

**DR. SOLIMAN ABDEL KADER**  
**FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 31 December 2025  
together with the  
**INDEPENDENT AUDITORS' REPORT**

**DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE SHAREHOLDERS OF DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY (A SAUDI JOINT STOCK COMPANY)**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the consolidated financial statements of Dr. Soliman Abdel Kader Fakeeh Hospital Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

##### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of consolidated financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Other Matter**

The consolidated financial statements for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified audit opinion on 11 March 2025 (corresponding to 11 Ramadan 1446H).

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements.

**INDEPENDENT AUDITOR’S REPORT**

TO THE SHAREHOLDERS OF DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY  
(A SAUDI JOINT STOCK COMPANY) (continued)

**Key Audit Matters (continued)**

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>During the year ended 31 December 2025, the Group recognized revenue of SR 3,090.2 million (2024: SR 2,790.8 million).</p> <p>The Group recognises revenue upon satisfaction of performance obligations attached to medical and related services at the fair value of consideration received or receivable, net of variance consideration.</p> <p>Material contracts with customers include variable consideration in the form of volume discounts, prompt payment discounts and claims disallowance (rejection of claims). Significant accounting judgments, estimates and assumptions are made by the management to determine the variable consideration.</p> <p>Revenue recognition is considered as a key audit matter as the determination of the related variable consideration involves significant judgements and estimates.</p> <p>Refer to note 4.15 for the accounting policy related to revenue recognition, note 2.2 (f) for estimates and assumption used in revenue recognition and note 21 for the revenue disclosure.</p>	<p>In order to evaluate the revenue recorded and reported during the year, we performed, among other audit procedures, the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Group's revenue recognition accounting policies including the timing of revenue recognition.</li> <li>• Assessed the appropriateness of the significant accounting judgement, estimates and assumptions made by the management to determine the variable consideration;</li> <li>• Assessed the design and implementation of the Group's internal controls over the recognition of revenue and estimation of variable consideration;</li> <li>• Performed tests (on a sample basis) of claims submission, invoicing and collections made with major customers of the Group;</li> <li>• Performed a retrospective review (on a sample basis) of actual claims settled against the original gross claims;</li> <li>• Performed substantive analytical procedures by comparing the expectations with actual revenue and analysing the variances;</li> <li>• Performed cutoff procedures to ensure the revenue is recognized in the correct period; and</li> <li>• Assessed the adequacy of the relevant disclosures in the consolidated financial statements.</li> </ul>



## **INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY  
(A SAUDI JOINT STOCK COMPANY) (continued)

### **Other information included in The Group's 2025 Annual Report**

Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e, the Audit Committee is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



## **INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY  
(A SAUDI JOINT STOCK COMPANY) (continued)

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY  
(A SAUDI JOINT STOCK COMPANY) (continued)

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

for Ernst & Young Professional Services

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

Jeddah: 21 Ramadhan 1447H  
(10 March 2026G)



**DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

	Notes	<u>31 December</u> <u>2025</u>	<u>31 December</u> <u>2024</u>
<b><u>ASSETS</u></b>			
Property and equipment	5	2,498,755	2,095,843
Right-of-use assets "RoU"	6.1	492,247	505,338
Intangible assets and goodwill	7	547,568	543,980
Investment properties		376	417
Financial asset at amortized cost	8	298,126	195,604
Prepayments and other non-current assets	9	22,244	15,024
Other long-term receivables	10	144,748	117,716
<b>Non-current assets</b>		<u>4,004,064</u>	<u>3,473,922</u>
Inventories	11	196,293	178,727
Accounts and other receivables	12	974,978	895,520
Contract assets	12.2	39,798	68,549
Prepayments and other current assets	13	174,382	171,122
Cash and cash equivalents	14	439,162	533,785
<b>Current assets</b>		<u>1,824,613</u>	<u>1,847,703</u>
<b>Total assets</b>		<u>5,828,677</u>	<u>5,321,625</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>EQUITY</u></b>			
Share capital	15	232,000	232,000
Treasury shares	15.2	(2,000)	(2,000)
Share premium	15	1,653,473	1,653,473
Retained earnings		1,288,560	1,061,873
<b>Equity attributable to shareholders of the Company</b>		<u>3,172,033</u>	<u>2,945,346</u>
Non-controlling interests ("NCI")	16	409,353	374,078
<b>Total equity</b>		<u>3,581,386</u>	<u>3,319,424</u>
<b><u>LIABILITIES</u></b>			
Long-term loans	17	334,000	321,500
Lease liabilities	6.2	481,162	481,208
Employees' end of service benefits	18	312,996	260,689
<b>Non-current liabilities</b>		<u>1,128,158</u>	<u>1,063,397</u>
Short-term loans	17	297,543	215,000
Current portion of lease liabilities	6.2	63,662	60,186
Accounts payables		362,234	372,900
Accrued and other current liabilities	19	365,403	265,234
Provision for Zakat	20	30,291	25,484
<b>Current liabilities</b>		<u>1,119,133</u>	<u>938,804</u>
<b>Total liabilities</b>		<u>2,247,291</u>	<u>2,002,201</u>
<b>Total equity and liabilities</b>		<u>5,828,677</u>	<u>5,321,625</u>



Mr. Ammar Faqih  
Chairman Board of Directors



Dr. Mazen Fakeeh  
President



Mr. Panagiotis Chatziantoniou  
Group Chief Financial Officer

The accompanying notes 1 to 30 form an integral part of these consolidated financial statements.

**DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

	Notes	2025	2024
Revenue	21	3,090,245	2,790,880
Costs of revenue	22	(2,386,355)	(2,091,841)
<b>Gross profit</b>		<b>703,890</b>	699,039
Other income, net		14,861	11,185
Selling and marketing expenses	22	(80,870)	(59,168)
General and administrative expenses	22	(305,462)	(278,517)
Impairment loss on accounts receivables	12.1	(24,420)	(13,475)
<b>Operating profit</b>		<b>307,999</b>	359,064
Finance costs	23.1	(48,846)	(95,667)
Finance income	23.2	21,303	23,671
<b>Profit before zakat</b>		<b>280,456</b>	287,068
Zakat	20	(32,335)	(23,398)
<b>Profit for the year</b>		<b>248,121</b>	263,670
<b><u>Other comprehensive income:</u></b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement loss on defined benefit obligations	18	(7,381)	(18,647)
<b>Total comprehensive income for the year</b>		<b>240,740</b>	245,023
<b>Profit / (loss) for the year attributable to:</b>			
- Shareholders of the Parent Company		290,182	287,551
- Non-controlling interests		(42,061)	(23,881)
		<b>248,121</b>	263,670
<b>Total comprehensive income / (loss) for the year attributable to:</b>			
- Shareholders of the Parent Company		282,590	269,608
- Non-controlling interests		(41,850)	(24,585)
		<b>240,740</b>	245,023
<b>Earnings per share</b>			
Basic and diluted earnings per share	25	1.26	1.32

		
_____ Mr. Ammar Faqih Chairman Board of Directors	_____ Dr. Mazen Fakeeh President	_____ Mr. Panagiotis Chatziantoniou Group Chief Financial Officer

The accompanying notes 1 to 30 form an integral part of these consolidated financial statements.

**DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

	Attributed to owners of the parent				Non-controlling interests	Total equity	
	Share capital	Treasury shares	Share premium	Retained earnings			Total
Balance at 1 January 2024	200,000	--	--	820,255	1,020,255	235,220	1,255,475
Profit for the year	--	--	--	287,551	287,551	(23,881)	263,670
Other comprehensive income for the year	--	--	--	(17,943)	(17,943)	(704)	(18,647)
Total comprehensive income for the year	--	--	--	269,608	269,608	(24,585)	245,023
<b><u>Transactions with owners</u></b>							
Share capital increase (note 15)	30,000	--	1,653,473	--	1,683,473	--	1,683,473
Share capital increase - Employee share ownership program (note 15.2)	2,000	--	--	(2,000)	--	--	--
Treasury shares for Employee share ownership program (note 15.2)	--	(2,000)	--	2,000	--	--	--
Additional capital contribution by NCI	--	--	--	--	--	135,453	135,453
Effect of capital increase in subsidiary and dilution of NCI (note 1)	--	--	--	(27,990)	(27,990)	27,990	--
<b>Balance at 31 December 2024</b>	<b>232,000</b>	<b>(2,000)</b>	<b>1,653,473</b>	<b>1,061,873</b>	<b>2,945,346</b>	<b>374,078</b>	<b>3,319,424</b>
<b><u>Total comprehensive income for the year</u></b>							
Profit for the year	--	--	--	290,182	290,182	(42,061)	248,121
Other comprehensive income for the year	--	--	--	(7,592)	(7,592)	211	(7,381)
Total comprehensive income for the year	--	--	--	282,590	282,590	(41,850)	240,740
Employee share-based payments reserve charged to profit and loss	--	--	--	6,043	6,043	--	6,043
<b><u>Transactions with shareholders</u></b>							
Dividends declared (note 15.1)	--	--	--	(69,000)	(69,000)	--	(69,000)
Effect of shares transferred from NCI to parent (note 16)	--	--	--	7,054	7,054	(7,054)	--
Additional capital contribution by NCI (note 16.1)	--	--	--	--	--	84,179	84,179
<b>Balance at 31 December 2025</b>	<b>232,000</b>	<b>(2,000)</b>	<b>1,653,473</b>	<b>1,288,560</b>	<b>3,172,033</b>	<b>409,353</b>	<b>3,581,386</b>

 <hr/> Mr. Ammar Faqih Chairman Board of Directors	 <hr/> Dr. Mazen Fakeeh President	 <hr/> Mr. Panagiotis Chatziantoniou Group Chief Financial Officer
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The accompanying notes 1 to 30 form an integral part of these consolidated financial statements.

**DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>			
Profit before zakat		280,456	287,068
<i>Adjustments for:</i>			
- Depreciation on property and equipment	5	111,557	97,231
- Depreciation on right-of-use assets	6.1	62,690	58,151
- Amortization of Intangible assets	7	7,996	7,460
- Depreciation on investment properties		41	42
- Provision for employee's end of service benefits	18	60,966	41,837
- Impairment loss on accounts receivables	12.1	24,420	13,475
- Loss / (gain) on disposal of property and equipment and RoU		(1,910)	4,482
- Non-Cash Share based Payment plan expense		6,043	--
- Discounting impact of DAAM scholarship program		1,524	969
- Net finance costs		27,543	71,996
		<b>581,326</b>	<b>582,711</b>
<i>Changes in operating assets and liabilities:</i>			
- Inventories		(17,566)	(15,606)
- Accounts and other receivables		(103,878)	(163,298)
- Contract assets		28,751	33,766
- Other long-term receivables		(28,556)	(25,358)
- Prepayments and other current assets		(3,260)	(8,132)
- Accounts payables		(10,666)	97,600
- Accrued and other current liabilities		125,358	99,786
Cash generated from operating activities		<b>571,509</b>	<b>601,469</b>
Interest paid		(41,885)	(91,123)
Interest paid on lease	6.2	(32,150)	(33,063)
Employees' end of service benefits paid	18	(16,040)	(18,808)
Zakat paid	20	(27,528)	(22,372)
<b>Net cash generated from operating activities</b>		<b>453,906</b>	<b>436,103</b>
<b>Cash flows from investing activities:</b>			
Additions to property and equipment	5	(520,329)	(517,652)
Additions to financial assets at amortized cost	8	(99,152)	(195,604)
Additions to intangible assets	7	(9,081)	(7,196)
Prepayments and other non-current assets		(7,220)	(7,424)
Interest received	23.2	17,933	23,671
Proceeds from disposal of property and equipment		2,520	993
<b>Net cash used in investing activities</b>		<b>(615,329)</b>	<b>(703,212)</b>
<b>Cash flows from financing activities:</b>			
Dividends paid	15.1	(69,000)	--
Additional capital contribution by NCI	16.1	84,179	135,453
Repayment of principal portion of lease liability	6.2	(43,422)	(47,902)
Net proceeds from the issue of ordinary shares	15	--	1,683,473
Proceeds from long-term loans		13,500	111,500
Repayment of long-term loans		(1,000)	(1,016,930)
Net movement in short term loans		82,543	(278,996)
<b>Net cash generated from financing activities</b>		<b>66,800</b>	<b>586,598</b>
Net (decrease)/ increase in cash and cash equivalents		(94,623)	319,489
Cash and cash equivalents at beginning of the year		533,785	214,296
<b>Cash and cash equivalents at the end of the year</b>	14	<b>439,162</b>	<b>533,785</b>

**DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

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	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<b>Major non-cash transactions:</b>			
Addition to right-of-use assets and lease liabilities	6	<u>67,490</u>	44,832
Borrowing cost capitalized	5.1	<u>29,117</u>	<u>20,404</u>



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Mr. Ammar Faqih  
Chairman Board of Directors



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Dr. Mazen Fakeeh  
President



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Mr. Panagiotis Chatziantoniou  
Group Chief Financial Officer

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The accompanying notes 1 to 30 form an integral part of these consolidated financial statements.

**DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

**1. GENERAL**

Dr. Soliman Abdel Kader Fakeeh Hospital Company (the “Parent Company”) is a Saudi Joint Stock Company formed under the laws of the Kingdom of Saudi Arabia and is registered in the Commercial Registry in Jeddah under unified No. 7001713341 on 11 Rabi II 1398H (Corresponding to 20 March 1978). The Parent Company was converted from a Sole Proprietorship to a Saudi closed Joint Stock Company under the Ministerial Decision No. 28 dated 1 Safar 1433H (corresponding to 26 December 2011) approving the announcement of the establishment of Dr. Soliman Abdel Kader Fakeeh Hospital Company (A “Saudi Closed Joint Stock Company”). On 27 Duhl Qadah 1445H (corresponding to 4 June 2024), the Parent Company successfully converted from a “Saudi Closed Joint Stock Company” to a “Saudi Joint Stock Company.” Following this, on 28 Duhl Qadah 1445H (corresponding to 5 June 2024), the Parent Company completed its Initial Public Offering (IPO), and its shares were listed on the Tadawul Primary Market, commencing trading under the symbol 4017 and ISIN code SA562GSHUOH7.

The principal activity of the Group is managing, establishing and operating hospitals, clinics, medical, educational and training centers. In addition to the above, the Group is also managing and operating medical services, analysis and radiology laboratory and managing and establishing pharmacies, wholesale and retail of medical equipment, maintenance of IT equipment and software related services.

These consolidated financial statements include assets, liabilities and the results of the operations of the Parent Company and its following subsidiaries collectively referred to as “the Group”. The financial statements of the subsidiaries are prepared for the same reporting period and accounting policies as that of the Parent Company.

The Group has three reportable segments including medical services, education, trading, retail and other business (note 26).

The Parent Company’s registered office and principal place of business is Jeddah.

As at 31 December 2025, the Group has investments in the following subsidiaries:

<u>Name of subsidiaries</u>	<u>Country of Incorporation</u>	<u>Effective holding</u>		<u>Principal activities</u>
		<u>2025</u>	<u>2024</u>	
Al-Farabi Special Health Care Company Limited (“Farabi”)	Saudi Arabia	<b>70%</b>	70%	Healthcare service provider
Dr. Soliman Abdel Kader Fakeeh Company for Information Technology (Formerly, Kameda Arabia Company Limited)*	Saudi Arabia	<b>100%</b>	70%	IT equipment and software services
Dr. Soliman Abdel Kader Fakeeh Family Medicine Centers (“FMH”)	Saudi Arabia	<b>90%</b>	90%	Healthcare service provider
Dr. Soliman Abdel Kader Fakeeh Medical Education Company Limited (“FMEC”)	Saudi Arabia	<b>80%</b>	80%	Medical education service provider
Dr. Mazen Fakeeh Complementary Health Care Company Limited (“FHC”)	Saudi Arabia	<b>100%</b>	100%	Wholesale and retail of medical equipment
Al Toor Medical Services Company (“Al Toor”)	Saudi Arabia	<b>51%</b>	51%	Healthcare service provider
Saudi Airlines Company for Medical Services (“SMS”)	Saudi Arabia	<b>75%</b>	75%	Healthcare service provider
Al-Faraj Pharmaceutical Medical Company (“Al-Faraj”)	Saudi Arabia	<b>89.82%</b>	89.82%	Trading in pharmaceutical products

**DR. SOLIMAN ABDEL KADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

**1. GENERAL (continued)**

<u>Name of subsidiaries</u>	<u>Country of Incorporation</u>	<u>Effective holding</u>		<u>Principal activities</u>
		<u>2025</u>	<u>2024</u>	
Advanced Horizon Contracting Company (“AHC”)	Saudi Arabia	100%	100%	Construction and contracting
Golden Union Medical Company (“GUMC”)	Saudi Arabia	100%	100%	Emergency medical services
Dr. Soliman Fakeeh Hospital Medical Company (“DSFH Riyadh”)	Saudi Arabia	68.36%	68.36%	Healthcare service provider
White Lines Medical Company (“WLMC”)	Saudi Arabia	74.25%	74.25%	Trading in pharmaceutical products
Fakeeh Vision Company Limited (“FVCL”)	Saudi Arabia	100%	100%	Trading of spectacles and cosmetics
Dr. Soliman Abdel Kader Fakeeh Home Health Care Company (“FHHC”)	Saudi Arabia	100%	100%	Home health care
Advance Lines Medical - ALM	Saudi Arabia	74.25%	74.25%	Trading in pharmaceutical products
Modern Algorithms Solutions for Information Technology Company**	Saudi Arabia	100%	--	Healthcare IT software services provider
Masar Dr. Sulaiman Fakeeh Hospital (“Masar”)	Saudi Arabia	100%	100%	Healthcare service provider
Integrated care solution “ICS”***	Saudi Arabia	100%	--	Healthcare IT software services provider
Cyber Immunity Services Company (“CISC”)**	Saudi Arabia	70%	--	IT equipment and software services
CareCom Company (“CC”)**	Saudi Arabia	100%	--	Healthcare service provider

\* During the year ended 31 December 2025 NCI shareholders has donated their shares to the parent company.

\*\*During the current year, the Group established new subsidiaries registered in the Kingdom of Saudi Arabia.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (hereafter referred to as “IFRS as endorsed in KSA”).

*a) Accounting convention / Basis of Measurement*

These consolidated financial statements have been prepared under the historical cost basis, unless otherwise stated.

Furthermore, the consolidated financial statements are prepared using the accrual basis of accounting and going concern assumption. The subsidiaries applied the same accounting policies as applied by Company in these consolidated financial statements. Also, the reporting period of the subsidiaries is the same with the Parent company, financial year ending December.

*b) Functional and presentation currency*

These consolidated financial statements are presented in Saudi Arabian Riyals (“SR”), which is the Group’s functional currency. All amounts have been expressed in SR and rounded off to the nearest thousands, unless otherwise indicated.

**2.2 Significant accounting Judgments, estimates and assumptions**

The preparation of the Group’s 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

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

**2.2 Significant accounting Judgements, estimates and assumptions (continued)**

*a) Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and marketing terms forecast for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future invest performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the growth rate used for extrapolation purposes.

*b) Allowance for expected credit losses (ECLs) of accounts receivables and contract assets*

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

The Group assesses on a forward-looking basis, the expected credit losses (“ECL”) associated with its financial assets carried at amortized cost. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive). The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group measures loss allowances at an amount equal to lifetime ECL.

*c) Employee benefits – defined benefit plan*

The cost of employees’ end of service benefits are determined using actuarial valuation. Certain actuarial assumptions have been adopted as disclosed in note 18 to the consolidated financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect gains and losses in those years.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The calculation is most sensitive to changes in the discount rate. In determining the appropriate discount rate, management considers the interest rates of KSA government bonds. Future salary increases are based on expected future inflation rates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

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

**2.2 Critical accounting estimates and judgments (continued)**

*d) Determining the lease term of contracts with renewal and termination options – Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

*e) Leases - Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

*f) Revenue recognition estimating variable consideration*

*Satisfaction of performance obligations* - The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue.

*Determination of transaction prices* - The Group estimates variable considerations to be included in the transaction price in respect of each of its contracts with customers. In making such estimate, the Group assess the impact of any variable consideration in the contract, discount or any other variable items, . The Group uses its accumulated historical experience to estimate the percentage (retrospective review). These percentages are applied to determine the most likely outcome of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected adjustments estimated by the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

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*g) Determining whether the Group is acting as a principal or an agent*

The management undertakes significant judgement in determining whether the Group is the principal or the agent in the arrangement. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The determination of whether the entity is acting as a principal or an agent affects the amount of revenue the entity recognises. When the Group is the principal in the arrangement, the revenue recognised is the gross amount to which the Group expects to be entitled. When the Group is the agent, the revenue recognised is the net amount that the Group is entitled to retain in return for its services as the agent.

*h) Useful lives of property and equipment*

The useful life of each of the Group's items of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation, experience with similar assets and application of judgment as to when the assets become available for use and the commencement of the depreciation charge. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. Refer to (note 4.4)

*i) Fair value measurement of financial instruments*

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the Discounted Cash Flow "DCF" model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**3.1 New and amended standards and interpretations**

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

**Lack of exchangeability – Amendments to IAS 21**

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments did not have a material impact on the Group's financial statements.

