



SPECIALIZED MEDICAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT**

SPECIALIZED MEDICAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

<u>INDEX</u>	<u>PAGE</u>
Independent auditor's review report	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5 - 6
Notes to the interim condensed consolidated financial information	7 - 20

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Shareholders
Specialized Medical Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of **Specialized Medical Company** (“the Company”) and its subsidiaries (together “the Group”) as at March 31, 2026, and the related interim consolidated statement of profit or loss and other comprehensive income for the three months period then ended, and the related interim consolidated statements of changes in equity and cash flows for the three months period then ended, and the explanatory notes (“the interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte and Touche & Co.
Chartered Accountants

Waleed bin Moh'd Sobahi
Certified Public Accountant
License No. 378
20 Dhul Qadah, 1447 AH
May 7, 2026



SPECIALIZED MEDICAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2026

		As of March 31, 2026 (Unaudited) ﷲ	As of December 31, 2025 (Audited) ﷲ
	Notes		
Assets			
Current assets			
Cash and cash equivalents	3	109,222,359	246,702,575
Financial assets at FVTPL	4	2,323,721	2,742,437
Trade receivables	5	433,464,588	459,343,034
Due from related parties	6	2,840,070	2,897,722
Inventories		32,765,526	27,158,904
Other current assets		52,112,665	46,265,520
Total current assets		632,728,929	785,110,192
Non-current assets			
Property and equipment	7	1,248,740,862	1,251,608,196
Right-of-use assets	8	254,492,699	263,122,530
Investments in equity instruments at FVTPL		100,000,000	100,000,000
Total non-current assets		1,603,233,561	1,614,730,726
Total assets		2,235,962,490	2,399,840,918
Liabilities and equity			
Current liabilities			
Due to related parties	6	49,220	1,000,447
Trade payables		113,626,644	115,494,647
Lease liabilities	8	42,352,894	39,655,973
Short-term loans	9	267,074,018	246,523,301
Long-term loans - current portion	10	57,551,020	57,551,020
Zakat payable	12	10,991,328	9,837,798
Other current liabilities		83,529,188	81,965,204
Total current liabilities		575,174,312	552,028,390
Non-current liabilities			
Lease liabilities	8	245,748,935	253,628,195
Long-term loans – non-current portion	10	214,387,756	228,775,511
Employees defined benefits liabilities	13	181,696,819	177,554,868
Total non-current liabilities		641,833,510	659,958,574
Total liabilities		1,217,007,822	1,211,986,964
Equity			
Share capital	14	250,000,000	250,000,000
Statutory reserve	15	-	49,653,238
Retained earnings		768,954,668	888,200,716
Total equity		1,018,954,668	1,187,853,954
Total Liabilities and equity		2,235,962,490	2,399,840,918

The accompanying notes form an integral part of these interim condensed consolidated financial information, which have been authorized for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:



HANI CHARANI
CFO



BASSAM CHAHINE
CEO



SULAIMAN AL-RASHID
CHAIRMAN

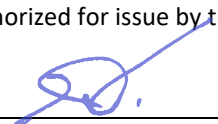
SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

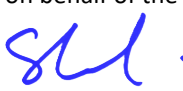
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026**

	Notes	For the period ended March 31,	
		2026	2025
		(Unaudited)	(Unaudited)
		ﷲ	ﷲ
Revenue	16	380,674,429	368,395,850
Cost of revenue		(289,706,847)	(279,978,830)
Gross profit		90,967,582	88,417,020
Selling and marketing expenses		(3,591,966)	(5,981,722)
General and administrative expenses		(46,292,304)	(41,760,405)
Operating profit		41,083,312	40,674,893
Finance costs		(10,355,229)	(12,148,042)
Other income		2,975,253	2,614,312
Profit before zakat		33,703,336	31,141,163
Zakat		(1,153,530)	(1,500,828)
Profit for the period		32,549,806	29,640,335
Earnings per share (EPS)			
Basic and diluted EPS	17	0.13	0.12
Other comprehensive income:			
Items which will not be reclassified subsequently to profit or loss:			
Re-measurement of employees defined benefits liabilities	13	(1,449,092)	(372,043)
Total other comprehensive loss for the period		(1,449,092)	(372,043)
Total comprehensive income for the period		31,100,714	29,268,292

