

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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE THREE-MONTHS PERIOD
ENDED 31 MARCH 2026**

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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2026**

INDEX	PAGE
Independent auditor's review report	1
Interim condensed consolidated statement of financial performance and other comprehensive income	2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 – 26



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (ﷲ) 5,500,000 – Five million five hundred thousand Saudi Riyal)

King's Road Tower, 13th Floor, King Abdul Aziz Road (Malek Road)
P.O. Box 1994, Jeddah 21441
Kingdom of Saudi Arabia, Head Office – Riyadh
C.R. No.: 1010383821, Unified No.: 7000117205

C.R. No. (Jeddah Branch): 4030276644

Tel: +966 12 221 8400
Fax: +966 12 664 4408

ey.ksa@sa.ey.com
ey.com

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 31 March 2026, and the related interim condensed consolidated statements of financial performance and other comprehensive income, changes in equity and cash flows for the three-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.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 16 to the consolidated financial statements, which describes transactions and balances with related parties provided by entities under common control.

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)



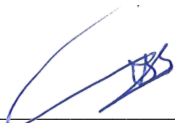
Jeddah: 24 Thul-Qi'dah 1447H
(11 May 2026G)


Middle East Healthcare Company (A Saudi Joint Stock Company)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

As at 31 March 2026

		<i>For the three- months period ended 31 March 2026 (Unaudited)</i>	<i>For the three- months period ended 31 March 2025 (Note 3.1.1) (Unaudited)</i>
	<i>Note</i>	<i>ﷲ</i>	<i>ﷲ</i>
Revenue from contracts with customers	21	765,233,692	733,567,317
Cost of revenue	21	(510,959,968)	(453,590,456)
GROSS PROFIT		254,273,724	279,976,861
Selling and marketing expenses		(21,685,649)	(14,611,026)
General and administrative expenses		(158,088,618)	(163,143,379)
Other operating income, net	22	5,544,535	119,428,290
OPERATING PROFIT		80,043,992	221,650,746
Share of loss in an associate		(6,977,152)	(200,000)
PROFIT BEFORE FINANCING AND ZAKAT		73,066,840	221,450,746
Finance costs		(43,076,505)	(53,476,804)
PROFIT BEFORE ZAKAT		29,990,335	167,973,942
Zakat	4	(4,919,530)	(5,265,033)
PROFIT FROM CONTINUING OPERATIONS		25,070,805	162,708,909
Earnings per share			
Basic and diluted earnings per share from net profit for the period attributable to the shareholders of the Parent	19	0.28	1.74
OTHER COMPREHENSIVE INCOME FOR THE PERIOD:			
<i>Item that will be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		106,111	(38,784)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		25,176,916	162,670,125
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the Parent Company		25,695,613	160,134,095
Non-controlling interests		(624,808)	2,574,814
		25,070,805	162,708,909
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the Parent Company		25,801,724	160,095,311
Non-controlling interests		(624,808)	2,574,814
		25,176,916	162,670,125


Sobhi Abduljalil Batterjee
Chairman


Dr. Nezar Mohammed Sultan Bahabri
Chief Executive Officer


Sultan Adel Kamil Sindi
Chief Financial Officer

The attached notes from 1 to 25 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 31 March 2026

		31 March 2026 (Unaudited) ﷲ	31 December 2025 (Audited) ﷲ
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	3,070,434,350	2,973,300,487
Right-of-use assets	9	126,009,221	123,760,247
Intangible assets		54,544,093	57,059,067
Investment in associate		48,641,991	55,619,143
TOTAL NON-CURRENT ASSETS		3,299,629,655	3,209,738,944
CURRENT ASSETS			
Inventories	7	83,264,520	65,211,519
Trade receivables, net	6	1,913,767,778	2,016,403,660
Prepayments		51,353,652	48,504,984
Margins deposits	20	33,356,936	36,137,364
Advances to suppliers		34,076,886	34,118,977
Other receivables	8	27,975,124	29,821,921
Bank balances and cash	10	24,097,188	26,301,483
TOTAL CURRENT ASSETS		2,167,892,084	2,256,499,908
TOTAL ASSETS		5,467,521,739	5,466,238,852
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11(a)	920,400,000	920,400,000
Reserve	11(b)	219,163,736	219,163,736
Retained earnings		751,301,315	725,605,702
Foreign currency translation reserves		7,300,075	7,193,964
Equity attributable to the shareholders of the parent		1,898,165,126	1,872,363,402
Non-controlling interests		54,712,578	55,337,386
TOTAL EQUITY		1,952,877,704	1,927,700,788
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loans and borrowings	12(a)	575,275,111	603,476,232
Sukuk	12(b)	984,209,689	983,399,694
Other financial liability- non current portion	13	89,524,761	91,218,650
Lease liability- non current portion	9	117,775,461	113,473,993
Deferred income		5,862,420	5,862,420
Derivative financial instruments	14	13,852,394	14,635,084
Employees' end of service benefits		259,994,223	269,542,592
TOTAL NON-CURRENT LIABILITIES		2,046,494,059	2,081,608,665
CURRENT LIABILITIES			
Short-term loans	12(a)	638,618,947	714,236,813
Current portion of long-term borrowings	12(a)	137,995,101	121,303,758
Trade payables	15	306,548,937	285,327,426
Other financial liabilities	13	6,614,768	6,508,997
Lease liability	9	7,471,695	7,682,199
Accrued expenses and other current liabilities	17	314,285,049	276,878,441
Provision for claims	18	-	-
Value added tax (VAT) payable		30,623,785	23,919,601
Zakat payable	4	25,991,694	21,072,164
TOTAL CURRENT LIABILITIES		1,468,149,976	1,456,929,399
TOTAL LIABILITIES		3,514,644,035	3,538,538,064
TOTAL EQUITY AND LIABILITIES		5,467,521,739	5,466,238,852


