on disposal of property and equipment (note 5)	114,532,178	19,152,105
Rental income	5,394,858	5,217,230
Fair value gain / (loss) on derivative financial instruments	9,233,784	(4,143,710)
Training and symposium	3,097,921	3,280,064
Others	12,212,220	9,612,545
	<u>144,470,961</u>	<u>33,118,234</u>

### 22 FAIR VALUE OF ASSETS AND LIABILITIES

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.



## 22 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. During the period ended 30 September 2024, there were no movements between the levels.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 30 September 2025 (Unaudited)	Level 2 S	Total S
<i>Financial assets at fair value through profit or loss:</i>		
Derivative financial instruments	<u>16,974,056</u>	<u>16,974,056</u>
As at 31 December 2024 (Audited)	Level 2 S	Total S
<i>Financial assets at fair value through profit or loss:</i>		
Derivative financial instruments	<u>26,207,840</u>	<u>26,207,840</u>

## 23 RESTATEMENT OF PRIOR PERIOD

During the preparation of interim condensed consolidated financial statements for the period ended 30 September 2025, and in continuance of restatement done on the audited consolidated financial statements of 31 December 2024, management prepared assessment for fair value measurement of prior period ended 30 September 2024. This review identified that there were errors in the determination and accounting of fair value of these financial instruments for the period ended 30 September 2024 as required under IFRS 9 “Financial instruments”.

As a result of these findings, management has decided to restate the statement of profit or loss for the period ended 30 September 2024. This restatement reflects the necessary adjustments to the fair value measurements of the derivative instruments, ensuring that the interim condensed consolidated financial statements accurately represent the Company's financial position and performance in accordance with International Accounting Standard 34. “Interim Financial Reporting” (IAS 34) as endorsed in the Kingdom of Saudi Arabia.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the omission has been classified as a prior period error. Consequently, the comparative statement of profit or loss for the period ended 30 September 2025 has been restated to reflect the fair value of the Derivative instruments appropriately.

The interim condensed consolidated statement of financial position as of 30 September 2025, is not required to be presented with restated values given that the requirement for a third balance sheet only applies if the restatement affects the comparative amounts for the prior period presented.

# Middle East Healthcare Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued) At 30 September 2025

### 23 RESTATEMENT OF PRIOR PERIOD (continued)

	<i>For the nine-month period ended 30 September 2024</i>		
	<i>Balance before restatement SR</i>	<i>Restatement effect SR</i>	<i>Balance after restatement SR</i>
<b><u>Effect on interim condensed consolidated Statement of Profit or loss and other comprehensive Income</u></b>			
Other income			
Fair value gain on equity instruments at fair value through profit or loss	-	(4,143,710)	(4,143,710)
PROFIT BEFORE ZAKAT	201,535,019	(4,143,710)	197,391,309
Net profit for the period	176,063,959	(4,143,710)	171,920,249
Earnings per share	1.91	(0.04)	1.87

	<i>For the three-month period ended 30 September 2024</i>		
	<i>Balance before restatement SR</i>	<i>Restatement effect SR</i>	<i>Balance after restatement SR</i>
<b><u>Effect on interim condensed consolidated Statement of Profit or loss and other comprehensive Income</u></b>			
Other income			
Fair value gain on equity instruments at fair value through profit or loss	-	1,705,894	2,093,706
PROFIT BEFORE ZAKAT	75,309,339	1,705,894	77,015,233
Net profit for the period	64,326,590	1,705,894	66,032,484
Earnings per share	0.69	0.02	0.72

	<i>As of 30 September 2024-Prior period</i>		
<u>Effect on interim condensed consolidated Statement of Changes in Equity</u>			
Retained Earnings as of 30 September 2024	352,799,908	(4,143,710)	348,656,198

### 24 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group for the three-month and nine-month period ended 30 September 2025 have been approved by the Board of Directors on 18 Jumada Al-Ula 1447, corresponding to 8 November 2025.