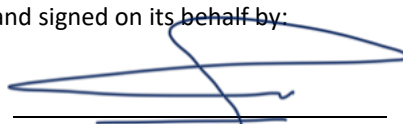
The accompanying notes form an integral part of these interim condensed consolidated financial information, which have been authorized for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:



HANI CHARANI
CFO



BASSAM CHAHINE
CEO

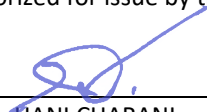


SULAIMAN AL-RASHID
CHAIRMAN

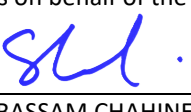
SPECIALIZED MEDICAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

Notes	Share capital ﷲ	Statutory reserves ﷲ	Retained earnings ﷲ	Total equity ﷲ
<u>For the period ended March 31, 2025</u>				
Balance as of December 31, 2024 (Audited)	250,000,000	49,653,238	527,442,349	827,095,587
Profit for the period	-	-	29,640,335	29,640,335
Total other comprehensive loss	-	-	(372,043)	(372,043)
Total comprehensive income for the period	-	-	29,268,292	29,268,292
Balance as of March 31, 2025 (Unaudited)	<u>250,000,000</u>	<u>49,653,238</u>	<u>556,710,641</u>	<u>856,363,879</u>
<u>For the period ended March 31, 2026</u>				
Balance as of December 31, 2025 (Audited)	250,000,000	49,653,238	888,200,716	1,187,853,954
Profit for the period	-	-	32,549,806	32,549,806
Total other comprehensive loss	-	-	(1,449,092)	(1,449,092)
Total comprehensive income for the period	-	-	31,100,714	31,100,714
Transactions with owners in their capacity as owners:				
Transfer during the period	15	(49,653,238)	49,653,238	-
Dividends	18	-	(200,000,000)	(200,000,000)
Balance as of March 31, 2026 (Unaudited)	<u>250,000,000</u>	<u>-</u>	<u>768,954,668</u>	<u>1,018,954,668</u>

The accompanying notes form an integral part of these interim condensed consolidated financial information, which have been authorized for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:



HANI CHARANI
CFO



BASSAM CHAHINE
CEO

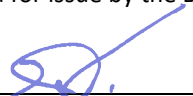


SULAIMAN AL-RASHID
CHAIRMAN

SPECIALIZED MEDICAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

	Notes	For the period ended March 31,	
		2026 (Unaudited) ﷲ	2025 (Unaudited) ﷲ
Cash flows from operating activities			
Profit before zakat		33,703,336	31,141,163
Adjustments for non-cash items:			
Depreciation of property and equipment	7	16,625,129	15,154,611
Depreciation of right-of-use assets	8	8,629,831	7,192,830
Expected credit loss charged		11,550,000	4,430,287
Employees defined benefits liabilities charged	13	3,945,810	5,587,470
Finance costs		10,355,229	12,148,042
Unrealized loss on financial assets at FVTPL	4	418,716	-
Amortization of government grant	11	-	(96,177)
Cash flows from operating activities before changes in working capital items		85,228,051	75,558,226
Trade receivables		14,328,446	38,525,597
Due from related parties		57,652	(40,719,100)
Inventories		(5,606,622)	(3,859,105)
Other current assets		(5,847,145)	2,666,121
Due to related parties		(951,227)	(323,142)
Trade payables		(1,868,003)	8,134,491
Other current liabilities		1,563,984	40,849,758
Cash generated from operating activities		86,905,136	120,832,846
Employees defined benefits liabilities paid		(3,469,789)	(2,458,112)
Net cash generated from operating activities		83,435,347	118,374,734
Cash flows from investing activities			
Purchase of property and equipment		(11,206,350)	(15,688,864)
Additions on projects under progress		(2,551,445)	(4,558,895)
Net cash used in investing activities		(13,757,795)	(20,247,759)
Cash flows from financing activities			
Dividends paid	18	(200,000,000)	-
Due from related parties	6	-	(100,000,000)
Proceeds from short-term loans		90,550,717	177,000,000
Repayment of short-term loans		(70,000,000)	(165,000,000)
Repayment of long-term loans		(14,387,755)	(14,387,755)
Repayment of government loan		-	(2,747,992)
Payment of lease liabilities		(8,255,033)	(11,924,197)
Finance cost paid		(5,065,697)	(8,003,594)
Net cash used in financing activities		(207,157,768)	(125,063,538)
Net decrease in cash and cash equivalents during the period		(137,480,216)	(26,936,563)
Cash and cash equivalents as of January 1		246,702,575	92,487,981
Cash and cash equivalents as of March 31		109,222,359	65,551,418