Sobhi Abduljalil Batterjee
Chairman


Dr. Nezar Mohammed Sultan Bahabri
Chief Executive Officer


Sultan Adel Kamil Sindi
Chief Financial Officer

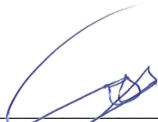
The attached notes from 1 to 25 form an integral part of these interim condensed consolidated financial statements.


Middle East Healthcare Company (A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-months period ended 31 March 2026

	<i>Attributable to equity holders of the parent</i>						<i>Non-controlling interests</i>	<i>Total</i>
	<i>Share capital</i>	<i>Reserve</i>	<i>Foreign currency translation reserves</i>	<i>Retained Earnings</i>	<i>Total</i>	<i>Share capital</i>		
	S	S	S	S	S	S	S	
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	-	-	-	160,134,095	160,134,095	2,574,814	162,708,909	
Other comprehensive loss for the period	-	-	(38,784)	-	(38,784)	-	(38,784)	
Total comprehensive income for the period	-	-	(38,784)	160,134,095	160,095,311	2,574,814	162,670,125	
Balance as at 31 March 2025 (unaudited)	920,400,000	219,163,736	8,318,549	638,322,356	1,786,204,641	50,526,085	1,836,730,726	
Balance as at 1 January 2026 (audited)	920,400,000	219,163,736	7,193,964	725,605,702	1,872,363,402	55,337,386	1,927,700,788	
Profit for the period	-	-	-	25,695,613	25,695,613	(624,808)	25,070,805	
Other comprehensive income for the period	-	-	106,111	-	106,111	-	106,111	
Total comprehensive income for the period	-	-	106,111	25,695,613	25,801,724	(624,808)	25,176,916	
Balance as at 31 March 2026 (unaudited)	920,400,000	219,163,736	7,300,075	751,301,315	1,898,165,126	54,712,578	1,952,877,704	


Sobhi Abduljalil Batterjee
Chairman


Dr. Nezar Mohammed Sultan
Bahabri
Chief Executive Officer


Sultan Adel Kamil Sindi
Chief Financial Officer

The attached notes from 1 to 25 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

