CORPORATE CREDIT RATING SUMMARY REPORT

EFSIM Facilities Management Company

Saudi Unlisted Joint Stock Company

August 2026

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Related Criteria and Methodology

The specific rating methodologies and criteria applied in this analysis are available on the Tassnief website. To view or download these documents, please visit ww.tassnief.com.

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1. Tassnief's Rating Opinion

Tassnief has assigned a long-term entity rating of **"BBB" (Triple B)** and short-term entity rating of **"T-4"** to EFSIM Facilities Management Company. The outlook on the rating is **"Stable"**. Tassnief considers the rated issuer or issuance to hold **adequate creditworthiness** and **low credit risk**.

About the Company:

EFSIM Facilities Management Company ("EFSIM" or "the Company"), formerly Saudi EMCOR Company Limited, is an unlisted joint stock company incorporated in the Kingdom of Saudi Arabia in 2008. The Company provides integrated facilities management solutions, including integrated facilities management, infrastructure management, specialized technical services, security services, staffing solutions and leisure & hospitality.

EFSIM Facilities Management Company – Entity Rating	
Domicile	Saudi Arabia
Long-Term Rating	BBB
Outlook	Stable
Short-Term Rating	T-4
Rating Watch	None
Rating Action	Initial
Rating Type	Solicited
Date of Initial Rating	August 2026
Date of Last Review	NA
Deviation from Methodology	None

2. Rating Rationale

The assigned rating reflects the Company's prominent market position in Saudi Arabia's output-based integrated facilities management (IFM) market, supported by an extensive operating track record, sizeable scale of operations and growing exposure to high-value sectors aligned with Vision 2030 developments. Governance framework is considered satisfactory, supported by effective board oversight, experienced management team & structured decision-making process, sound IT infrastructure and a formalized internal control environment.

The business profile is underpinned by integrated and extensive service offering, growing revenue profile and diversified multi-sector presence. Moreover, topline comprises a mix of government and private sector clients. Project concentration risk remains manageable although client (NEOM and Jeddah Airport Company) concentration is on the higher side but has materially moderated. Comfort is drawn from NEOM exposure primarily comprising critical operational assets, including hospital, airport, seaport and residential facilities which enhances renewal chances despite ongoing spending reprioritization. Order backlog reflects adequate near-term revenue visibility while medium-term growth outlook hinges on new project awards. Several medium sized contracts are due for renewal during 2026 and 2027, exposing the Company to contract renewal and revenue sustainability risk. Tassnief expects these contracts to renew given Company's sizeable presence in NEOM, strong track record of service delivery and high historical renewal rates with clients. Going forward strategy entails focus on enhancing business diversification, leveraging existing relationships with clients to support growth and increased use of technology to enhance efficiencies. Tassnief believes that increasing handover of completed assets from commercial and giga-project developments and accelerating market transition from traditional input-based contracts to performance-driven solutions where EFSIM is a prominent player will support business growth over the medium term.

The financial profile is supported by stable net margins over the last 3 years reflecting disciplined bidding practices, satisfactory project execution and effective cost management. Going forward, management expects some pressure on margins from rising consumable prices and higher employee mobilization and transportation costs. Nevertheless, increased automation, operational efficiency initiatives and the gradual insourcing of previously outsourced services are expected to support margin sustainability. Overall, working capital management has remained satisfactory despite higher receivables and unbilled revenues in line with revenue growth. However, conversion of growing funds from operations (FFO) into CFO has remained low (partly on account of sizeable revenue growth) over the last 3 years and needs to improve going forward.

Asset base has increased overtime on account of higher working capital requirements and capex incurred. The increase in fixed assets reflects project mobilization capex, whereas growth in right-of-use assets is attributable to higher accommodation and transportation requirements following workforce expansion. The increase in the asset base was financed through a mix of retained earnings, equity injection and debt. Leverage indicators (in terms of total liabilities to equity) have improved on a timeline basis and are within internal financial policy but remain elevated vis-à-vis similar rated peers. Debt coverage metrics also remained comfortable owing to healthy cash flow generation reflecting sound debt servicing capacity. Going forward, the planned Sukuk issuance is expected to improve the debt maturity profile through the refinancing of existing borrowings while providing additional financial flexibility to support future growth.