**3.2 Standards issued but not yet effective**

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. 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 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**3.2 Standards issued but not yet effective (continued)**

**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.

**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 derecognized on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognize 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**4. MATERIAL ACCOUNTING POLICIES**

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

**4.1 Financial instruments**

*Financial Assets*

*a) Recognition and initial measurement*

The Group's financial assets comprise of cash and cash equivalents, accounts and other receivables (current), other long-term receivables (non-current), contract assets, margin against letter of credits and guarantees and other receivables.

Financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

*b) Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.1 Financial instruments (continued)**

*Financial Assets (continued)*

*b) Classification and subsequent measurement (continued)*

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

*Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.1 Financial instruments (continued)**

***Financial liabilities: Classification, subsequent measurement and gains and losses***

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in statement of profit or loss and other comprehensive income.

Significant financial liabilities include loans, lease liabilities, accounts payables, accrued expenses and other current liabilities.

**De-recognition**

***Financial assets***

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

***Financial liabilities***

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the statement of profit or loss and other comprehensive income.

**Offsetting of financial instruments**

Financial asset and financial liability are offset and the net amount presented in the statement of financial position when, and only when the Group:

- currently has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.2 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instrument issued and liabilities incurred or assumed at the date of exchange and includes costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition. The excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is classified as goodwill. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

(i) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiaries are consolidated in the consolidated financial statements from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, transactions, income and expenses resulting from intra-group transactions, are eliminated in full. Also, any unrealized gains and losses arising from intra-group transactions are eliminated on consolidation.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Changes in a Group's ownership interest in a subsidiary that does not result in a change in control, is accounted as equity transaction and the carrying amounts of the non-controlling interests is adjusted against the fair value of the consideration paid and any difference is recognized directly in equity under "Effect of transactions with non- controlling interest without change in control".

(ii) *Goodwill*

Goodwill represents the difference between the cost of businesses acquired and the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill arising on acquisitions is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses on goodwill are not reversed. Subsequent to initial recognition, goodwill is measured at cost less impairment losses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.2 Business combinations (continued)**

*(ii) Goodwill (continued)*

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

*(iii) Non-controlling interests*

Non-controlling interest represents the interest in subsidiary companies, not held by the Group which are measured at their proportionate share in the subsidiary's identifiable net assets. Transactions with non-controlling interest parties are treated as transactions with parties external to the Group.

Changes in Group's interest in a subsidiary as a result of transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, i.e. as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid / received and the relevant share acquired / disposed of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals / acquisition of non-controlling interests are also recorded in equity.

**4.3 Impairment**

*i) Financial assets (including receivables)*

IFRS 9 requires to follow an expected credit loss model for the impairment of financial assets. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. Consequently, more timely information is provided about expected credit losses.

Expected loss shall be measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected loss is provided. In other cases, lifetime credit losses shall be provided. For accounts receivables with a significant financing component a simplified approach is available, where by an assessment of increase in credit risk need not be performed at each reporting date. Instead, an entity can choose to provide for expected losses based on lifetime expected losses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.3 Impairment (continued)**

*ii) Non-financial assets*

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss on intangible assets with indefinite useful lives including goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**4.4 Property and equipment**

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses except land and capital work in progress (CWIP) which is carried at cost less impairment if any. Cost includes expenditure that is directly attributable to the acquisition of the asset including any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling, removing and borrowing costs for long-term construction projects if the recognition criteria are met and restoring the site on which they are located.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as consolidated items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in statement of profit or loss and other comprehensive income.

*a) Subsequent costs*

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in statement of profit or loss and other comprehensive income as incurred.

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.4 Property and equipment (continued)**

*b) Depreciation*

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in statement of profit or loss and other comprehensive income. Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents the cost of an asset, or other amount substituted for cost, less its residual value.

The estimated useful lives for the current and comparative periods are as follows:

	<u>Years</u>
• Buildings	33-50
• Medical and support equipment	4 – 25
• Furniture and fixtures	3 – 10
• Motor vehicles	7
• Office equipment	5
• Computers	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. During the year ended 31 December 2025, the Group performed a review of the estimated useful lives of its property, plant and equipment in accordance with the requirements of IAS 16. Based on this review, and considering the condition, usage patterns, and expected future economic benefits of certain buildings, management revised the estimated useful lives of these assets from 33 years to 50 years. This change reflects management’s best estimate of the remaining useful economic life of the buildings.

In accordance with IAS 8, this adjustment has been accounted for prospectively as a change in accounting estimate. The effect of the change on depreciation expense for the year ended 31 December 2025 was a decrease of SAR 4.5 million, with corresponding impacts on the carrying amount of property, plant and equipment and profit for the year.

Management will continue to review the useful lives of assets on a periodic basis to ensure they remain appropriate in light of operational and economic conditions.

**4.5 Intangible assets**

The intangible assets that the Group holds consists of customer relationships, software, and medical licenses which have finite useful lives and are measured at cost less accumulated amortization and any accumulated impairment losses.

*a) Subsequent costs*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognize in profit or loss as incurred.

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.5 Intangible assets (continued)**

*b) Amortization*

Amortization is calculated to write off, over their estimated useful lives, the cost of intangible assets less estimated residual values using the straight-line method for software and medical license and reducing balance method for customer relationships. Amortization is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

	<u>Years</u>
Customer relationships	25
Medical Licenses	10
Software	3-7

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**4.6 Capital work-in-progress**

Capital work-in-progress represents all costs relating directly to the on-going projects in progress and are capitalized as property and equipment when the project is completed.

**4.7 Inventories**

Inventories, which comprise of medicines, various medical supplies and consumables are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Goods-in-transit include costs and related expenses of goods shipped by the year-end.

Net realizable value comprises estimated selling price in the ordinary course of business, less appropriate selling and distribution costs. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs.

**4.8 Employee Benefits**

*Defined unfunded benefit plans*

The Group operates an employees' end of service benefits scheme. End of service benefits, as required by Saudi Arabia Labor Law, are required to be provided based on the employees' length of service.

The Group's net obligations in respect of defined unfunded benefit plans ("the obligations") is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return of their service in the current and prior periods. The benefit is discounted to determine its present value, and any unrecognized past service costs.

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.8 Employee Benefits (continued)**

*Defined unfunded benefit plans (continued)*

The discount rate used is the market yield on government bonds at the reporting date that has maturity dates approximating the terms of the Group's obligations. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method to determine the Group's present value of the obligation, with actuarial valuations to be carried out every third year and updated for the following two years for material changes, if any.

The defined benefit liability comprises the present value of defined benefit obligation as adjusted for any past service cost not yet recognized. Currently there are no past service costs. Actuarial gains and losses are recognized in OCI immediately.

**4.9 Leases**

*Right-of-use assets*

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

*Lease liabilities*

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.10 Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed and adjusted at each reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the statement of financial position date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. If outflows to settle the provisions are no longer probable, reversal of the provision is recorded as income.

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

**4.11 Zakat**

Zakat is provided for in the consolidated financial statements in accordance with Zakat, Tax and Customs Authority ("Authority" or "ZATCA") regulations. Zakat for the current year end is charged to profit and loss. Additional Zakat liabilities, if any, related to prior years' assessments arising from ZATCA are accounted for in the period in which the final assessments are finalized.

The Group withholds taxes on transactions with non-resident parties in accordance with ZATCA regulations.

**4.12 Value Added Tax**

The Group is subject to Value Added Tax ("VAT") in accordance with the VAT regulations applicable in the Kingdom of Saudi Arabia. VAT is levied on taxable supplies at the applicable rate, except for supplies that are specifically exempt under the VAT law.

VAT payable is calculated as output VAT on taxable supplies less recoverable input VAT on eligible purchases and expenses.

Revenue, expenses and assets are recognised net of VAT, except where VAT incurred on purchases is not recoverable from the tax authority, in which case it is recognised as part of the cost of the related asset or expense. Accordingly, VAT is excluded from the consolidated statement of profit or loss for all periods presented.

**4.13 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits

**4.14 Treasury shares**

Own equity instruments that are reacquired/acquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.15 Revenue**

The Group has applied IFRS 15 *Revenue from contracts with customers* for accounting of revenue. The core principle of the IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 requires that entities apply a five-step to determine when to recognize revenue and at what amount.

- Step:1 Identify the contract with the customer
- Step:2 Identify the performance obligations in the contract
- Step:3 Determine the transaction price
- Step:4 Allocate the transaction price to the performance obligations in the contract
- Step:5 Recognize revenue when or as the entity satisfies a performance obligation

The Group recognizes revenue when or as a performance obligation is satisfied. i.e. when control of the goods or services pertaining to the respective performance obligation is transferred to the customer.

*Sale of goods*

The Group dispenses medication and medical supplies as part of the provision of its healthcare services. Sales of goods are recognized when the Group dispenses these to its patients.

*Provision of services*

The Group provides healthcare services. The revenue is recognized when the treatment is provided (i.e. after satisfaction of performance obligation). Some contracts include variable considerations such as discounts and claims. Management estimates variable consideration using the most likely outcome. In addition, management has considered all the information (historical, current and forecast) that is reasonably available to the Group and has identified a reasonable number of possible consideration amounts.

Revenue from provision of services primarily comprises fees charged under contract for inpatient and outpatient hospital services. Hospital services include charges for accommodation, professional medical services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Net patient services revenue is recognized at the estimated net realizable amounts from the third-party payers (like insurance companies) and others for the services rendered, net of estimated revenue adjustments (rejection of claims and discounts) when the related services are rendered.

Revenue from operating contracts includes among others the supply of manpower to other medical facilities. They recognized the revenue over the period of time when the services are rendered.

*Medical related services*

Medical related services are recognized as revenue agreed under Service Level Agreement (SLA) with the customers when the services are provided.

*Revenue from educational services*

Tuition and other fees are recognized as income over the academic year (i.e. over the satisfaction of performance obligation).

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.15 Revenue (continued)**

*Revenue from IT services*

Revenue from IT services is recognized when the services are rendered to the customers.

*Revenue from Retail services*

Revenue from sales is recognized upon delivery or shipment of products by which the rights of ownership of the goods have been transferred to the buyer and the Company has no effective control or continuing managerial involvement to the degree usually associated with ownership over the goods. Sales are recorded net of returns, trade discounts, and volume rebates, if any.

**4.16 Current versus non – current**

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

***Assets***

An asset is current when it is:

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

***Liabilities***

A liability is current when:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- It does not have the right at the end of reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

**4.17 Initial Public Offering (IPO) Costs**

IPO costs are the costs which are incremental and directly related to the listing of the shares in the financial market. These include but not limited to underwriting fee, sales commission and valuation costs, trading fees, CMA fees, certified public accountants' fees, advertising costs, costs of legal advice and other costs.

IPO costs directly attributable to the issuance of new shares (equity transaction) are deducted from Equity. IPO costs that are not directly attributable to the issuance of new shares, if any, are recognized in as an expense in the period when they are incurred.