At 31 March 2026

		<i>For the three-month period ended 31 March 2026 (Unaudited) S</i>	<i>For the three-month period ended 31 March 2025 (Note 3.1.1) (Unaudited) S</i>
OPERATING ACTIVITIES			
Operating Profit		80,043,992	221,650,746
Non-cash adjustments to reconcile profit before zakat to net cash flow:			
Depreciation of property and equipment	5	55,627,156	50,689,091
Depreciation of right-of-use assets	9	5,252,021	4,262,074
Amortisation of intangible assets		3,084,234	2,901,624
Reversal for expected credit losses		(4,966,801)	(1,950,000)
Provision for slow moving and obsolete inventories		123,805	515,467
Gain on disposal of property and equipment		(163,970)	(113,836,623)
Provision for employee benefits		13,428,758	12,238,667
Changes in operating assets and liabilities		152,429,195	176,471,046
Inventories		(18,176,806)	(5,124,119)
Trade receivable		107,602,683	160,512,702
Prepayments		(2,848,668)	(1,432,019)
Margins deposits		2,780,428	(7,293,579)
Advances to supplier		42,091	3,934,258
Other receivables		1,846,797	(20,906,072)
Trade payable		21,221,511	(21,328,767)
Accrued expenses and other current liabilities		34,076,782	8,775,402
Value added tax (VAT) payable		6,704,184	5,151,602
Other financial liabilities		(1,588,118)	(3,176,192)
Cash generated from operations		304,090,079	295,584,262
Employees' benefits paid		(22,977,127)	(5,348,008)
Net cash generated from operating activities		281,112,952	290,236,254
INVESTING ACTIVITIES			
Purchase of property and equipment		(153,514,121)	(55,926,939)
Proceeds from disposal of property and equipment	5	240,791	122,027,335
Net cash (used in) / generated from investing activities		(153,273,330)	66,100,396
FINANCING ACTIVITIES			
Lease obligations, net	9	(4,816,418)	(5,440,514)
Financial charges paid		(39,123,034)	(48,049,818)
Proceeds of loans and borrowings		724,647,485	691,173,200
Proceeds of Sukuk		134,995	-
Repayment of loans and borrowings		(811,100,129)	(764,155,233)
Net cash used in financing activities		(130,257,101)	(126,472,365)
(DECREASE) / INCREASE IN BANK BALANCES AND CASH		(2,417,479)	229,864,285
Foreign Currency Translation Difference		213,184	-
Bank balances and cash at the beginning of the period		26,301,483	52,282,004
BANK BALANCES AND CASH AT THE END OF THE PERIOD		24,097,188	282,146,289
MAJOR NON-CASH TRANSACTIONS			
Additions to right-of-use assets and lease liabilities	9	7,500,995	1,179,463
Borrowing costs capitalised during the year		2,686,700	2,622,216
Transfer of assets from Property and equipment to intangible assets	5	569,365	-
Transfer of assets from CWIP to Property and equipment	5	7,290,188	645,703

Sobhi Abduljalil Batterjee
Chairman

Dr. Nezar Mohammed Sultan Bahabri
Chief Executive Officer

Sultan Adel Kamil Sindi
Chief Financial Officer

The attached notes from 1 to 25 form an integral part of these interim condensed consolidated financial statements.

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

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 its various branches and a subsidiary in the Kingdom of Saudi Arabia.

The Company was initially incorporated as a closed joint stock company under Commercial Registration No. 4030149460 dated 6 Rabi' Al-Thani 1425H (corresponding to 25 May 2004), with Unified Number 7001829105. On 19 Rabi' Al-Awwal 1437H (corresponding to 30 December 2015), the Company obtained approval from the Capital Market Authority (CMA) to offer 27,612,000 shares through an Initial Public Offering (IPO). Subsequently, the Company's shares were listed on the Saudi Exchange (Tadawul) on 20 Jumada Al-Thani 1437H (corresponding to 29 March 2016). As a result of the IPO and listing, the Company was converted into 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:

<u>Branch name</u>	<u>Commercial registration</u>	<u>Issued on</u>	<u>Corresponding to</u>
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	3350043739	23 Safar 1436 H	15 December 2014
Saudi German Hospital - Baish	5903509753	24 Rabi Al-Awwal 1445	9 October 2023
Abha Clinics - Aseer	5850124337	24 Ramadan 1442H	6 May 2021

The Company also has investment in the following subsidiaries:

<u>Subsidiary name</u>	<u>Principal activities</u>	<u>Effective holding</u>	<u>Effective holding</u>
		31 March 2026	31 December 2025
National Hail Company for Healthcare (NHC)	Healthcare	53.89%	53.89%
Viva Radix Company	Healthcare	100%	-

The Company also has investment in the following associate:

<u>Associate name</u>	<u>Principal activities</u>	<u>Effective holding</u>	<u>Effective holding</u>
		31 March 2026	31 December 2025
Al Sobh Investment Holding Limited	Healthcare	22.41%	22.41%

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”), that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These interim condensed consolidated financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2 BASIS OF PREPARATION (continued)

The consolidated financial statements of the Group as at and for the year ended 31 December 2025, were prepared in accordance with IFRS Accounting 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”).

The accounting policies used and method of computation applied 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 certain amendments, effective as of 1 January 2026, as disclosed in Note 3.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.1 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.

2.2 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.

2.3 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.

2.3.1 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.

2.3.2 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.

2.3.3 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)

2.4 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 2025.

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 2025.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

3.1 New and amended standards and interpretations

3.1.1 IFRS 18 Presentation and Disclosure in Financial Statements

The Group early adopted IFRS 18, which supersedes IAS 1 and made consequential amendments to other standards. IFRS 18 introduces new requirements for presentation within the condensed consolidated statement of financial performance, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of financial performance into one of five categories: operating, investing, financing, income taxes and Zakat and discontinued operations.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 has been applied retrospectively.

Although the adoption of IFRS 18 have no impact on the Group's Profit for the period or Total Revenue, the Group expects that grouping items of income and expense in the Condensed Consolidated Statement of financial performance into the new categories impacted how Operating profit is reported.