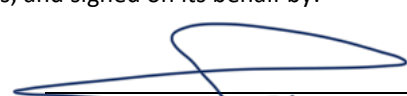
The accompanying notes form an integral part of these interim condensed consolidated financial information, which have been authorized for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:



HANI CHARANI
CFO



BASSAM CHAHINE
CEO



SULAIMAN AL-RASHID
CHAIRMAN

SPECIALIZED MEDICAL COMPANY

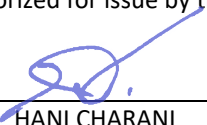
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – (continued)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

	Notes	For the period ended March 31,	
		2026 (Unaudited) ﷲ	2025 (Unaudited) ﷲ
<u>Non-cash transactions</u>			
Transfer from statutory reserves to retained earnings	15	49,653,238	-
Re-measurement of employees defined benefits liabilities	13	(1,449,092)	(372,043)

The accompanying notes form an integral part of these interim condensed consolidated financial information, which have been authorized for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:



HANI CHARANI
CFO



BASSAM CHAHINE
CEO



SULAIMAN AL-RASHID
CHAIRMAN

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****1. CORPORATE INFORMATION AND ACTIVITIES**

Specialized Medical Company is a Saudi Joint Stock Company (hereinafter referred to as the "Company") operating in the Kingdom of Saudi Arabia under Commercial Registration number 1010123832 dated 24 April 1994 (corresponding 13 Dhul Qa'dah 1414H).

The Company trading symbol is 4019, and its International Securities Identification Number (ISIN) is SA16B0CHUPH2.

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

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

The principal activities of the Company are public hospitals; extended and recovery medical care hospitals; medical operation of hospital; general medical complex; consultancy clinics specialized medical clinics; nutrition centers.

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

This interim condensed consolidated financial information includes the interim condensed financial statements of the Company, its subsidiary and the following branches, which operate under separate commercial registrations:

Branch Name	Commercial Registration No.	Branch Activities	Address	Commercial Registration Date
Specialized Medical Center hospital – SMC 1 - King Fahad Road	1010150227	Public Hospitals	Riyadh	June 24, 1998
Diet World – SMC	1010156585	Nutrition centers; activities of catering services; operation of food concessions at sports and similar facilities; activities of providing catering services for aircrafts	Riyadh	Dec 4, 1999
Specialized Medical Center hospital – SMC 2 - King Abdullah Road	1010413585	Public Hospitals	Riyadh	May 8, 2014
Specialized Medical Company – SMC	1010431691	Public hospitals; extended and recovery medical care hospitals; addiction treatment and rehabilitation hospitals; medical operation of hospital; general medical complexes; consultancy clinics specialized medical clinics.	Riyadh	Mar 23, 2015
Specialized Medical Company – SMC 3 – Northern Ring Road	1010851377	Public hospitals; medical operation of hospital	Riyadh	Dec 28, 2022

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION

The following outlines certain information of material accounting policies adopted by the Group's management in the preparation of this condensed consolidated interim financial information. The material accounting policies, estimates, and assumptions used in preparing this condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's audited annual financial statements as of and for the year ended 31 December 2025, unless otherwise stated.

2-1 Basis of Preparation of the condensed consolidated interim financial information

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard "Interim Financial Reporting" (International Accounting Standard No. 34) as adopted in the Kingdom of Saudi Arabia, along with other standards and pronouncements issued and approved by the Saudi Organization for Chartered and Professional Accountants, hereinafter referred to as the "International Financial Reporting Standards (IFRS).

The condensed consolidated interim financial information has been prepared under the historical cost principle, except where otherwise stated.

The condensed consolidated interim financial information has been prepared on the going concern basis.

The condensed consolidated interim financial information has been prepared on the accrual basis of accounting.

