

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

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

For the three-month period ended  
31 March 2024  
together with the

**INDEPENDENT AUDITORS' REVIEW REPORT**

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
For the three-month period ended 31 March 2024

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## KPMG Professional Services

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Commercial Registration No 403029792

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم ٤٠٣٠٢٩٠٧٩٢

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Dr. Soliman Abdel Kader Fakeeh Hospital Company

## Introduction

We have reviewed the accompanying 31 March 2024 condensed consolidated interim financial statements of Dr. Soliman Abdel Kader Fakeeh Hospital Company ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2024;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2024;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2024; and
- the notes to the condensed consolidated interim financial statements.

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

## Scope of review

We conducted our review in accordance with the 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 condensed consolidated interim financial statements 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 that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.




# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Dr. Soliman Abdel Kader Fakeeh Hospital Company (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2024 condensed consolidated interim financial statements of **Dr. Soliman Abdel Kader Fakeeh Hospital Company** and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services

  
Abdullah Oudah Althagafi  
License No. 455

Jeddah, 9 July 2024  
Corresponding to 3 Muharram 1446H

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 March 2024

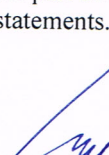
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<b>ASSETS</b>			
Property and equipment	6	1,660,616,751	1,635,208,564
Right-of-use assets	7	508,832,181	521,234,589
Intangible assets and goodwill	8	543,571,672	544,243,738
Investment properties		448,404	458,719
Prepayments and other non-current assets		54,808,048	49,211,158
Other long-term receivables	9	93,450,998	93,327,252
<b>Non-current assets</b>		<b>2,861,728,054</b>	<b>2,843,684,020</b>
Inventories		198,806,607	163,120,518
Accounts and other receivables	10	774,330,450	745,696,546
Contract assets	10.2	134,369,728	102,314,728
Prepayments and other current assets		166,316,968	162,989,742
Cash and cash equivalents	11	242,427,204	214,295,756
<b>Current assets</b>		<b>1,516,250,957</b>	<b>1,388,417,290</b>
<b>Total assets</b>		<b>4,377,979,011</b>	<b>4,232,101,310</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	12	200,000,000	200,000,000
Retained earnings		892,977,708	820,255,030
<b>Equity attributable to owners of the Company</b>		<b>1,092,977,708</b>	<b>1,020,255,030</b>
Non-controlling interests		230,293,772	235,219,964
<b>Total equity</b>		<b>1,323,271,480</b>	<b>1,255,474,994</b>
<b>LIABILITIES</b>			
Long-term loans	13	1,260,030,000	1,196,445,000
Lease liabilities	7	466,100,056	495,866,960
Employees' end of service benefits		229,226,650	219,013,090
<b>Non-current liabilities</b>		<b>1,955,356,706</b>	<b>1,911,325,050</b>
Short-term loans	13	455,495,693	493,995,693
Current portion of long-term loans	13	32,830,000	30,485,000
Current portion of lease liabilities	7	52,996,703	47,096,049
Accounts payables		303,384,405	275,300,060
Accrued and other current liabilities		223,163,205	193,966,796
Accrued Zakat	14	31,480,819	24,457,668
<b>Current liabilities</b>		<b>1,099,350,825</b>	<b>1,065,301,266</b>
<b>Total liabilities</b>		<b>3,054,707,531</b>	<b>2,976,626,316</b>
<b>Total equity and liabilities</b>		<b>4,377,979,011</b>	<b>4,232,101,310</b>

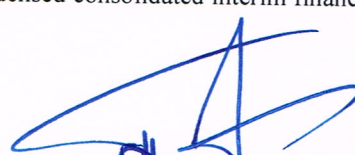
The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.