The Group's main business activity is healthcare services; however, this does not affect the IFRS 18 category classification applied

Management-defined performance measures (MPMs)

The Group has not identified any management-defined performance measures (MPMs) for the purposes of IFRS 18. Accordingly, no such measures are presented or disclosed in these interim condensed financial statements. As a result, there are no alternative performance measures used in public communications that require reconciliation to IFRS-defined amounts.

Aggregation and Disaggregation

Under IFRS 18, the Group consistently applies aggregation and disaggregation principles across all primary financial statements. Items with similar characteristics are aggregated, while items with dissimilar characteristics are disaggregated when disaggregated information is material.

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

3.1 New and amended standards and interpretations (continued)

3.1.1 IFRS 18 Presentation and Disclosure in Financial Statements (continued)

Reconciliation on statement of financial performance for the year ended 31 March 2025

	Note	Amounts previously presented under IAS 1 ﷲ	Adjustments ﷲ	Restated amounts under IFRS 18 ﷲ
Revenue from contracts with customers	C	733,740,089	(172,772)	733,567,317
Cost of revenue	C	(450,086,396)	(3,504,060)	(453,590,456)
GROSS PROFIT		283,653,693	(3,676,832)	279,976,861
Selling and Marketing	C	(18,209,876)	3,598,850	(14,611,026)
General and administrative expenses	C	(163,896,361)	752,982	(163,143,379)
Other income, net	A	-	119,428,290	119,428,290
OPERATING PROFIT		101,547,456	120,103,290	221,650,746
Other income, net	A	119,885,780	(119,885,780)	-
Finance costs	B	(53,259,294)	53,259,294	-
Share of loss in an associate		(200,000)	-	(200,000)
PROFIT BEFORE FINANCING AND ZAKAT		167,973,942	53,476,804	221,450,746
Finance costs	B	-	(53,476,804)	(53,476,804)
PROFIT BEFORE ZAKAT		167,973,942	-	167,973,942
Zakat		(5,265,033)	-	(5,265,033)
PROFIT FROM CONTINUING OPERATIONS		162,708,909	-	162,708,909

Explanation of the adjustments due to IFRS 18

- Other income, net has been re-classified as other operating income, net within the operating category, in accordance with the presentation requirements of IFRS 18.
- Finance costs have been re-classified and presented within the financing category under the revised statement of financial performance structure introduced by IFRS 18.
- Certain comparative information for the prior period has been re-classified in the statement of financial performance to align with the current-period presentation following the adoption of IFRS 18. These changes relate solely to presentation and classification and do not affect total profit, comprehensive income, or equity

Reconciliation on statement of cash flows for the year ended 31 March 2025

	Amounts previously presented under IAS 1 ﷲ	Adjustments ﷲ	Restated amounts under IFRS 18 ﷲ
Profit before Zakat	167,973,942	(167,973,942)	-
Operating profit	-	221,650,746	221,650,746
Net cash generated from operating activities	289,561,254	675,000	290,236,254
Net cash used in financing activities	(125,797,365)	675,000	(126,472,365)

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

3.2 Standards issued but not yet effective

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its consolidated financial statements

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

4 ZAKAT

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

	<i>For the three-month period ended 31 March 2026 (Unaudited)</i>	<i>For the year ended 31 December 2025 (Audited)</i>
	ﷲ	ﷲ
At the beginning of the period/year	21,072,164	26,247,387
Provided during the period/year	4,919,530	16,027,730
Paid during the period/year	-	(21,202,953)
At the end of the period/year	<u>25,991,694</u>	<u>21,072,164</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 and 31 December 2023 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 2023 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 31 March 2026

5. PROPERTY AND EQUIPMENT

	<i>31 March 2026</i> <i>(Unaudited)</i>	<i>31 December 2025</i> <i>(Audited)</i>
	ﷲ	ﷲ
Operating assets	2,622,222,386	2,653,061,245
Capital work-in-progress (CWIP)	448,211,964	320,239,242
	<u>3,070,434,350</u>	<u>2,973,300,487</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 2.6 million (31 December 2025: ﷲ 11.0 million) have been capitalized in CWIP.