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

2-2 Basis of Consolidation of the condensed consolidated interim financial information

The condensed consolidated interim financial information includes the condensed interim financial information of the Company and its controlled subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

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

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

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control. The revenues and expenses of a subsidiary, or of a disposed subsidiary during the period, are included in the condensed consolidated statement of profit or loss and other comprehensive income from the date the Group obtains control until the date the Group ceases to have control over the subsidiary.

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)****2-2 Basis of Consolidation of the condensed consolidated interim financial information (continued)**

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

The Company has the following subsidiaries:

Name	Country of Incorporation	Activities	Ownership percentage	
			2026	2025
International Specialized Food Company	Saudi Arabia	Food and catering services	100%	100%
Al-Mukhattis Al-Sahi Medical Company	Saudi Arabia	Hospitals for the treatment, rehabilitation and medical operation of addicts	51%	51%

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

2-3 Changes in accounting policy and disclosures**(A) New and amended standards and interpretations issued and adopted by the Group in the financial year beginning on 1 January 2026**

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

The amendment listed above did not have any material impact on the Group's consolidation of the condensed consolidated interim financial information.

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)****2-3 Changes in accounting policy and disclosures (continued)****(B) New and amended standards and interpretations issued but not yet effective and not early adopted**

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criteria, provided that their cash flows are not significantly different from an identical financial asset without such a feature.	1 January 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of international Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)****2-3 Changes in accounting policy and disclosures (continued)**

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

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

There are no other standards from the approved financial reporting standards in the Kingdom of Saudi Arabia, nor amendments to published standards or other interpretations issued by the Saudi Organization for Chartered and Professional Accountants, that have been issued but not yet applied for the first time to the Group's financial year beginning on January 1, 2026, and are expected to have a material impact on the Group's condensed consolidated interim financial information.

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****3. CASH AND CASH EQUIVALENTS**

	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Cash at Banks – Current Accounts	108,705,975	46,088,145
Cash on Hand	516,384	614,430
Cash at Banks – Short-Term Deposit Accounts	-	200,000,000
	<u>109,222,359</u>	<u>246,702,575</u>

The Group management's assessment of the impact of applying International Financial Reporting Standard (IFRS) 9 on all bank balances (short-term deposit accounts, and current accounts) is not material. Accordingly, no impact was recognized for the periods ended 31 March 2026 and 2025. The Group's management has decided to maintain these balances with financial institutions that have high credit ratings.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Balance as of the beginning of the period / year	2,742,437	-
Additions during the period / year	-	7,072,566
Unrealized losses during the period / year	(418,716)	(1,566,383)
Realized gains during the period / year	-	1,175,205
Disposals during the period / year	-	(3,938,951)
Balance as of the beginning of the period / year	<u>2,323,721</u>	<u>2,742,437</u>

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

5. TRADE RECEIVABLES

	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Trade receivables	475,915,112	490,243,558
Less: Allowance of expected credit losses	(42,450,524)	(30,900,524)
	<u>433,464,588</u>	<u>459,343,034</u>

Movement of allowance of expected credit losses

	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Balance as of the beginning of the period / year	30,900,524	18,265,205
Charged during the period / year	11,550,000	12,635,319
Balance as of the ending of the period / year	<u>42,450,524</u>	<u>30,900,524</u>

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****6. TRANSACTIONS AND BALANCES WITH RELATED PARTY**

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

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

* Effective 1 January 2026, the parties referred to above are no longer classified as related parties, as they no longer meet the definition of related parties in accordance with IAS 24 Related Party Disclosures under IFRS. They are also neither affiliated nor owned by any major shareholders. These parties have been disclosed for comparative information purposes only, as they were classified as related parties in prior periods. Accordingly, the comparative information reflects the previous classification, while the current period information is presented based on the updated classification in line with IFRS.

Significant transactions and the related amounts

	For the period ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	ﷲ	ﷲ
Rent and lease liabilities payments	4,882,923	4,059,223
Purchases and services	829,163	3,406,856
Revenue	244,432	491,347
Expenses incurred on behalf	51,912	49,697
Amounts due from shareholders related to dividends reversal *	-	100,000,000
Expenses incurred on behalf of shareholders related to IPO expenses	-	40,000,000

* On January 21, 2025 (corresponding to 21 Rajab 1446H), the Board of Directors resolved to distribute interim dividends to shareholders amounting to ﷲ 100,000,000 based on their respective shareholding in the capital. These dividends were paid to the shareholders on January 26, 2025 (corresponding to 26 Rajab 1446H).