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**4. MATERIAL ACCOUNTING POLICIES (continued)**

**4.18 Fair value measurement**

The Group measures financial instruments at fair value at each statement of financial position date. 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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.

**4.19 Share-based payments**

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions).

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation. That cost is recognized in employee benefits expense, together with a corresponding increase in retained earnings, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

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**4.19 Share-based payments (Continued)**

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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**5. PROPERTY AND EQUIPMENT**

5.1 Reconciliation of carrying amounts:

	<u>Land</u>	<u>Buildings and leasehold improvements</u>	<u>Medical and support equipment</u>	<u>Furniture and Fixtures</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Computers</u>	<u>Capital work-in-progress*</u>	<u>Total</u>
<b><u>Cost:</u></b>									
Balance at 1 January 2025	328,692	1,126,269	645,237	89,312	31,726	43,083	105,112	600,669	2,970,100
Additions	58,829	21,705	47,299	9,399	2,467	6,809	10,554	363,267	520,329
Transfers	--	263,159	159,736	2,945	152	8,065	21,361	(457,921)	(2,503)
Disposals	--	(14)	(19,492)	(1,811)	(1,355)	(422)	(8,210)	--	(31,304)
Balance at 31 December 2025	<u>387,521</u>	<u>1,411,119</u>	<u>832,780</u>	<u>99,845</u>	<u>32,990</u>	<u>57,535</u>	<u>128,817</u>	<u>506,015</u>	<u>3,456,622</u>
<b><u>Accumulated depreciation:</u></b>									
Balance at 1 January 2025	--	387,346	321,650	56,901	11,260	24,013	73,087	--	874,257
Charge for the year	--	25,167	50,210	9,233	4,079	9,734	13,134	--	111,557
Disposals	--	(9)	(18,148)	(1,612)	--	(246)	(7,932)	--	(27,947)
Balance at 31 December 2025	<u>--</u>	<u>412,504</u>	<u>353,712</u>	<u>64,522</u>	<u>15,339</u>	<u>33,501</u>	<u>78,289</u>	<u>--</u>	<u>957,867</u>
<b><u>Carrying amounts:</u></b>									
At 31 December 2025	<u>387,521</u>	<u>998,615</u>	<u>479,068</u>	<u>35,323</u>	<u>17,651</u>	<u>24,034</u>	<u>50,528</u>	<u>506,015</u>	<u>2,498,755</u>

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**5. PROPERTY AND EQUIPMENT (continued)**

5.1 Reconciliation of carrying amounts (continued):

	<u>Land</u>	<u>Buildings and leasehold improvements</u>	<u>Medical and support equipment</u>	<u>Furniture and Fixtures</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Computers</u>	<u>Capital work-in-progress*</u>	<u>Total</u>
<b><u>Cost:</u></b>									
Balance at 1 January 2024	290,842	1,112,949	542,948	79,897	20,635	26,825	102,462	258,731	2,435,289
Additions	37,850	36,860	55,336	10,668	13,122	4,357	9,464	391,604	559,261
Transfers	--	(22,986)	62,070	317	--	12,252	(2,197)	(49,456)	--
Disposals	--	(554)	(15,117)	(1,570)	(2,031)	(351)	(4,617)	(210)	(24,450)
Balance at 31 December 2024	<b>328,692</b>	<b>1,126,269</b>	<b>645,237</b>	<b>89,312</b>	<b>31,726</b>	<b>43,083</b>	<b>105,112</b>	<b>600,669</b>	<b>2,970,100</b>
<b><u>Accumulated depreciation:</u></b>									
Balance at 1 January 2024	--	358,860	294,558	49,538	10,628	19,708	66,788	--	800,080
Charge for the year	--	28,666	41,662	8,869	2,623	4,594	10,817	--	97,231
Disposals	--	(180)	(14,570)	(1,506)	(1,991)	(289)	(4,518)	--	(23,054)
Balance at 31 December 2024	--	<b>387,346</b>	<b>321,650</b>	<b>56,901</b>	<b>11,260</b>	<b>24,013</b>	<b>73,087</b>	--	<b>874,257</b>
<b><u>Carrying amounts:</u></b>									
At 31 December 2024	<b>328,692</b>	<b>738,923</b>	<b>323,587</b>	<b>32,411</b>	<b>20,466</b>	<b>19,070</b>	<b>32,025</b>	<b>600,669</b>	<b>2,095,843</b>

During the year ended 31 December 2025, an amount of SR 29.1 million (2024: SR 20.4 million) was capitalized as borrowing cost.

\*Capital work-in-progress consists mainly of construction, renovation and upgradation of buildings, hospitals and ambulatory centers.

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**5. PROPERTY AND EQUIPMENT (continued)**

5.2 Depreciation charge for the year is distributed as detailed below:

	<u>2025</u>	<u>2024</u>
Cost of revenue	85,474	78,967
General and administrative expenses	24,052	16,847
Selling and marketing expenses	2,031	1,417
	<u>111,557</u>	<u>97,231</u>

**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

6.1 Right-of-use assets

a) Reconciliation of carrying amounts

	<u>Land</u>	<u>Buildings</u>	<u>Medical equipment</u>	<u>Total</u>
<b><u>Cost:</u></b>				
Balance as at 1 January 2024	319,811	359,667	--	679,478
Additions during the year	--	44,832	--	44,832
Modifications	--	(9,937)	--	(9,937)
Terminations	--	(6,297)	--	(6,297)
Balance at 31 December 2024	<u>319,811</u>	<u>388,265</u>	--	<u>708,076</u>
Additions during the year	--	67,490	--	67,490
Modifications	--	(22,639)	--	(22,639)
Terminations	--	(14,061)	--	(14,061)
Balance at 31 December 2025	<u>319,811</u>	<u>419,055</u>	--	<u>738,866</u>
<b><u>Accumulated depreciation:</u></b>				
Balance as at 1 January 2024	71,474	86,769	--	158,243
Charge for the year	19,555	38,596	--	58,151
Modifications	--	(7,753)	--	(7,753)
Terminations	--	(5,903)	--	(5,903)
Balance at 31 December 2024	<u>91,029</u>	<u>111,709</u>	--	<u>202,738</u>
Charge for the year	17,291	45,399	--	62,690
Modifications	--	(10,651)	--	(10,651)
Terminations	--	(8,158)	--	(8,158)
Balance at 31 December 2025	<u>108,320</u>	<u>138,299</u>	--	<u>246,619</u>
<b><u>Carrying amounts:</u></b>				
At 31 December 2025	<u>211,491</u>	<u>280,756</u>	--	<u>492,247</u>
At 31 December 2024	<u>228,782</u>	<u>276,556</u>	--	<u>505,338</u>

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**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

6.2 Lease liabilities

	<u>2025</u>	<u>2024</u>
Balance as at 1 January	541,394	542,963
Additions during the year	67,490	44,832
Interest expenses for the year	23,109	28,718
Interest capitalized during the year	9,041	4,345
Modifications during the year	(14,460)	2,006
Terminations during the year	(6,178)	(505)
Interest paid during the year	(32,150)	(33,063)
Principal payments during the year	(43,422)	(47,902)
Balance as at 31 December	<u>544,824</u>	<u>541,394</u>

Lease liabilities are presented in the consolidated statement of financial positions as follows:

	<u>2025</u>	<u>2024</u>
Non-current portion of lease liabilities	481,162	481,208
Current portion of lease liabilities	63,662	60,186
	<u>544,824</u>	<u>541,394</u>

6.3 Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances.

6.4 Expense relating to short-term leases included in cost of revenue, general and administrative expenses and selling and marketing expenses amounted to SR 66.7 million (2024: SR 88.1 million).

6.5 The aging of minimum lease payments together with the present value of minimum lease payments as of December 31 are as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Minimum lease payments</u>	<u>Present value of payments</u>	<u>Minimum lease payments</u>	<u>Present value of payments</u>
Less than one year	73,860	63,662	70,863	60,186
One to five years	280,655	205,240	263,977	191,136
More than five years	638,311	275,922	665,749	290,072
Total	<u>992,826</u>	<u>544,824</u>	<u>1,000,589</u>	<u>541,394</u>
Less: financial charges	(448,002)	--	(459,195)	--
As at the end of the year	<u>544,824</u>	<u>544,824</u>	<u>541,394</u>	<u>541,394</u>

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**7. INTANGIBLE ASSETS AND GOODWILL**

7.1 Reconciliation of carrying amounts:

	<u>Goodwill</u>	<u>Medical license</u>	<u>Customer relationships</u>	<u>Computer software</u>	<u>Software under development</u>	<u>Total</u>
<b><u>Cost:</u></b>						
Balance at 1						
January 2025	488,816	26,697	32,339	33,386	7,002	588,240
Additions	--	--	--	5,283	3,798	9,081
Transfer	--	--	--	2,503	--	2,503
Balance at 31	<u>488,816</u>	<u>26,697</u>	<u>32,339</u>	<u>41,172</u>	<u>10,800</u>	<u>599,824</u>
December 2025						
<b><u>Accumulated amortization:</u></b>						
Balance at 1						
January 2025	--	5,784	13,694	24,782	--	44,260
Charge for the						
year	--	2,670	1,398	3,928	--	7,996
Balance at 31	<u>--</u>	<u>8,454</u>	<u>15,092</u>	<u>28,710</u>	<u>--</u>	<u>52,256</u>
December 2025						
<b><u>Carrying amounts:</u></b>						
At 31						
December 2025	<u>488,816</u>	<u>18,243</u>	<u>17,247</u>	<u>12,462</u>	<u>10,800</u>	<u>547,568</u>

The amount of Goodwill as at 31 December 2025 consists of (i) SR 373.8 million for Saudi Airlines Company for Medical Services (“SMS”) and (ii) SR 115.0 million for Dr. Soliman Fakeeh Hospital Medical Company (“DSFH Riyadh”)

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**7. INTANGIBLE ASSETS AND GOODWILL (continued)**

7.1 Reconciliation of carrying amounts (continued):

	<u>Goodwill</u>	<u>Medical license</u>	<u>Customer relationships</u>	<u>Computer software</u>	<u>Software under development</u>	<u>Total</u>
<b><u>Cost:</u></b>						
Balance at 1 January 2024	488,816	26,697	32,339	30,340	2,960	581,152
Additions	--	--	--	3,154	4,042	7,196
Write-off	--	--	--	(108)	--	(108)
Balance at 31 December 2024	<u>488,816</u>	<u>26,697</u>	<u>32,339</u>	<u>33,386</u>	<u>7,002</u>	<u>588,240</u>
<b><u>Accumulated amortization:</u></b>						
Balance at 1 January 2024	--	3,115	12,183	21,610	--	36,908
Charge for the year	--	2,669	1,511	3,280	--	7,460
Write-off	--	--	--	(108)	--	(108)
Balance at 31 December 2024	<u>--</u>	<u>5,784</u>	<u>13,694</u>	<u>24,782</u>	<u>--</u>	<u>44,260</u>
<b><u>Carrying amounts:</u></b>						
At 31 December 2024	<u>488,816</u>	<u>20,913</u>	<u>18,645</u>	<u>8,604</u>	<u>7,002</u>	<u>543,980</u>

7.2 Amortization charge for the year is distributed as detailed below:

	<u>2025</u>	<u>2024</u>
Cost of revenue	2,844	6,360
Administrative expenses	5,152	1,100
	<u>7,996</u>	<u>7,460</u>

7.3 For the purpose of impairment testing of goodwill, management has identified the entire business of Saudi Airlines Company for Medical Services and Dr. Soliman Fakeeh Hospital Medical Company as a separate Cash Generating Unit (“CGU”).