5.3 The land and buildings with a net book value of ﷲ 648.0 million (31 December 2025: ﷲ 655 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:

	<i>For the three-months period</i> <i>ended</i> <i>31 March 2026</i> <i>(Unaudited)</i>	<i>For the year</i> <i>ended</i> <i>31 December 2025</i> <i>(Audited)</i>
	ﷲ	ﷲ
Cost:		
At the beginning of the period/year	4,724,257,350	4,357,533,443
Additions during the period/year	153,514,121	455,155,286
Disposals during the period/year (note a)	(2,540,867)	(67,020,714)
Transfers to intangible assets	(569,365)	(23,469,999)
Translation differences	(112,980)	2,059,334
At the end of the period/year	<u>4,874,548,259</u>	<u>4,724,257,350</u>
Depreciation:		
At the beginning of the period/year	1,750,956,863	1,590,575,191
Charge for the period/year	55,627,156	212,677,305
Relating to disposals	(2,464,151)	(52,372,657)
Translation differences	(5,959)	77,024
At the end of the period/year	<u>1,804,113,909</u>	<u>1,750,956,863</u>
Net book value:		
At the end of the period/year	<u>3,070,434,350</u>	<u>2,973,300,487</u>

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

6. TRADE RECEIVABLES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
	ﷲ	ﷲ
Third party customers	1,974,604,661	2,083,808,762
Related parties (note 16)	10,062,756	8,461,338
	<u>1,984,667,417</u>	<u>2,092,270,100</u>
Less: expected credit losses	(70,899,639)	(75,866,440)
	<u><u>1,913,767,778</u></u>	<u><u>2,016,403,660</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 31 March 2026, approximately 88% of the group's accounts receivable's balance was due from various governmental and insurance entities (31 December 2025: 90%).

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

	<i>At 31 March 2026</i>					
	<i>Current</i>	<i><90 days</i>	<i>90–180 days</i>	<i>181–365 days</i>	<i>>1 year</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Total exposure at default	740,229,586	553,550,474	408,747,619	282,139,738	-	1,984,667,417
Expected loss rate	3.15%	3.30%	3.96%	4.64%	-	3.75%
Expected credit loss	(23,326,722)	(18,283,369)	(16,204,334)	(13,085,214)	-	(70,899,639)
	<u>716,902,864</u>	<u>535,267,105</u>	<u>392,543,285</u>	<u>269,054,524</u>	<u>-</u>	<u>1,913,767,778</u>

	<i>At 31 December 2025</i>					
	<i>Current</i>	<i><90 days</i>	<i>90–180 days</i>	<i>181–365 days</i>	<i>>1 year</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Total exposure at default	740,249,603	529,258,644	515,458,334	302,492,736	4,810,783	2,092,270,100
Expected loss rate	3.07%	3.14%	3.13%	6.39%	22.40%	3.63%
Expected credit loss	(22,694,362)	(16,606,980)	(16,147,533)	(19,339,905)	(1,077,660)	(75,866,440)
	<u>717,555,241</u>	<u>512,651,664</u>	<u>499,310,801</u>	<u>283,152,831</u>	<u>3,733,123</u>	<u>2,016,403,660</u>

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

	<i>For the three-months period ended 31 March 2026 (Unaudited)</i>	<i>For the year ended 31 December 2025 (Audited)</i>
	ﷲ	ﷲ
At the beginning of the period/year	75,866,440	69,482,107
(Reversal) /charge during the period/year	(4,966,801)	6,384,333
At the end of the period/year	<u>70,899,639</u>	<u>75,866,440</u>

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

7. INVENTORIES

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Pharmacy items	52,217,913	34,931,166
Consumables and others	39,936,236	39,178,797
Kitchen items	268,534	135,914
	<u>92,422,683</u>	<u>74,245,877</u>
Less: provision for slow moving and obsolete inventories	<u>(9,158,163)</u>	<u>(9,034,358)</u>
	<u><u>83,264,520</u></u>	<u><u>65,211,519</u></u>

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

	<i>For the three-months period ended 31 March 2026 (Unaudited)</i>	<i>For the year ended 31 December 2025 (Audited)</i>
	<i>ﷲ</i>	<i>ﷲ</i>
At the beginning of the period/year	9,034,358	9,976,205
Charge / (reversed) during the period / year	<u>123,805</u>	<u>(941,847)</u>
At the end of the period/year	<u><u>9,158,163</u></u>	<u><u>9,034,358</u></u>

Cost of inventories recognized in the interim condensed consolidated statement of financial performance for the period ended 31 March 2026 amounted to ﷲ 69,884,811 (31 March 2025: ﷲ 66,312,998).