As the General Assembly did not convene as of March 31, 2025, the above Board of Directors decision was not yet approved.

On May 22, 2025 (corresponding to 24 Dhu al-Qi'dah 1446H), the Ordinary General Assembly of the Group decided to reverse the Board of Directors' resolution dated January 21, 2025 (corresponding to 21 Rajab 1446H) regarding the distribution of interim dividends amounting to ﷲ 100,000,000. The shareholders were required to repay these dividends to the Group's accounts by no later than June 30, 2025 (corresponding to 5 Muharram 1447H), accordingly, the distributed amounts were reversed from retained earnings and recorded as amounts due from shareholders.

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****6. TRANSACTIONS AND BALANCES WITH RELATED PARTY (continued)****Compensation of key management personnel of the group**

	For the period ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	<u>ﷲ</u>	<u>ﷲ</u>
Short term employment benefits	2,661,323	2,185,547
Board of Directors' remuneration	275,000	275,000
Post-employment benefits	169,425	126,011
	<u>3,105,748</u>	<u>2,586,558</u>

Key management personnel of the Group comprise the members of the Board of Directors and senior executive officers responsible for planning, directing, and monitoring the Group's activities.

Due from related parties

	As of March 31,2026	As of December 31,2025
	(Unaudited)	(Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Advance food Company	1,271,900	1,271,900
Saudi Bunyan Company	909,263	857,351
Family members of shareholders, board members, and those related	658,907	763,089
Abdulrahman Saad Al-Rashid & Sons Company	-	5,382
	<u>2,840,070</u>	<u>2,897,722</u>

Due to related parties

	As of March 31,2026	As of December 31,2025
	(Unaudited)	(Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Code Invention Company	49,220	46,952
Food Aroma Company	-	592,231
Cotton Experts Company	-	181,291
Al-Thomad Travel and Tourism Company	-	142,772
Adeem Al Sahra Trading Company	-	37,201
	<u>49,220</u>	<u>1,000,447</u>

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****7. PROPERTY AND EQUIPMENT**

Reconciliation of carrying amounts	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Carrying amount as of beginning of the period / year	1,251,608,196	1,259,153,397
Additions during the period / year	13,757,795	94,459,364
Net of disposals during the period / year	-	(39,547,988)
Depreciation charge during the period / year	(16,625,129)	(62,456,577)
Carrying amount as of the end of the period / year	1,248,740,862	1,251,608,196

Category-wise carrying amounts	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Buildings and renovation	660,593,803	662,156,995
Lands	298,208,864	298,208,864
Medical equipment	158,515,696	161,779,553
Projects under progress *	81,864,062	79,312,617
General equipment	28,675,833	28,455,332
Computers and software	15,464,297	16,245,110
Furniture and fixtures	4,988,531	4,972,473
Motors vehicles	429,776	477,252
	1,248,740,862	1,251,608,196

* During the period ended March 31,2026 an amount of ﷲ 2,551,445 (March 31,2025: ﷲ 2,439,724) was capitalized as borrowing cost.

Allocation of depreciation expense in the condensed consolidated statement of profit or loss and other comprehensive income	For the period ended March 31,	
	2026 (Unaudited)	2025 (Unaudited)
	<u>ﷲ</u>	<u>ﷲ</u>
Cost of revenue	15,114,915	13,760,011
General and administrative expenses	1,510,214	1,394,600
	16,625,129	15,154,611

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Reconciliation of the carrying amount of right-of-use assets	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
Cost	<u>ﷲ</u>	<u>ﷲ</u>
Balance as of the beginning of the period / year	462,422,153	370,582,402
Additions during the period / year	-	91,839,751
Balance as of the ending of the period / year	462,422,153	462,422,153
Accumulated depreciation		
Balance as of the beginning of the period / year	199,299,623	168,704,117
Additions during the period / year	8,629,831	30,595,506
Balance as of the ending of the period / year	207,929,454	199,299,623
Net book value	254,492,699	263,122,530
Details of the net book value by type of lease contract		
Hospital land , buildings and outpatient’s clinic buildings	236,767,998	243,947,574
Administrative office buildings and staff accommodation	14,778,705	15,834,497
Medical equipment and devices	2,945,996	3,340,459
	254,492,699	263,122,530