Mr. Ammar Fakeeh  
Chairman Board of Directors



Dr. Mazen Fakeeh  
President



Mr. Panagiotis Chatziantoniou  
Group Chief Financial Officer

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the three-month period ended 31 March 2024

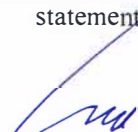
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>Notes</u>	<b>For the three-month period ended 31 March 2024</b>	<b>For the three-month period ended 31 March 2023</b>
Revenue	15	680,333,920	529,405,652
Costs of revenue		(491,750,554)	(385,009,641)
<b>Gross profit</b>		<b>188,583,366</b>	<b>144,396,011</b>
Other income		3,854,041	5,746,098
General and administrative expenses		(69,115,263)	(51,586,584)
Selling and marketing expenses		(13,494,558)	(10,331,362)
Impairment loss on accounts receivables	10.1	(2,826,008)	(4,035,000)
<b>Operating profit</b>		<b>107,001,578</b>	<b>84,189,163</b>
Finance costs		(39,280,401)	(30,593,413)
Finance income		--	11,918,966
<b>Profit before zakat</b>		<b>67,721,177</b>	<b>65,514,716</b>
Zakat	14	(7,023,151)	(4,991,002)
<b>Profit for the period</b>		<b>60,698,026</b>	<b>60,523,714</b>
<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		--	--
<b>Total comprehensive income for the period</b>		<b>60,698,026</b>	<b>60,523,714</b>
<b>Profit / (loss) for the period attributable to:</b>			
- Owners of the Parent Company		72,722,678	72,038,041
- Non-controlling interests		(12,024,652)	(11,514,327)
		<b>60,698,026</b>	<b>60,523,714</b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>			
Owners of the Parent Company		72,722,678	72,038,041
Non-controlling interests		(12,024,652)	(11,514,327)
		<b>60,698,026</b>	<b>60,523,714</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share	16	<b>0.36</b>	<b>0.36</b>

The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.



Mr. Ammar Fakeeh  
Chairman Board of Directors



Dr. Mazen Fakeeh  
President



Mr. Panagiotis Chatziantoniou  
Group Chief Financial Officer

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the three-month period ended 31 March 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at 1 January 2023 (Audited)	100,000,000	50,000,000	1,747,638,538	1,897,638,538	259,605,650	2,157,244,188
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	--	--	72,038,041	72,038,041	(11,514,327)	60,523,714
Other comprehensive income for the period	--	--	--	--	--	--
Total comprehensive income for the period	--	--	72,038,041	72,038,041	(11,514,327)	60,523,714
<b><u>Transactions with owners</u></b>						
Additional capital contribution	--	--	--	--	20,354,477	20,354,477
Balance at 31 March 2023	100,000,000	50,000,000	1,819,676,579	1,969,676,579	268,445,800	2,238,122,379
Balance at 1 January 2024 (Audited)	200,000,000	--	820,255,030	1,020,255,030	235,219,964	1,255,474,994
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	--	--	72,722,678	72,722,678	(12,024,652)	60,698,026
Other comprehensive income for the period	--	--	--	--	--	--
Total comprehensive income for the period	--	--	72,722,678	72,722,678	(12,024,652)	60,698,026
<b><u>Transactions with owners</u></b>						
Additional capital contribution	--	--	--	--	7,098,460	7,098,460
<b>Balance at 31 March 2024</b>	<b>200,000,000</b>	<b>--</b>	<b>892,977,708</b>	<b>1,092,977,708</b>	<b>230,293,772</b>	<b>1,323,271,480</b>

The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.