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**7. INTANGIBLE ASSETS AND GOODWILL (continued)**

The recoverable amount of this CGU was estimated using discounted cash flows. Value in use is based on the estimated future cash flows based on 5 year management's approved plan, discounted to their present value using the growth rates, applicable discount rates and a terminal growth rate percentage. The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

<u>In percent</u>	<u>2025</u>	<u>2024</u>
<u>DSFH Riyadh</u>		
Discount rate	<b>9.48%</b>	10.6%
Terminal value growth rate	<b>2.0%</b>	2.0%
<u>SMS</u>		
Discount rate	<b>10.85%</b>	10.45%
Terminal value growth rate	<b>2.0%</b>	1.50%

The discount rate is estimated based on the historical industry average weighted-average cost of capital, with no possible debt leveraging based on historical trends and future plans of financing the business.

SMS:

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately SR 42.4 million (2024: SR 197 million). Management has identified that a reasonably possible change in any of the key assumptions could cause the carrying amount to exceed the recoverable amount. The assumptions of discount rate would need to change individually by 0.8% (2024: 3.27%) for the estimated recoverable amount to be equal to the carrying amount.

DSFH Riyadh:

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately SR 303 million (2024: SR 113.6 million). Management has identified that a reasonably possible change in any of the key assumptions could cause the carrying amount to exceed the recoverable amount. The assumptions of discount rate would need to change individually by 5.8% (2024: 1.3%) for the estimated recoverable amount to be equal to the carrying amount.

**8. FINANCIAL ASSET AT AMORTIZED COST**

This represents investment in Sukuk that held at amortized cost, issued by the government of Kingdom of Saudi Arabia, and have sound credit ratings. The Sukuks carry a coupon rate of 3.55% with a face value of 100 million each and classified as a non-current asset with maturity date of late July 2027.

	<u>2025</u>	<u>2024</u>
Government Sukuk	<b>298,126</b>	195,604
	<b><u>298,126</u></b>	<u>195,604</u>

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**9. PREPAYMENTS AND OTHER NON-CURRENT ASSETS**

	<u>2025</u>	<u>2024</u>
Prepaid employee benefits	5,844	6,150
Long term advance rent	16,400	8,114
Loan arrangement fee – non-current	--	760
	<u>22,244</u>	<u>15,024</u>

**10. OTHER LONG-TERM RECEIVABLES**

	<u>2025</u>	<u>2024</u>
Non-current portion of receivables under DAAM scholarship program	144,748	117,716
	<u>144,748</u>	<u>117,716</u>

Daam Scholarship Program: is an educational support initiative by the Group, which aims at supporting students in medical and healthcare fields. Under the Program, the Group pays the full tuition fees of students in exchange for future employment with the Group. The Group recognises as a long-term receivable the tuition fees paid which are repaid as deductions from future salaries upon employment by the Group.

**11. INVENTORIES**

	<u>2025</u>	<u>2024</u>
Medicines, medical supplies and consumables	166,464	152,626
Optical and related accessories	33,497	29,302
	<u>199,961</u>	<u>181,928</u>
Less: Write-down of inventories	(3,668)	(3,201)
	<u>196,293</u>	<u>178,727</u>

In accordance with the terms of the supplier's agreement, the Group is entitled to return the nearing expiry products to the supplier.

11.1 During the year ended 2025, Medicines, medical supplies and consumables recognized as cost of sales amounted to SR 712 million (2024: SR 668 million).

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**12. ACCOUNTS AND OTHER RECEIVABLES**

	<u>2025</u>	<u>2024</u>
Trade receivables	1,092,796	1,011,354
Trade receivables - related parties (note 24)	<u>23,351</u>	<u>15,245</u>
	1,116,147	1,026,599
Less: allowance for impairment losses	<u>(141,169)</u>	<u>(131,079)</u>
	<u>974,978</u>	<u>895,520</u>

All accounts receivables are unsecured and it is not the practice of the Group to obtain collaterals. Before accepting any customer, the management of the Group evaluates the credit quality of potential customers individually and defines maximum credit period and credit limits. The Group, based on several factors including but not limited to its historical experience and collection trends, current market conditions and expected future cash flows, creates an allowance for doubtful debts against its accounts receivables.

12.1 The movement of allowance for expected credit losses is as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	131,079	134,169
Provision for expected credit loss during the year	24,420	13,475
Written-off during the year	<u>(14,330)</u>	<u>(16,565)</u>
Balance at end of the year	<u>141,169</u>	<u>131,079</u>

12.2 The contract asset primarily relates to contracts with customers for operating and manage projects.

**13. PREPAYMENTS AND OTHER CURRENT ASSETS**

	<u>2025</u>	<u>2024</u>
Advances to suppliers	59,305	49,058
Prepayments	54,939	35,188
VAT receivable – net	14,060	48,134
Due from related parties (note 23)	19,585	35,658
Margin against letters of credit and guarantee	598	598
Others	<u>25,895</u>	<u>2,486</u>
	<u>174,382</u>	<u>171,122</u>

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**14. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash and bank balances.

	<u>2025</u>	<u>2024</u>
Cash in hand	3,992	2,265
Cash at banks - current accounts	167,170	115,020
Short-term deposits (note 14.1)	268,000	416,500
	<u>439,162</u>	<u>533,785</u>

At each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating domestic banking institutions and there has been no history of default with any of the Group's bank balances. Therefore, the probability of default based on forward-looking factors and any loss given defaults are negligible.

- 14.1 Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

**15. SHARE CAPITAL**

In June 2024, the Parent Company increased its Share Capital from 200 million shares to 232 million shares through (a) issuance of 30 million New Shares offered in Initial Public Offering at the subscription price of SR 57.5 and (b) issuance of 2 million New Shares for Employee Share Ownership Plan funded through the capitalization of SR 2 million from the retained earnings. The legal formalities for such increase were completed and the shares of the Parent Company were listed on 28 Duhl Qadah 1445H (corresponding to 5 June 2024) in the Tadawul Primary Market (note 1).

The issuance of 30 million New Shares has resulted in an amount of SR 1,653.4 million of share premium after the deduction of SR 41.5 million of offering expenses.

As at 31 December 2025, the share capital of the Parent Company comprised of 232 million shares at a nominal value of SR 1 per share (31 December 2024: 232 million shares).

	<u>Pre-Offering</u>		<u>Post-Offering</u>	
	<u>No. of Shares</u>	Amount	<u>No. of Shares</u>	Amount
Dr. Mazen Soliman Abdel Kader Fakeeh	79,984	79,984	71,649	71,649
Mr. Ammar Sulayman A. Faqih	79,984	79,984	71,649	71,649
Dr. Manal Soliman Abdel Kader Fakeeh	39,992	39,992	35,824	35,824
Fakeeh Real Estate Company Limited (A Saudi Limited Liability Company)	20	20	20	20
Al Solimania United Company Limited (A Saudi Limited Liability Company)	20	20	20	20
Employee Share Ownership Plan (note 15.2)	--	--	2,000	2,000
Free Float	--	--	50,838	50,838
	<u>200,000</u>	<u>200,000</u>	<u>232,000</u>	<u>232,000</u>

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**15. SHARE CAPITAL (continued)**

15.1 During the year ended 31 December 2025, the General Assembly approved the distribution of cash dividends for the financial year 2024 amounting to SAR 69 million, representing a dividend of SAR 0.30 per share. The distribution was approved at the General Assembly meeting held on 25 June 2025 (31 December 2024: Nil).

15.2 Employee Share Ownership Plan

On 23 November 2023 (corresponding to 9 Jumada Al Awwal 1445H), the Parent Company's Extraordinary General Assembly approved the issuance of 2 million New Shares through the capitalization of SR 2 million of retained earnings and retain them as treasury shares. These treasury shares will be allocated to the Employee Share Program for the Group in accordance with the applicable terms and conditions. The Employee Share Program will be set-up after the required approvals, to attract and retain outstanding employees. The Extraordinary General Assembly authorized the Board of Directors to implement the Employee Share Program, subject to the related laws.

During the first quarter of 2025, the Long-Term Incentive Plan "LTIP" detailed policy has been approved by the Board of Directors which was ratified by the EGM dated 4 March 2026. This LTIP cycle will run for 3 years starting from 1<sup>st</sup> January 2025 and despite the existence of a cliff, the fair value of award will be recognized as Non-Cash Share based Payment during the three years period proportionately and on a quarterly basis.

The LTIP is solely settled through Shares. The number of shares allocated to each employee is communicated at the Grant date to the Employees, however, the actual number of shares at the end of the 3-year period will vary based on the actual vesting conditions as such the LTIP falls within the "Equity-settled share-based payment transactions".