Management has also articulated a prudent financial policy, targeting Debt-to-FFO below 3.0x, Debt-to-Equity below 1.5x and Liabilities-to-Equity below 3.0x, providing guidance for maintaining a conservative leverage profile going forward.

3. Rating Triggers

Ratings remain dependent upon growing scale of operations in terms of revenues and cash flow generation, improvement in cash flow from operations and reduction in leverage indicators. Maintaining prudent business and financial risk profile within communicated financial policy remains important. Any sharp and sustained increase in leverages which translates into weaker debt and interest coverage could negatively impact ratings.

Long-Term and Short-Term Rating Scale

<table>
<tr><th>Classification</th><th>Risk Level</th><th>Long-Term Rating</th><th colspan="2">Short-Term Mapping</th></tr>
<tr><td rowspan="4">High Grade</td><td rowspan="4">Negligible Risk</td><td>AAA</td><td>T-1</td><td></td></tr>
<tr><td>AA+</td><td></td><td rowspan="5">T-2</td></tr>
<tr><td>AA</td><td></td></tr>
<tr><td>AA-</td><td></td></tr>
<tr><td rowspan="3">Investment Grade</td><td rowspan="3">Very Low Risk</td><td>A+</td><td></td></tr>
<tr><td>A</td><td rowspan="3">T-3</td></tr>
<tr><td>A-</td><td></td></tr>
<tr><td rowspan="3">Investment Grade</td><td rowspan="3">Low Risk</td><td>BBB+</td><td rowspan="3">T-4</td></tr>
<tr><td>BBB</td><td></td></tr>
<tr><td>BBB-</td><td></td></tr>
<tr><td rowspan="3">Near Prime</td><td rowspan="3">Low to Moderate Risk</td><td>BB+</td><td rowspan="4">T-5</td><td></td></tr>
<tr><td>BB</td><td></td></tr>
<tr><td>BB-</td><td></td></tr>
<tr><td rowspan="3">Sub Prime</td><td rowspan="3">High Risk</td><td>B+</td><td rowspan="8">T-6</td></tr>
<tr><td>B</td><td></td></tr>
<tr><td>B-</td><td></td></tr>
<tr><td rowspan="3">Credit Watch</td><td rowspan="3">Very High Risk</td><td>CCC+</td><td></td></tr>
<tr><td>CCC</td><td></td></tr>
<tr><td>CCC-</td><td></td></tr>
<tr><td rowspan="3">Distressed</td><td rowspan="2">Extremely High Risk</td><td>CC</td><td></td></tr>
<tr><td>C</td><td></td></tr>
<tr><td>Default</td><td>D</td><td>T-7</td><td></td></tr>
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Long-Term Rating Definitions

Long-Term Rating Scale	Definitions
AAA	**Extremely Robust**; Tassnief considers the rated issuer or issuance hold the **highest creditworthiness**, thus **negligible credit risk**
AA+ AA AA-	**Very Robust**; Tassnief considers the rated issuer or issuance to hold **very high creditworthiness**, thus **minimal credit risk**. Risk profile may vary slightly with changes in economic / sector conditions
A+ A A-	**Robust**; Tassnief considers the rated issuer or issuance to hold **high creditworthiness**, thus **very low credit risk**. Risk profile may vary with changes in economic / sector conditions
BBB+ BBB BBB-	**Moderate**; Tassnief considers the rated issuer or issuance hold **adequate creditworthiness**, thus **low credit risk**. Risk profile may exhibit moderately high variation with changes in economic / sector conditions
BB+ BB BB-	Tassnief considers the rated issuer or issuance hold **low to moderate credit risk**. Risk profile may exhibit wide variation with changes in economic or sector conditions.
B+ B B-	Tassnief considers the rated issuer or issuance hold **very low creditworthiness**, thus **high credit risk**
CCC+ CCC CCC-	Tassnief considers the rated issuer or issuance hold **extremely low creditworthiness**, thus **very high credit risk**
CC C	**Highly speculative credit profile**, and the default is imminent
D	Tassnief considers the rated issuer or issuance have **defaulted or may default soon.**

--- End of Report ---