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****8. RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)**

Allocation of depreciation expense in the condensed consolidated statement of profit or loss and other comprehensive income	For the period ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	S	S
Cost of revenue	8,148,296	6,633,718
General and administrative expenses	481,535	559,112
	8,629,831	7,192,830

Expenses related to short-term and low-value lease contracts for the period ended March 31, 2026 an amount of S 66,972 (March 31, 2025: S 179,413)

Movement of lease liabilities	As of March 31, 2026 (Unaudited)	As of December 31, 2025 (Audited)
	S	S
Balance as of the beginning of the period / year	293,284,168	225,528,207
Additions during the period / year	-	91,839,751
Finance costs during the period / year	3,072,694	10,135,875
Paid during the period / year	(8,255,033)	(34,219,665)
Balance as of the ending of the period / year	288,101,829	293,284,168
Current portion of lease liabilities	42,352,894	39,655,973
Non-current portion of lease liabilities	245,748,935	253,628,195

Present value of lease liabilities	As of March 31, 2026 (Unaudited)	As of December 31, 2025 (Audited)
	S	S
Minimum future lease liabilities	396,014,310	404,200,979
Less: unamortized finance costs	(107,912,481)	(110,916,811)
Present value of minimum lease liabilities	288,101,829	293,284,168
Current portion of lease liabilities	42,352,894	39,655,973
Non-current portion of lease liabilities	245,748,935	253,628,195

The Group has recognised assets and liabilities for its finance leases, which include various types of contracts such as buildings, land, accommodation and office rentals, medical equipment, etc. The terms of these contracts range from 2 to 20 years.

9. SHORT-TERM LOANS

The Group obtained Shariah-compliant bank facilities from local commercial banks at an interest rate plus SAIBOR to finance the working capital requirements. The value of the withdrawal until as of March 31, 2026 amounted to S 267,074,018 (December 31, 2025: S 246,523,301).

10. LONG-TERM LOANS

Movement of long-term loans	As of March 31, 2026 (Unaudited)	As of December 31, 2025 (Audited)
	S	S
Balance as of the beginning of the period / year	286,326,531	143,877,551
Additions during the period / year	-	200,000,000
Paid during the period / year	(14,387,755)	(57,551,020)
Balance as of the ending of the period / year	271,938,776	286,326,531
Current portion of long-term loans	57,551,020	57,551,020
Non-current portion of long-term loans	214,387,756	228,775,511

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

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****11. GOVERNMENT GRANTS AND LOAN**

Movement of government loan	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Balance as of the beginning of the period / year	-	2,747,992
Paid during the period / year	-	(2,747,992)
Balance as of the ending of the period / year	<u>-</u>	<u>-</u>

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

Movement of government loan	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Balance as of the beginning of the period / year	-	96,177
Amortization during the period / year	-	(96,177)
Balance as of the ending of the period / year	<u>-</u>	<u>-</u>

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

12. ZAKAT PAYABLE

Movement of zakat payable	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Balance as of the beginning of the period / year	9,837,798	8,351,552
Additions during the period / year	1,153,530	6,273,672
Paid during the period / year	-	(4,787,426)
Balance as of the ending of the period / year	<u>10,991,328</u>	<u>9,837,798</u>

Zakat Status

Zakat declarations have been submitted to the Zakat, Tax and Customs Authority (the Authority) for all years up to 31 December 2025. The Group has obtained the final assessments up to year 2018 and for the year 2024 and is still awaiting the final assessments for the years 2019 to 2023 and for the year 2025 from the Authority.