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**16. NON-CONTROLLING INTERESTS**

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations:

<b>31 December 2025</b>	<b>Fakeeh Tech*</b>	<b>Farabi</b>	<b>FMH</b>	<b>FMEC</b>	<b>Al-Toor</b>	<b>SMS</b>	<b>DSFH Riyadh</b>	<b>WLMC</b>	<b>ALM</b>	<b>CISC</b>	<b>Total</b>
<b>NCI percentage</b>	<b>30%</b>	<b>30%</b>	<b>10%</b>	<b>20%</b>	<b>49%</b>	<b>25%</b>	<b>31.64%</b>	<b>25.75%</b>	<b>25.75%</b>	<b>30%</b>	
Non-current assets	3,699	406	--	123,547	583,667	521,050	603,465	--	--	10	
Current assets	35,201	46,698	995	118,743	45,420	199,734	123,772	1	100	984	
Non-current liabilities	(742)	(24,060)	--	(19,144)	(41,856)	(108,525)	(334,232)	(14)	--	--	
Current liabilities	(23,096)	(14,596)	(282)	(95,608)	(202,536)	(79,867)	(243,650)	(221)	(20)	(13)	
<b>Net assets (100%)</b>	<b>15,062</b>	<b>8,448</b>	<b>713</b>	<b>127,538</b>	<b>384,695</b>	<b>532,392</b>	<b>149,355</b>	<b>(234)</b>	<b>80</b>	<b>981</b>	
<b>Net assets attributable to NCI</b>	<b>--</b>	<b>2,534</b>	<b>70</b>	<b>25,508</b>	<b>188,501</b>	<b>133,097</b>	<b>59,347</b>	<b>--</b>	<b>1</b>	<b>295</b>	<b>409,353</b>
Revenue	29,929	100,661	--	125,829	36,526	335,233	292,754	--	--	173	
Profit / (loss)	10,710	1,573	(63)	37,684	(82,454)	90,436	(110,744)	(149)	(20)	(19)	
Other comprehensive income ("OCI")	10	(14)	--	225	195	963	(526)	--	--	--	
<b>Total comprehensive income/(loss) (100%)</b>	<b>10,720</b>	<b>1,559</b>	<b>(63)</b>	<b>37,909</b>	<b>(82,259)</b>	<b>91,399</b>	<b>(111,270)</b>	<b>(149)</b>	<b>(20)</b>	<b>(19)</b>	
Profit /(loss) allocated to NCI	2,777	472	(7)	7,537	(40,403)	22,608	(35,040)	--	--	(5)	(42,061)
Other comprehensive income / (loss) allocated to NCI	--	(4)	--	45	95	241	(166)	--	--	--	211

\*During the year ended 31 December 2025 NCI shareholders has donated their shares to the parent company.

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**16. NON-CONTROLLING INTERESTS (continued)**

<b>31 December 2024</b>	<b>Fakeeh Tech</b>	<b>Farabi</b>	<b>FMH</b>	<b>FMEC</b>	<b>Al-Toor</b>	<b>SMS</b>	<b>DSFH Rivadh</b>	<b>Total</b>
<b>NCI percentage</b>	<b>30%</b>	<b>30%</b>	<b>10%</b>	<b>20%</b>	<b>49%</b>	<b>25%</b>	<b>31.64%</b>	
Non-current assets	12,447	577	--	81,701	412,153	354,311	612,781	
Current assets	10,064	40,168	1,066	109,822	102,472	270,209	111,355	
Non-current liabilities	(606)	(22,777)	--	(18,412)	(552)	(123,549)	(332,853)	
Current liabilities	(7,643)	(11,079)	(286)	(83,481)	(218,302)	(59,977)	(130,657)	
<b>Net assets (100%)</b>	<b>14,262</b>	<b>6,889</b>	<b>780</b>	<b>89,630</b>	<b>295,771</b>	<b>440,994</b>	<b>260,626</b>	
<b>Net assets attributable to NCI</b>	<b>4,279</b>	<b>2,067</b>	<b>78</b>	<b>17,926</b>	<b>144,927</b>	<b>110,248</b>	<b>94,553</b>	<b>374,078</b>
Revenue	21,008	82,511	--	113,733	--	363,166	216,960	
Profit / (loss)	8,217	4,597	(108)	29,721	(6,607)	92,094	(154,617)	
Other comprehensive income ("OCI")	5	(2,258)	--	(237)	(54)	1,864	(1,329)	
<b>Total comprehensive income/(loss) (100%)</b>	<b>8,222</b>	<b>2,339</b>	<b>(108)</b>	<b>29,484</b>	<b>(6,661)</b>	<b>93,958</b>	<b>(155,946)</b>	
Profit /(loss) allocated to NCI	<b>2,465</b>	<b>1,379</b>	<b>(11)</b>	<b>5,944</b>	<b>(3,237)</b>	<b>23,023</b>	<b>(53,444)</b>	<b>(23,881)</b>
Other comprehensive income / (loss) allocated to NCI	<b>2</b>	<b>(677)</b>	<b>--</b>	<b>(47)</b>	<b>(26)</b>	<b>466</b>	<b>(422)</b>	<b>(704)</b>

16.1 Additional Contribution by NCI:

During the year, the NCI in subsidiaries has made an additional contribution amounting to SR 84.2 million (2024: SR 135.4 million) in the portion to their shareholding.

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**17. LOANS AND BORROWINGS**

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	536,500	1,720,926
Loans obtained during the year	748,111	1,496,000
Payments made during the year	(653,068)	(2,680,426)
Balance at end of the year	<u>631,543</u>	<u>536,500</u>

**17.1 Long-term loans**

	<u>2025</u>	<u>2024</u>
Long-term loans	334,000	321,500
<b>Non-current portion of Long-term loans</b>	<u>334,000</u>	<u>321,500</u>

- i) The Group has long term facilities of SR 1.4 billion as at 31 December 2025 (31 December 2024: SR 1.1 billion) from commercial banks for new investments and capital projects, out of which the Group has utilized SR 334.0 million as at 31 December 2024 (31 December 2024: SR 321.5 million). The loan carry interest at prevailing market interest rates.
- ii) As of 31 December 2025, the long-term loans do not have financial covenants.

**17.2 Short-term loans**

	<u>2025</u>	<u>2024</u>
Short-term loans	297,543	215,000
<b>Short-term loans</b>	<u>297,543</u>	<u>215,000</u>

The short-term loans primarily comprise of:

- i) During the year, the Group obtained a new short-term facility of SR 100 million for general purposes from a commercial bank, of which NIL has been utilized as of 31 December 2025. The loan carries interest at prevailing market rates and granted without guarantees or securities.
- ii) In total, the Group has short term facilities of SR 1 billion as at 31 December 2025 (31 December 2024: SR 900 million) from commercial banks for new investments and capital projects, out of which the Group has utilized SR 297.5 million as at 31 December 2025 (31 December 2024: SR 215 million). The loan carry interest at prevailing market interest rates.

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**18. EMPLOYEES' END OF SERVICE BENEFITS**

The Group operates an approved unfunded employees' end of service benefits scheme for its permanent employees. The present value of total employee benefits liability recognized in the statement of financial position is determined as follows:

	<u>2025</u>	<u>2024</u>
Present value of net defined benefit liability	<u>312,996</u>	<u>260,689</u>

***Movement in net defined benefit liability***

The movement in the present value of net defined benefit liability over the year is as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	260,689	219,013
<i>Included in profit or loss:</i>		
Current service costs	47,530	38,116
Interest costs	13,436	3,721
	<u>60,966</u>	41,837
<i>Included in other comprehensive income:</i>		
Re-measurement loss:	7,381	18,647
Benefits paid	<u>(16,040)</u>	<u>(18,808)</u>
Balance at end of the year	<u>312,996</u>	<u>260,689</u>

**Actuarial assumptions**

The main financial assumptions used to calculate the indicative defined benefit liabilities are as follows:

	<u>2025</u>	<u>2024</u>
<b><u>Actuarial assumptions</u></b>		
Discount rate	5.12%	5.52%
Future salary growth	4.02%	5.14%

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**18. EMPLOYEES' END OF SERVICE BENEFITS (continued)**

**Actuarial assumptions (continued)**

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is as follows:

<b><u>31 December 2025</u></b>	<b>Impact on defined benefit obligation (Increase) / decrease in actual figures</b>		
	<b><u>Change in assumption by</u></b>	<b><u>Increase in assumption by</u></b>	<b><u>Decrease in assumption by</u></b>
<i>Financial assumptions</i>			
Discount rate	1%	21,634	17,383
Future salary growth / Expected rate of salary increase	1%	18,880	23,306
<b><u>31 December 2024</u></b>	<b>Impact on defined benefit obligation (Increase) / decrease in actual figures</b>		
	<b><u>Change in assumption by</u></b>	<b><u>Increase in assumption by</u></b>	<b><u>Decrease in assumption by</u></b>
<i>Financial assumptions</i>			
Discount rate	1%	15,915	15,883
Future salary growth / Expected rate of salary increase	1%	17,160	17,328

During the year ended 31 December 2025, an independent actuarial exercise has been conducted to ensure the adequacy of provision for employees' end of service benefits in accordance with the rules stated under the Saudi Arabian Labor and Workmen Law by using the Projected Unit Credit Method as required under IAS 19 employee benefits.

The defined benefit plan is exposed to a number of actuarial risks, the most significant of which are future salary growth and discount rate.

**19. ACCRUED AND OTHER CURRENT LIABILITIES**

	<b><u>2025</u></b>	<b><u>2024</u></b>
Accrued expenses and project liabilities	246,148	171,958
Deferred income	93,303	77,347
Accrued financial charges	6,319	2,391
Accrued portal charges	5,383	961
Due to related parties (note 24)	--	285
Other payables (note 19.1)	14,250	12,292
	<b><u>365,403</u></b>	<b><u>265,234</u></b>

19.1 Other payables include charity and other non-trade liabilities.

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**20. ZAKAT**

**a) Charge for the year:**

Zakat included in the statement of profit or loss and other comprehensive income are comprised of the following:

	<u>2025</u>	<u>2024</u>
Current year	32,335	23,398
	<u>32,335</u>	<u>23,398</u>

Major components of Zakat base

	<u>2025</u>	<u>2024</u>
Owner's equity and equivalents	4,513,587	3,985,639
Liabilities and equivalents	1,318,962	676,991
Total deductions	(4,712,193)	(3,692,586)

**b) The movement in the accrual for Zakat is as follows:**

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	25,484	24,458
Charge for current year	32,335	23,398
Payments during the year	(27,528)	(22,372)
Balance at end of the year	<u>30,291</u>	<u>25,484</u>

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**20. ZAKAT (continued)**

**c) Status of final assessments**

All the below companies have filed their Zakat return for the years up to 31 December 2024 and received unrestricted Zakat certificates up to the same periods.

<b><u>Company name</u></b>	<b><u>Financial years open for Zakat assessment</u></b>
Dr. Soliman Abdel Kader Fakeeh Hospital Company	2020 – 2024
Al-Farabi Special Health Care Company Limited	2020 – 2024
Dr. Soliman Qader Fakeeh Information Technology Company	2020 – 2024
Dr. Soliman Abdel Kader Fakeeh Family Medicine Centers	2020 – 2024
Dr. Soliman Abdel Kader Fakeeh Medical Education Company Limited	2021 – 2024
Dr. Mazen Fakeeh Complementary Health Care Company Limited	2021 – 2024
Al Toor Medical Services Company	2020, 2022 – 2024
Saudi Airlines Company for Medical Services	2020 – 2024
Al-Faraj Pharmaceutical Medical Company	2020 – 2024
Advanced Horizon Contracting Company	2021 – 2024
Golden Union Medical Company	2021-2024
Dr. Soliman Fakeeh Hospital Medical Company	2020 – 2024
White Lines Medical Company	2023 – 2024
Fakeeh Vision	2023 – 2024
Dr. Soliman Abdel Kader Fakeeh Home Health Care Company	2023 – 2024

**21. REVENUE**

***Disaggregation of revenue from contracts with customers***

In the following table, revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition, all revenue is primarily generated in the Kingdom of Saudi Arabia:

	<b><u>2025</u></b>	<b><u>2024</u></b>
Revenue from Health care operations	<b>2,817,271</b>	2,556,292
Revenue from Medical related services	<b>124,380</b>	107,699
Revenue from Education services	<b>124,306</b>	112,764
Revenue from IT and other services	<b>24,288</b>	14,125
	<b><u>3,090,245</u></b>	<b><u>2,790,880</u></b>
<b><i>Timing of revenue recognition</i></b>		
Point in time	<b>1,931,370</b>	1,750,180
Over time	<b>1,158,875</b>	1,040,700
<b>Revenue from contracts with customers</b>	<b><u>3,090,245</u></b>	<b><u>2,790,880</u></b>

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**21. REVENUE (continued)**

**Revenue from Health care operations**

Revenue from health care services comprises the revenue from hospitals and medical centers (including in-patient and out-patient treatments) as well as Operate & Manage contracts and various ancillary services.