  
Mr. Ammar Fakeeh  
Chairman Board of Directors

  
Dr. Mazen Fakeeh  
President

  
Mr. Panagiotis Chatziantoniou  
Group Chief Financial Officer



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

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS (UNAUDITED)**

For three-month period ended 31 March 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	For the three-month period ended 31 March 2024	For the three-month period ended 31 March 2023
<b>Cash flows from operating activities</b>			
Profit before zakat		67,721,177	65,514,716
Adjustments for:			
- Depreciation on property and equipment	6	22,702,245	20,732,815
- Depreciation on right-of-use assets	7.1	13,154,400	12,212,282
- Amortization		1,629,321	1,514,956
- Depreciation on investment properties		10,313	13,753
- Provision for employee's end of service benefits		20,232,153	14,589,240
- Impairment loss on accounts receivables	10.1	2,826,008	4,035,000
- Gain on disposal of property and equipment		(304,321)	(152,390)
- Finance income		--	11,918,966
- Finance costs		39,280,401	30,593,414
		<u>167,251,697</u>	<u>160,972,752</u>
<i>Changes in operating assets and liabilities:</i>			
- Inventories		(35,686,090)	1,696,139
- Accounts and other receivables		(31,459,912)	(30,023,210)
- Contract asset		(32,055,000)	3,452,987
- Other long-term receivables		564,897	(31,828,397)
- Prepayments and other current assets		(2,638,583)	(70,919,979)
- Accounts payables		28,084,345	(7,769,172)
- Accrued and other current liabilities		32,719,925	9,466,727
<b>Cash generated from operating activities</b>		<u>126,781,279</u>	<u>35,047,847</u>
Interest paid		(34,451,001)	(8,633,203)
Employees' end of service benefits paid		(10,018,593)	(10,809,007)
Zakat paid	14	--	(1,867,445)
<b>Net cash generated from operating activities</b>		<u>82,311,685</u>	<u>13,738,192</u>
<b>Cash flows from investing activities:</b>			
Additions to property and equipment	6	(48,123,973)	(175,227,089)
Additions to intangible assets	8	(957,256)	--
Long-term advances to suppliers		(6,161,787)	755,702
Proceeds from disposal of property and equipment		317,862	219,752
<b>Net cash used in investing activities</b>		<u>(54,925,154)</u>	<u>(174,251,635)</u>
<b>Cash flows from financing activities:</b>			
Addition capital contribution by NCI		7,098,460	20,354,477
Repayment of lease liabilities	7.2	(33,783,543)	(6,599,357)
Proceeds from long-term loans		68,275,000	429,394,591
Repayment of long-term loans		(2,345,000)	--
Net movement in short term loans		(38,500,000)	(504,414,531)
<b>Net cash generated from / (used in) financing activities</b>		<u>744,917</u>	<u>(61,264,820)</u>
Net increase / (decrease) in cash and cash equivalents		<u>28,131,448</u>	<u>(221,778,263)</u>
Cash and cash equivalents at beginning of the period		<u>214,295,756</u>	<u>316,762,023</u>
<b>Cash and cash equivalents at the end of the period</b>	11	<u>242,427,204</u>	<u>94,983,760</u>



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

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS (UNAUDITED) (continued)**

For three-month period ended 31 March 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	<u>Notes</u>	<b>For the three- month period ended 31 March 2024</b>	For the three- month period ended 31 March <u>2023</u>
<b>Major non-cash transactions:</b>			
Addition to right-of-use assets and lease liabilities	7	<u>751,992</u>	--
Zakat charge	14	<u>7,023,151</u>	<u>4,991,002</u>
Borrowing cost capitalized	6.4	<u>1,704,351</u>	<u>999,212</u>

The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.



Mr. Ammar Fakeeh  
Chairman Board of Directors



Dr. Mazen Fakeeh  
President



Mr. Panagiotis Chatziantoniou  
Group Chief Financial Officer

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT  
(UNAUDITED)**

For the three-month period ended 31 March 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

**1. GENERAL**

Dr. Soliman Abdel Kader Fakeeh Hospital Company (the “Parent Company” or “Company”) is a Saudi Closed Joint Stock Company formed under the laws of the Kingdom of Saudi Arabia and is registered in the Commercial Registry in Jeddah under No. 4030014511 on 11 Rabi II 1398H (March 20, 1978). The Parent Company was converted from a Sole Proprietorship to a Closed Saudi 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”).

The principal activities 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 laboratories and managing and establishing pharmacies, wholesale and retail of medical equipment, maintenance of IT equipment and software related services.