8. Other receivables

	<i>31 March 2026 (Unaudited) SR</i>	<i>31 December 2025 (Audited) SR</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Receivable from ZATCA against closed appeal (note a)	11,498,037	11,498,037
Advances to staff	4,296,582	4,712,112
Other miscellaneous receivables	12,180,505	13,611,772
	<u>27,975,124</u>	<u>29,821,921</u>

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

- Refundable balance with ZATCA amounting to ﷲ 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 31 March 2026

9. RIGHT OF USE AND LEASE LIABILITIES

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

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	ﷲ	ﷲ
Right of use assets		
Cost:		
At 1 January	158,107,668	125,534,100
Addition during the period / year	7,500,995	76,783,798
Lease contract terminated during the year	-	(44,210,230)
	<u>165,608,663</u>	<u>158,107,668</u>
Depreciation:		
Accumulated depreciation	34,347,421	45,348,392
Depreciation for the period/ year	5,252,021	20,433,204
Relating to terminated contract	-	(31,434,175)
	<u>39,599,442</u>	<u>34,347,421</u>
Accumulated depreciation	39,599,442	34,347,421
Net value as at 31 December	<u>126,009,221</u>	<u>123,760,247</u>
	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	ﷲ	ﷲ
Lease liabilities		
At the beginning of the period/year	121,156,192	83,121,677
Addition for the period/year	7,500,995	76,783,798
Interest expense for the period/year	1,406,387	6,410,040
Relating to terminated contract	-	(14,221,050)
Payments made during the period / year	(4,816,418)	(30,938,273)
	<u>125,247,156</u>	<u>121,156,192</u>
At the end of the period/year	125,247,156	121,156,192
Non-current	117,775,461	113,473,993
Current	7,471,695	7,682,199
	<u>125,247,156</u>	<u>121,156,192</u>

10. BANK BALANCES AND CASH

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	ﷲ	ﷲ
Cash in hand	2,761,590	1,426,392
Cash at bank – current accounts	21,335,598	24,875,091
	<u>24,097,188</u>	<u>26,301,483</u>

The cash is held in accounts with banks having sound credit ratings. The fair value of bank balances and cash equivalent approximates the carrying value at 31 March 2026 and 31 December 2025.

At 31 March 2026, the Group had available ﷲ 1,266 million (31 December 2025: ﷲ 1,458 million) of undrawn committed borrowing facilities.

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

11(a) SHARE CAPITAL

As at 31 March 2026, the Parent Company's authorized, issued and fully paid share capital is **ﷲ** 920.4 million (31 December 2025: **ﷲ** 920.4 million) which is divided into 92.04 million (31 December 2025: 92.04 million) shares of **ﷲ** 10 par value each (31 December 2025: **ﷲ** 10 par value each).

11(b) 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 February 2026, the Board of Directors recommended the distribution of cash dividends to the Group's shareholders for the fiscal year 2025 amounted to **ﷲ** 46.02 million at **ﷲ** 0.50 per share. The distribution date will be announced after obtaining the necessary approval in the Annual General Meeting (AGM).

12(a) LOANS AND BORROWINGS

Term loans comprise of the following:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	ﷲ	ﷲ
Loan from Ministry of Finance	309,098,356	320,199,663
Less: Unamortised portion of transaction cost	(6,959,598)	(6,959,598)
Loan from Ministry of Finance, net	302,138,758	313,240,065
Long term loans	411,131,454	411,539,926
Short term loans	638,618,947	714,236,812
	1,351,889,159	1,439,016,803
	ﷲ	ﷲ
	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	ﷲ	ﷲ
Current portion:		
Long term loans	84,588,528	74,379,685
Short-term borrowings	638,618,947	714,236,813
Loan from Ministry of Finance	53,406,573	46,924,073
	776,614,048	835,540,571
Non-current portion:		
Long term loans	326,542,926	337,160,240
Loan from Ministry of Finance	248,732,185	266,315,992
	575,275,111	603,476,232
	1,351,889,159	1,439,016,803

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

12(a) LOANS AND BORROWINGS (continued)

Loan from Ministry of Finance are secured by the mortgage of land and building of Saudi German Hospital – Madinah, Dammam, Makkah and Hail (Note 5.3). This loan is interest free. Loans from commercial banks 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 2025.

12(b) Sukuk

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	SAR	SAR
Sukuk	991,754,995	1,000,000,000
Buy back during the period / year	-	(8,380,000)
Less: Unamortised portion of transaction cost	<u>(7,545,306)</u>	<u>(8,220,306)</u>
Non-current portion	<u>984,209,689</u>	<u>983,399,694</u>

On 14 January 2024, the Group issued its first Sukuk – Series I amounting to SAR 1,000 million out of SAR 1,500 million Sukuk Programme with minimum purchase of 5 Sukuk with par value SAR 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 stock Exchange (Tadawul). During the year, the Group repurchased a portion of its issued Sukuk amounting to SAR 8.38 million, which has been reflected as a reduction in the outstanding Sukuk balance.