**Revenue from Medical related services**

Revenue from Medical related services is recognized at point in time and includes the revenue from sale of eyewear, accessories, medical equipment and medical supplies.

**Revenue from Education services**

Revenue from Education services includes the revenue from offering of educational services to the students and is recognized over time.

**Revenue from IT and other services**

Revenue from IT services include the revenue from sale of software license, after sales service offering and implementation services.

**22. EXPENSES BY NATURE**

	<u>2025</u>	<u>2024</u>
Salaries and related benefits	1,498,630	1,260,580
Materials and consumables	712,302	668,340
Depreciation of property and equipment	111,557	97,231
Rent	66,674	88,175
Depreciation of right-of-use assets	62,690	58,151
Insurance	58,395	44,257
Repair and maintenance	42,677	39,853
Advertising and publicity	37,716	26,289
Amortization	7,996	7,460
Other expenses	174,050	139,190
	<u>2,772,687</u>	<u>2,429,526</u>

22.1 Other expenses mainly pertain to utilities, IT and communication, printing and stationaries, food and beverages.

**23. FINANCE COSTS AND FINANCE INCOME**

**23.1 Finance Cost**

	<u>2025</u>	<u>2024</u>
Interest expense - loans	25,737	66,949
Interest expense - lease liabilities	23,109	28,718
	<u>48,846</u>	<u>95,667</u>

**23.2 Finance Income**

Finance income is recognized using effective interest method. Time deposits are placed with financial institutions in the Kingdom of Saudi Arabia, these deposits are sharia compliant.

	<u>2025</u>	<u>2024</u>
Income from deposits with local banks and Sukuk	21,303	23,671
	<u>21,303</u>	<u>23,671</u>

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**24. RELATED PARTY TRANSACTIONS AND BALANCES**

The Group, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in International Accounting Standard 24. Related parties comprise of the shareholders of the Group, being parent Companies, their subsidiaries and associates, and other companies with common directorship with significant influence on other companies and key management personnel. Transactions with related parties arise mainly from goods/services received and various business arrangements undertaken at approved contractual terms.

**Transactions with key management personnel**

***Key management personnel compensation***

- a) Key management personnel and board of directors remuneration and compensation comprised of the following:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	26,757	28,457
Board of Directors' and related committee remuneration	1,597	1,450
Other remuneration	35	149
Post-employment benefits	1,123	3,850
	<u>29,512</u>	<u>33,906</u>

- b) Related party relationships

<u>Name</u>	<u>Relationship</u>
<b><i>Entities with joint control of, or significant influence over, the entity</i></b>	
Fakeeh Academic Medical Centre – Dubai	Under common ownership of the Group's controlling shareholders
Soliman Mazen Soliman Fakeeh Restaurant Company	Under common ownership of the Group's controlling shareholder
Diagnostic Elite Company Limited	Under common ownership of the Group's controlling shareholders
Cold Sky Energy Company Limited (Halaa Renewable energy)	Under common ownership of the Group's controlling shareholders
<b><i>Controlling shareholders</i></b>	
Dr. Mazen Soliman Abdel Kader Fakeeh	Shareholder and President
Mr. Ammar Sulayman A. Faqih	Shareholder
Dr. Manal Soliman Abdel Kader Fakeeh	Shareholder
<b><i>Other related parties</i></b>	
Mr. Abdullah Abbas	Non - controlling Shareholder of a subsidiary
Saudi Arabian Airlines Corporation Group	Non - controlling Shareholder and its subsidiaries

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**24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

c) Related party transactions

<u>Name</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
		<u>2025</u>	<u>2024</u>
	Service Level Agreement “SLA” charges	<b>1,200</b>	1,200
Fakeeh Academic Medical Centre – Dubai	Royalty charges	<b>3,000</b>	3,000
	Payments made on behalf of the related party	<b>811</b>	296
	Revenue	<b>4,406</b>	1,438
Saudi Arabian Airlines Corporation Group	Revenue	<b>35,420</b>	46,713
	Payments made on behalf of the related party	--	4,591
	Lease rental payments	<b>27,504</b>	28,945
Soliman Mazen Soliman Fakeeh Restaurant Company	Lease rental payments	<b>657</b>	549
	Scientific chair grant	--	1,000
Dr. Mazen Soliman Abdel Kader Fakeeh	Sales	--	332
	Payments made on behalf of the <b>related party</b>	<b>1,246</b>	2,760
	Lease rentals payments	<b>9,085</b>	10,832
Mr. Ammar Sulayman A. Faqih	Payments made on behalf of the <b>related party</b>	<b>497</b>	1,672
	Lease rentals payments	<b>9,085</b>	10,832
Diagnostic Elite Company Limited	Purchases	<b>5,562</b>	2,892
Cold Sky Energy Company Limited (Halaa Renewable energy)	Purchases	--	729
	Sales	<b>20</b>	82
Dr. Manal Soliman Abdel Kader Fakeeh	Scientific chair grant	--	1,000
	Payments made on behalf of the <b>related party</b>	<b>51</b>	702
	Lease rentals payments	<b>6,581</b>	7,455

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**24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

d) Related party balances

<u>Name</u>	<u>Closing balance</u>	
	<u>2025</u>	<u>2024</u>
<b><u>Due from related parties (Trade and other receivables)</u></b>		
Saudi Arabian Airlines Corporation Group	25,261	35,506
Fakeeh Academic Medical Centre – Dubai	13,962	6,166
Dr. Manal Soliman Abdel Kader Fakeeh	1,818	2,035
Dr. Mazen Soliman Abdel Kader Fakeeh	1,226	4,894
Mr. Ammar Sulayman A. Faqih	488	2,136
Soliman Mazen Soliman Fakeeh Restaurant Company	101	165
Others	80	1
	<u>42,936</u>	<u>50,903</u>

<u>Name</u>	<u>Closing balance</u>	
	<u>2025</u>	<u>2024</u>
<b><u>Due to related parties (Accounts payables and Accrued and other current liabilities)</u></b>		
Diagnostic Elite Company Limited	1,434	--
Saudi Arabian Airlines Corporation Group	--	318
	<u>1,434</u>	<u>318</u>

**25. COMMITMENTS AND CONTINGENCIES**

As at 31 December 2025 the Group has:

- Outstanding letters of guarantee amounting to SR 38.7 million (31 December 2024: SR 26.1 million).
- Outstanding letters of credit amounting to SR 4.9 million (31 December 2024: SR 63.8 million) mainly relating to medical equipment.
- Commitments for capital work in progress of SR 163 million (31 December 2024: SR 374 million) mainly relating to construction, renovation and upgradation of buildings.

As at 31 December 2025, there are no significant litigations and claims against the Group.

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**26. EARNINGS PER SHARE**

Basic earnings per share (EPS) are calculated by dividing profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue outstanding during the period.

	<u>2025</u>	<u>2024</u>
Profit for the period attributable to ordinary equity holders of the Parent	<u>290,182</u>	<u>287,551</u>
Weighted average number of ordinary shares in issue	<u>230,000</u>	<u>217,178</u>
Basic and diluted earnings per share	<u>1.26</u>	<u>1.32</u>

26.1 Weighted-average number of ordinary shares

	<b>31 December</b> <u>2025</u>	31 December <u>2024</u>
Issued shares at 1 January	<b>232,000</b>	200,000
Effect of shares issued in June (note 15)	--	18,323
Effect of treasury shares (note 15)	<u>(2,000)</u>	<u>(1,145)</u>
Weighted average number of shares as at 31 December	<u>230,000</u>	<u>217,178</u>

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**27. OPERATING SEGMENTS**

As the operations of the Group are conducted in the Kingdom of Saudi Arabia, accordingly, for management purposes, the Group is organized into business units based on its products and services and has three reportable segments. Operating segments is determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the President as he is primarily responsible for the allocation of resources to segments and the assessment of the performance of each of the segments. The CODM uses underlying income as reviewed at monthly Executive Committee and Performance meetings as the key measure of the segments' results as it reflects the segments' performance for the period under evaluation. Revenue and segment profit is a consistent measure within the Group. The identified key segments are medical services, education, trading and retail.

The Group's top management reviews internal management reports of each strategic business unit at least quarterly. Segment results that are reported to the top management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the top management.