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****13. EMPLOYEES DEFINED BENEFITS LIABILITIES**

Movement of employees defined benefits liabilities	As of March 31,2026 (Unaudited)	As of December 31,2025 (Audited)
	<u>ﷲ</u>	<u>ﷲ</u>
Balance as of the beginning of the period / year	177,554,868	159,552,201
Additions during the period / year	7,611,740	32,589,667
Paid during the period / year	(3,469,789)	(14,587,000)
Balance as of the ending of the period / year	181,696,819	177,554,868

Details of additions to employees defined benefits liabilities	For the period ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	<u>ﷲ</u>	<u>ﷲ</u>
Current service cost	3,945,810	5,587,470
Interest cost	2,216,838	1,740,193
Expenses charged to the condensed consolidated statement of profit or loss	6,162,648	7,327,663
Actuarial losses arising from remeasurement	1,449,092	372,043
Expenses charged to the condensed consolidated statement of other	1,449,092	372,043
Total additions to employees defined benefits liabilities	7,611,740	7,699,706

14. SHARE CAPITAL

The Company's share capital as of March 31,2026 & December 31, 2025, amounted to ﷲ 250,000,000 consisting of 250,000,000 shares fully paid and issued shares of ﷲ 1 each. Holders of these shares are entitled to dividends as declared from time to time and entitled to one vote per share at general assembly meeting.

15. STATUTORY RESERVE

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

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****16. REVENUE**

The Group primarily generates revenue from contracts with customers from:

- 1- Relating to inpatient and outpatient medical services; and
- 2- Sale of medicines - pharmaceutical; and
- 3- Sale of food and a catering service.

	For the period ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	ﷲ	ﷲ
Relating to inpatient and outpatient medical services	310,133,627	298,614,706
Medicines - Pharmaceutical	63,956,029	65,039,314
Food and catering services	6,584,773	4,741,830
	380,674,429	368,395,850

17. EARNINGS PER SHARE

	For the period ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	ﷲ	ﷲ
Profit for the period attributable to owners of the Company	32,549,806	29,640,335
Divided by: Weighted average number of outstanding ordinary shares	250,000,000	250,000,000
Basic and diluted earnings per share	0.13	0.12

18. APPROVED AND PROPOSED DIVIDENDS

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

The Board of Directors, in its meeting held on 8 March 2026 (Corresponding 19 Ramadan 1447H), recommended to the General Assembly to distribute cash dividend to the shareholders of ﷲ 80,000,000 for the year ended December 31, 2025.

19. COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments related to projects under constructions	As of March 31,2026	As of December 31,2025
	(Unaudited)	(Audited)
	ﷲ	ﷲ
Project - SMC 3	18,190,357	19,951,364
Project - SMC 4	82,326,917	82,326,917
	100,517,274	102,278,281
Letters of Guarantee		
Bank Letters of Guarantee	15,389,568	17,195,754

SPECIALIZED MEDICAL COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026****20. SEGMENT INFORMATION**

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

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

	Medical Services ﷲ	Pharmacies, and Others ﷲ	Total ﷲ
For the period ended March 31, 2026 (Unaudited)			
Revenue	310,133,627	70,540,802	380,674,429
Gross profit	74,831,398	16,136,184	90,967,582
For the year ended March 31, 2025 (Unaudited)			
Revenue	298,614,706	69,781,144	368,395,850
Gross profit	63,956,395	24,460,625	88,417,020
As of March 31, 2026 (Unaudited)			
Total assets	2,166,263,573	69,698,917	2,235,962,490
Total liabilities	1,163,172,537	53,835,285	1,217,007,822
As of December 31, 2025 (Audited)			
Total assets	2,329,994,062	69,846,856	2,399,840,918
Total liabilities	1,158,158,044	53,828,920	1,211,986,964

21. RECLASSIFICATION OF COMPARATIVE FINANCIAL INFORMATION

Certain figures for the comparison period have been reclassified to conform to the presentation in the current period.

22. SUBSEQUENT EVENTS

There were no events, after March 31, 2026, and occurring before the date of the approval of the interim condensed consolidated financial information that are expected to have a significant impact on this interim condensed consolidated financial information.

23. BOARD OF DIRECTORS APPROVAL


These the interim condensed consolidated financial information were approved by the Board of Directors on behalf of the Shareholders on May 5 ,2026 (corresponding 18 Dhu al-Qi'dah 1447H) and signed on its behalf by:



HANI CHARANI
CFO



BASSAM CHAHINE
CEO



SULAIMAN AL-RASHID
CHAIRMAN