13. OTHER FINANCIAL LIABILITIES

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:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	SAR	SAR
Non-current portion	89,524,761	91,218,650
Current portion	<u>6,614,768</u>	<u>6,508,997</u>
	<u>96,139,529</u>	<u>97,727,647</u>

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

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:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	SAR	SAR
Notional amount	1,800,000,000	1,800,000,000
Balance at the beginning of the period / year	14,635,084	26,207,840
Charge to statement of financial performance	(782,690)	(11,572,756)
	13,852,394	14,635,084

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 value.

15. TRADE PAYABLES

Trade payables comprise of the following:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	SAR	SAR
Third party suppliers	270,602,232	241,259,609
Due to related parties (note 16)	35,946,705	44,067,817
	306,548,937	285,327,426

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2026

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:

<i>Related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>Transactions for the three-months period ended</i>		<i>Balance as at</i>	
			<i>31 March 2026</i>	<i>31 March 2025</i>	<i>31 March 2026</i>	<i>31 December 2025</i>
a) Amounts due from related parties			ﷲ	ﷲ	ﷲ	ﷲ
Emirates Healthcare Development Company	Entity under common control	Management fee	1,655,600	-	5,049,758	3,787,105
Egypt Healthcare Company	Entity under common control	Management fee	694,543	-	5,012,998	4,673,897
Bait Al Batterjee Fitness Company	Entity under common control	Medical services		-		336
					<u>10,062,756</u>	<u>8,461,338</u>
b) Prepayments and other current assets						
Megamind IT Solution Company	Entity under common control	Advance against outsourced IT services	28,555,224	25,109,866	12,447,490	12,387,019
Abdul Jalil Khalid Batterjee Medical Instrumentation Maintenance Company	Entity under common control	Repair of medical instruments	115,829	76,056	-	917,287
					<u>12,447,490</u>	<u>13,304,306</u>

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2026

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 31 March 2026 and year ended 31 December 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

<i>Related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>Transactions for the three- months period ended</i>		<i>Balance as at</i>	
			<i>31 March 2026</i>	<i>31 March 2025</i>	<i>31 March 2026</i>	<i>31 December 2025</i>
c) Amounts due to related parties			ﷲ	ﷲ	ﷲ	ﷲ
International Hospital Construction Company	Entity under common control	Construction and renovation	24,011,003	17,923,843	16,227,071	26,401,256
Bait Al Batterjee Medical Company	Entity under common control	Advisory fee	1,575,224	1,492,506	2,039,166	37,591
Bait Al Batterjee Pharmaceutical Company	Entity under common control	Supplies of certain pharmaceutical products	9,487,771	10,606,787	15,941,542	13,800,888
Sawaid Alhulul Company For Maintenance & Cleaning	Entity under common control	Janitorial services	15,887,974	8,197,881	1,627,545	3,828,082
Abdul Jalil Khalid Batterjee Medical Instrumentation Maintenance Company	Entity under common control	Repair of medical instruments	115,829	76,056	111,381	-
					35,946,705	44,067,817

Balances due from and to related parties are presented within the respective line items in the financial statements and are disclosed in Note 16. Specifically, balances relating to 16(A) are disclosed in Note 6, balances relating to 16(B) are included within advances to suppliers, and balances relating to 16(C) are disclosed in Note 15.

At 31 March 2026

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

d) Construction and renovation services

The Group engaged an entity under common control, to undertake design and build renovation, modification and expansion works across selected hospital sites under number of framework contracts signed in prior years.

The contracts:

- Provides for execution of works through individual work packages issued by the company
- Is remeasurement-based, with payments linked to actual quantities executed; and
- Allows for contract price adjustments, including approved variations and changes in scope.

The work is executed and invoiced progressively based on approved work packages.

Amounts recognised during the year and outstanding balances as at 31 March 2026 are disclosed in tables above.

e) Other related party transactions

The Group also entered into transactions with other entities under common control primarily relating to:

- Management services,
- Medical services,
- Pharmaceutical supplies, and
- IT transformation and maintenance services.

Details of such transactions and balances are disclosed in the tables above.

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

f) 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 three-month period ended 31 March 2026</i>	<i>For the three-month period ended 31 March 2025</i>
	SAR	SAR
Salaries and other benefits	5,420,329	2,869,653
Post-employment benefits	633,240	153,542
	<u>6,053,569</u>	<u>3,023,195</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>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	SAR	SAR
Payroll related accrued expenses	146,954,168	137,652,028
Cost related accrued expenses	117,232,522	96,613,409
Accrued interest expenses	40,993,729	37,663,895
Other liabilities	9,104,630	4,949,109
	<u>314,285,049</u>	<u>276,878,441</u>

18. Provision for claims

Provision for claims comprise of the following:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	SAR	SAR
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)
	<u>-</u>	<u>-</u>

a) This balance represents the provision taken and amounts paid for ZATCA against Withholding assessments as below:
An amount of SAR 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.