The following table presents segment information (assets, liabilities, revenue and net income) for each of the business segments as at and for the year ended 31 December:

	<b>Reportable Segments</b>			<b><u>Un-Allocated</u></b>	<b><u>Total</u></b>
	<b><u>Medical services</u></b>	<b><u>Education</u></b>	<b><u>Trading, Retail &amp; Others</u></b>		
<b>31 December 2025</b>					
Revenues	2,871,917	125,829	439,341	--	3,437,087
Inter-segment revenue eliminations	(22,553)	(1,524)	(322,765)	--	(346,842)
<b>Segment revenue</b>	<b><u>2,849,364</u></b>	<b><u>124,305</u></b>	<b><u>116,576</u></b>	<b><u>--</u></b>	<b><u>3,090,245</u></b>
Direct costs	(2,274,824)	(63,757)	(335,353)	--	(2,673,934)
Inter-segment direct costs	22,553	--	265,026	--	287,579
<b>Segment cost</b>	<b><u>(2,252,271)</u></b>	<b><u>(63,757)</u></b>	<b><u>(70,327)</u></b>	<b><u>--</u></b>	<b><u>(2,386,355)</u></b>
<b>Segment gross profit</b>	<b><u>597,093</u></b>	<b><u>60,548</u></b>	<b><u>46,249</u></b>	<b><u>--</u></b>	<b><u>703,890</u></b>
Operating expenses	--	--	--	(386,332)	(386,332)
Impairment loss on accounts receivables	(18,010)	(1,540)	(4,870)	--	(24,420)
Other income	--	--	--	14,861	14,861
<b>Operating profit</b>	<b><u>579,083</u></b>	<b><u>59,008</u></b>	<b><u>41,379</u></b>	<b><u>(371,471)</u></b>	<b><u>307,999</u></b>
Finance income	--	--	--	21,303	21,303
Finance cost	--	--	--	(48,846)	(48,846)
Zakat	--	--	--	(32,335)	(32,335)
<b>Profit for the period</b>	<b><u>579,083</u></b>	<b><u>59,008</u></b>	<b><u>41,379</u></b>	<b><u>(431,349)</u></b>	<b><u>248,121</u></b>
Segment assets	5,429,658	199,293	199,726	-	5,828,677
Segment liabilities	1,706,935	108,749	394,997	36,610	2,247,291

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**27. OPERATING SEGMENTS (continued)**

	<u>Reportable Segments</u>			<u>Un-Allocated</u>	<u>Total</u>
	<u>Medical services</u>	<u>Education</u>	<u>Trading, Retail &amp; Others</u>		
<b>31 December 2024</b>					
Revenues	2,600,636	113,733	277,747	--	2,992,116
Inter-segment revenue eliminations	(1,792)	(969)	(198,475)	--	(201,236)
<b>Segment revenue</b>	<b>2,598,844</b>	<b>112,764</b>	<b>79,272</b>	<b>--</b>	<b>2,790,880</b>
Direct costs	(1,982,785)	(60,409)	(206,854)	--	(2,250,048)
Inter-segment direct costs	1,792	--	156,415	--	158,207
<b>Segment cost</b>	<b>(1,980,993)</b>	<b>(60,409)</b>	<b>(50,439)</b>	<b>--</b>	<b>(2,091,841)</b>
<b>Segment gross profit</b>	<b>617,851</b>	<b>52,355</b>	<b>28,833</b>	<b>--</b>	<b>699,039</b>
Operating expenses	--	--	--	(337,685)	(337,685)
Impairment loss on accounts receivables	(10,903)	(1,776)	(796)	--	(13,475)
Other income	--	--	--	11,185	11,185
<b>Operating profit</b>	<b>606,948</b>	<b>50,579</b>	<b>28,037</b>	<b>(326,500)</b>	<b>359,064</b>
Finance income	--	--	--	23,671	23,671
Finance cost	--	--	--	(95,667)	(95,667)
Zakat	--	--	--	(23,398)	(23,398)
<b>Profit for the period</b>	<b>606,948</b>	<b>50,579</b>	<b>28,037</b>	<b>(421,894)</b>	<b>263,670</b>
Segment assets	4,398,183	180,407	743,035	--	5,321,625
Segment liabilities	1,673,374	101,069	199,883	27,875	2,002,201

**Geographical segments:**

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

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**28. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT**

**FAIR VALUES**

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

**FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

**Risk management framework**

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The most important types of risk are credit risk, currency risk and fair value risk.

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial instruments carried on the consolidated financial statements include cash and cash equivalents, accounts and other receivables (current), other long-term receivables (non-current), margin against letter of credits and guarantees, due from related parties, short term borrowings, due to related parties, accrued expenses and other current liabilities and accounts payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

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**28. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT**  
**(continued)**

**Risk management framework (continued)**

**Interest rate risk**

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group's interest rate risks arise mainly from its borrowings, which are at floating rate and are subject to re-pricing on a regular basis and for which the management closely monitors the changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	<u>2025</u>	<u>2024</u>
<b>Variable rate instruments</b>		
Financial liabilities	<u>631,543</u>	<u>536,500</u>

These financial liabilities carried at interest rate of SAIBOR plus margin.

**Sensitivity analysis for variable rate instruments**

Change in 100 basis points in interest rates, with all other variables held constant, would have increased or decreased the equity and profit before zakat and income tax for the year by SR 6.4 million (31 December 2024: SR 5.4 million).

**Currency risk**

The Group's significant transactions are in Saudi Riyal which is pegged against US dollar. The Group did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to foreign currency fluctuations. Consequently, no foreign currency sensitivity analysis has been presented.

**Credit risk**

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. Management evaluate credit risk relating to customers on an ongoing basis.

Cash and cash equivalents include balances within KSA which are held with banks with sound credit ratings ranging from A+ to BB+. Accounts and other receivable are mainly due from government and quasi- government authorities, local customers and related parties and are stated at their estimated realizable values. Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year under review other than those which have been provided in these consolidated financial statements.

Potential counterparties are subject to credit assessment and approval before concluding transactions and are thereafter subject to regular review, including re-appraisal and approval of the limits previously granted.

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**28. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT**  
**(continued)**

**Risk management framework (continued)**

**Credit risk (continued)**

The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third party and market information.

Credit exposure, which is essentially an economic exposure or an expected future physical exposure, is permanently monitored and subject to sensitivity measures. Credit risks more than approved levels are secured by means of promissory notes and insurance arrangements.

Unbilled receivables are considered as a financial asset as the Group has unconditional right to receive consideration in exchange services rendered only by the passage of time. The unbilled revenue will be invoiced subsequent to year-end.

For credit risks arising from other financial assets of the Group, including cash and bank balances, accounts and other receivables (current), other receivables (non-current), margin against letter of credits and guarantees and due from related parties, the Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Receivables above one year are considered to be credit impaired.

The Group's gross maximum exposure to credit risk at the reporting date is as follows:

	<u>2025</u>	<u>2024</u>
<b>Financial assets</b>		
Accounts and other receivables – gross	1,116,147	1,026,599
Financial asset at amortized cost	298,126	195,604
Other long-term receivables	144,748	117,716
Due from related parties	19,585	35,658
Contract assets	39,798	68,549
Cash at banks	435,170	531,520
	<u>2,053,574</u>	<u>1,975,646</u>

Accounts and other receivables are carried net of impairment allowances.

	<u>2025</u>	<u>2024</u>
<b>Financial assets</b>		
- Unsecured	<u>974,978</u>	<u>895,520</u>

***Impairment loss***

The Group manages credit risk with respect to receivables from customers by monitoring them in accordance with defined policies and procedures. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

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**28. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT**  
**(continued)**

**Risk management framework (continued)**

**Credit risk (continued)**

***Impairment loss (continued)***

The receivables are shown net of allowance for impairment of accounts receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as GDP forecast and industry outlook) affecting the ability of the customers to settle the receivables such. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Group assessed the concentration of risk to be low with respect to accounts receivable and contract assets. The following table provides information about the aging and expected credit losses for accounts receivables and contract assets.

**As at 31 December 2025**

<b><u>Age days</u></b>	<b>31 December 2025</b>	<b>Provision for <u>ECL</u></b>
Not yet due	355,725	64
1 - 90	161,006	927
91 – 180	132,646	3,523
181 - 270	72,793	1,503
271 - 365	109,211	3,286
Over 365	324,564	131,866
Total	<u>1,155,945</u>	<u>141,169</u>

**As at 31 December 2024**

<b><u>Age days</u></b>	<b>31 December 2024</b>	<b>Provision for <u>ECL</u></b>
Not yet due	401,972	106
1 - 90	232,925	956
91 – 180	44,098	2,282
181 - 270	71,891	2,087
271 - 365	70,302	2,041
Over 365	273,960	123,607
Total	<u>1,095,148</u>	<u>131,079</u>

With respect to credit risk arising from the other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount as disclosed in the statement of financial position.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

**28. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT**  
**(continued)**

**Risk management framework (continued)**

**Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

The Group's liquidity risk is mitigated by the availability of funds to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and utilized borrowing facilities are monitored regularly.

The following is contractual undiscounted maturity analysis of the financial liabilities of the Group as at 31 December 2025. The Group does not hold financial assets for managing liquidity risk. Hence, these risks have not been considered for maturity analysis.

	<u>Carrying Amount</u>	<u>1 year or less</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
<b>31 December 2025</b>					
<i>Non derivative financial liabilities</i>					
Accounts payables	362,234	362,234	--	--	362,234
Accrued and other liabilities	365,403	365,403	--	--	365,403
Lease liabilities	544,824	73,860	280,655	638,311	992,826
Loans and borrowings	631,543	325,544	396,942	--	722,486
	<u>1,904,004</u>	<u>1,127,041</u>	<u>677,597</u>	<u>638,311</u>	<u>2,442,949</u>
<b>31 December 2024</b>					
<i>Non derivative financial liabilities</i>					
Accounts payables	372,900	372,900	--	--	372,900
Accrued and other liabilities	265,234	265,234	--	--	265,234
Lease liabilities	541,394	70,863	263,977	665,749	1,000,589
Loans and borrowings	536,500	242,572	294,811	116,618	654,001
	<u>1,716,028</u>	<u>951,569</u>	<u>558,788</u>	<u>782,367</u>	<u>2,292,724</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

**28. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT**  
**(continued)**

**Capital risk management**

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and adjusts in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances. Capital signifies equity as shown in the consolidated statement of financial position plus net debt. The gearing ratio as at 31 December 2025 and 31 December 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Loans and borrowings	<b>631,543</b>	536,500
Lease liabilities	<b>544,824</b>	541,394
<b>Total debt</b>	<b>1,176,367</b>	1,077,894
Cash and cash equivalents	<b>(439,162)</b>	(533,785)
<b>Net debt</b>	<b>737,205</b>	544,109
Share capital	<b>232,000</b>	232,000
Treasury Shares	<b>(2,000)</b>	(2,000)
Share premium	<b>1,653,473</b>	1,653,473
Retained earnings	<b>1,288,560</b>	1,061,873
Non-controlling interests	<b>409,353</b>	374,078
<b>Equity</b>	<b>3,581,386</b>	3,319,424
<b>Gearing ratio (total net debt / total equity)</b>	<b>20.58%</b>	16.39%

**DR. SOLIMAN ABDELKADER FAKEEH HOSPITAL COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(All Amounts expressed in thousands of Saudi Riyals, unless otherwise stated)

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**29. SUBSEQUENT EVENTS**

On 4 March 2026 the Extraordinary General Assembly of Shareholders approved the following:

- The Long-Term Incentive Plan “LTIP” detailed policy, which was approved by the Board of Directors during the first quarter of 2025.
- The Acquisition of 50.01% of outstanding shares of Diagnostic Elite Company Ltd. for a total amount of SAR 70.0 million (SAR 55.35 million payable to Fakeeh Real Estate Company and SAR 14.65 million to be injected as a capital contribution into Diagnostic Elite Company Ltd).

**30. DATE OF AUTHORIZATION FOR ISSUE**

These consolidated financial statements were authorized for issue by the Company's Board of Directors on 3 March 2026, corresponding to 14 Ramadan 1447H.



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Mr. Ammar Faqih  
Chairman Board of Directors



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Dr. Mazen Fakeeh  
President



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Mr. Panagiotis Chatziantoniou  
Group Chief Financial Officer