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

On 27 March 2024, the Capital Market Authority (CMA) approved the application filed by the Company to float 49,800,000 ordinary shares in an Initial Public Offering (IPO) on Saudi Stock Exchange (Tadawul). On 5 June 2024, Tadawul announced that shares of the Dr. Soliman Abdel Kader Fakeeh Hospital Company are listed in Primary Market and started trading with the symbol 4017 and ISIN code SA562GSHUOH7.

These condensed consolidated interim 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 condensed interim 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 and trading & retail business (note 20).

As at 31 March 2024, the Group has the following subsidiaries:

<b><u>Name of subsidiaries</u></b>	<b><u>Effective holding</u></b>		<b><u>Principal activities</u></b>
	<b><u>2024</u></b>	<b><u>2023</u></b>	
Al-Farabi Special Health Care Company Limited (“Farabi”)	<b>70%</b>	70%	Healthcare service provider
Dr. Soliman Qader Fakeeh Information Technology Company (Formerly, Kameda Arabia Company Limited)	<b>70%</b>	70%	IT equipment and software services
Dr. Soliman Abdel Kader Fakeeh Family Medicine Centers (“FMH”)	<b>90%</b>	90%	Healthcare service provider
Dr. Soliman Abdel Kader Fakeeh Medical Education Company Limited (“FMCS”)	<b>80%</b>	80%	Medical education service provider
Dr. Mazen Fakeeh Complementary Health Care Company Limited (“FCHC”)	<b>100%</b>	100%	Wholesale and retail of medical equipment

**DR. SOLIMAN ABDELKADER FAKEEH HOSPITAL COMPANY**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT  
(UNAUDITED)**

For the three-month period ended 31 March 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

**1. GENERAL (continued)**

<b><u>Name of subsidiaries</u></b>	<b><u>Effective holding</u></b>		<b><u>Principal activities</u></b>
	<b><u>2024</u></b>	<b><u>2023</u></b>	
Al Toor Medical Services Company ("Al Toor")	<b>51%</b>	51%	Healthcare service provider
Saudi Airlines Company for Medical Services ("SMS")	<b>75%</b>	75%	Healthcare service provider
Al-Faraj Pharmaceutical Medical Company ("Al-Faraj")	<b>89.82%</b>	89.82%	Trading in pharmaceutical products
Advanced Horizon Contracting Company ("AHC")	<b>100%</b>	100%	Construction and contracting
Golden Union Medical Company ("GUMC")	<b>100%</b>	100%	Emergency medical services
Dr. Soliman Fakeeh Hospital Medical Company ("DSFH Riyadh")	<b>60.56%</b>	60.56%	Healthcare service provider
White Lines Medical Company ("WLMC")	<b>74.25%</b>	74.25%	Trading in pharmaceutical products
Fakeeh Vision Company Limited ("FVCL")	<b>100%</b>	100%	Trading of spectacles and cosmetics
Dr. Soliman Abdel Kader Fakeeh Home Health Care Company ("FHHC")	<b>100%</b>	--	Home health care

All the companies stated above were incorporated in the Kingdom of Saudi Arabia.

**2. BASIS OF PREPARATION**

**2.1 Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards"), (IAS) 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2023 ("last annual Financial Statements").

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT  
(UNAUDITED)**

For the three-month period ended 31 March 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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

**2.1 Basis of preparation (continued)**

These condensed consolidated interim financial statements do not include all of the information required for a complete set of annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ('IFRS') as endorsed in the Kingdom of Saudi Arabia. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. In addition, results for the interim period ended 31 March 2024, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

**2.2 Basis of measurement**

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for employee benefits, which are measured at the present value of defined benefit obligation using projected unit credit method. Further, the condensed consolidated interim financial statements are prepared using the accrual basis of accounting and the going concern assumption.

**2.3 Significant judgments, estimates and assumptions**

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, accompanying disclosures, including disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future periods. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those described in the last annual financial statements.