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

19. 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 31 March 2026 Unaudited ﷲ</i>	<i>For the three- month period ended 31 March 2025 Unaudited ﷲ</i>
Profit for the period attributable to ordinary shareholders of the Parent	<u>25,695,613</u>	<u>160,134,095</u>
	<i>For the three- month period ended 31 March 2026 Unaudited ﷲ</i>	<i>For the three- month period ended 31 March 2025 Unaudited ﷲ</i>
Weighted average number of ordinary shares in issue	<u>92,040,000</u>	<u>92,040,000</u>
Basic and diluted earnings per share	<u>0.28</u>	<u>1.74</u>

20. COMMITMENTS AND CONTINGENCIES

- 20.1 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 SR 1.1 million (31 December 2025: SR 1.2 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.
- 20.2 The Company and its Subsidiary is also contesting various cases on account of alleged non-compliance of regulations. The total amount under consideration is SR 0.02 million (31 December 2025: SR nil million). 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.
- 20.3 On 31 March 2026, the Group had commitments of ﷲ 675 million (31 December 2025: ﷲ 673 million) relating to capital expenditures.
- 20.4 On 31 March 2026, the Company had total outstanding letters of guarantee and letter of credit amounting to ﷲ 76.1 million which consist of ﷲ 37.1 million to the favour of ZATCA against the assessment of zakat and tax for the years ended 31 December 2014, 31 December 2019 and 31 December 2020 with cover of ﷲ 33.3 million.

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

21. 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>31 March 2026 (unaudited)</i>				<i>Total</i>
	<i>In patient services</i>	<i>Outpatient services</i>	<i>Pharmacy sales</i>	<i>Others</i>	
	ﷲ	ﷲ	ﷲ	ﷲ	
Revenue	445,518,368	222,314,180	94,575,747	2,825,397	765,233,692
Cost of revenue	<u>(279,817,405)</u>	<u>(153,542,810)</u>	<u>(75,876,446)</u>	<u>(1,723,307)</u>	<u>(510,959,968)</u>
Gross profit	165,700,963	68,771,370	18,699,301	1,102,090	254,273,724
Operating expenses					(179,774,267)
Other income					<u>5,544,535</u>
Operating profit					80,043,992
Share of loss in associate					(6,977,152)
Finance charges					(43,076,505)
Zakat					<u>(4,919,530)</u>
Net profit					<u>25,070,805</u>

	<i>31 March 2025 (unaudited) - (Note 3.1.1)</i>				<i>Total</i>
	<i>In patient services</i>	<i>Outpatient services</i>	<i>Pharmacy sales</i>	<i>Others</i>	
	ﷲ	ﷲ	ﷲ	ﷲ	
Revenue	428,310,561	210,342,333	94,847,706	66,717	733,567,317
Cost of revenue	<u>(250,018,786)</u>	<u>(131,864,403)</u>	<u>(71,706,306)</u>	<u>(961)</u>	<u>(453,590,456)</u>
Gross profit	178,291,775	78,477,930	23,141,400	65,756	279,976,861
Operating expenses					(177,754,405)
Other income					<u>119,428,290</u>
Operating profit					221,650,746
Share of loss in associate					(200,000)
Finance charges					(53,476,804)
Zakat					<u>(5,265,033)</u>
Net profit					<u>162,708,909</u>

Geographical information

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

22. OTHER INCOME, NET

	<i>31 March 2026</i> <i>(Unaudited)</i>	<i>31 March 2025</i> <i>(Unaudited)</i>
	ﷲ	ﷲ
		<i>(Note 3.1.1)</i>
Rental income	1,706,987	1,727,529
Training and symposium	1,356,185	1,842,008
Gain on disposal of property and equipment (note 5)	164,180	113,836,623
Others	<u>2,317,183</u>	<u>2,022,130</u>
	<u>5,544,535</u>	<u>119,428,290</u>

Middle East Healthcare Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2026

23. 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.

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 31 March 2026, 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 31 March 2026 (Unaudited)	Level 2	Total
	ﷲ	ﷲ
<i>Financial assets at fair value through profit or loss:</i>		
Derivative financial instruments	13,852,394	13,852,394
	<hr/>	<hr/>
As at 31 December 2025 (Audited)	Level 2	Total
	ﷲ	ﷲ
<i>Financial assets at fair value through profit or loss:</i>		
Derivative financial instruments	14,635,083	14,635,083
	<hr/>	<hr/>

24. GEOPOLITICAL DEVELOPMENTS

During the current period, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasize the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

The Group has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these geopolitical events on future periods.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

25. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2026 have been approved by the Board of Directors on 24 Thul-Qi'dah 1447H, corresponding to 11 May 2026.