**2.4 Functional and presentation currency**

The Group's condensed consolidated interim financial statements are presented in Saudi Arabian Riyals, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT  
(UNAUDITED)**

For the three-month period ended 31 March 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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

**a) Standards, interpretations, and amendments issued**

The following amendments to existing standards and framework have been applied by the Group in preparation of these condensed consolidated interim financial statements. The adoption of the following did not result in changes to the previously reported profit or equity of the Group.

Amendments to IFRS 16	Lease Liability in a Sales and Leaseback	1 January 2024
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	1 January 2024
IAS 1	Non-current liabilities with covenants (amendments to IAS 1)	1 January 2024
IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024

Following are the new IFRS sustainability disclosure standards effective for annual periods beginning on or after 1 January 2024 subject to endorsement of the standards by SOCPA.

<b><u>Standard / Interpretation</u></b>	<b><u>Description</u></b>	<b><u>Effective from periods beginning after the following date</u></b>
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2	Climate-related Disclosures	1 January 2024

**b) Standards issued but not yet effective**

The standards, interpretations, and amendments issued, but not yet effective up to the date of issuance of the condensed consolidated interim financial statements are disclosed below. The Group is currently assessing the implications on the Group's condensed consolidated interim financial statements on adoption. The Group intends to adopt these standards, where applicable, when they become effective.

IAS 21	Lack of Exchangeability	1 January 2025
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT  
(UNAUDITED)**

For the three-month period ended 31 March 2024

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**4. MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2023.

Few amendments to standards became effective from 1 January 2024 which do not have a material effect on these condensed consolidated interim financial statements.

**5. ACQUISITION OF A SUBSIDIARY**

**Dr. Soliman Fakeeh Hospital Medical Company ("DSFH Riyadh")**

On 8 August 2022, the Parent Company entered into a Share Purchase and Subscription Agreement ("SPSA") with the shareholders of the Rana Medical Services Company (subsequently renamed as Dr. Soliman Abdel Kader Fakeeh Hospital Company – Riyadh), to acquire 60.56% shareholding.

The Parent Company made payments aggregating to SR 151.5 million to the shareholders of Rana Medical Services Company and further placed an amount of SR 34 million in escrow against subsequent payments to be made on the finalization of the transaction value. The Parent Company also subscribed to new shares of Rana Medical Services Company, at par, for an amount of SR 200 million. The acquisition was formalized on 29 October 2022, after requisite regulatory approvals.

The acquisition has been accounted for using the acquisition method under IFRS 3 - Business Combinations, and accordingly, the assets acquired and liabilities assumed are recorded at estimated fair values at the acquisition date. The determination of estimated fair values required management to make certain estimates about discount rates, future expected cash flows, market conditions and other future events that are highly subjective in nature and may require adjustments, which can be revisited for up to a year following the acquisition.

The fair value of the net assets acquired from Rana Medical Services Company and the consideration transferred were initially measured on a provisional basis as permitted by IFRS 3, "Business Combination". Pursuant to the completion of the purchase price allocation exercise within the measurement period, the purchase consideration of the acquisition has been allocated to the assets acquired and liabilities assumed using their fair values at the acquisition date and the resulting goodwill is presented below:

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**5. ACQUISITION OF A SUBSIDIARY (continued)**

**Dr. Soliman Fakeeh Hospital Medical Company (“DSFH Riyadh”) (continued)**

	<b><u>29 October 2022</u></b>
Property and equipment and right-of-use assets	695,527,353
Inventories	5,692,285
Prepayments and other non-current assets	14,492,179
Cash and cash equivalents	89,703,900
Lease liabilities	(40,295,045)
Employees’ end of service benefits	(4,790,160)
Contractors Payables	(12,420,083)
Account Payables	(34,091,679)
Loans and borrowings	(374,986,747)
Retention payable	(18,232,297)
Accrued and other current liabilities	(3,300,058)
Due to related parties	(1,125,420)
Provisional net assets acquired	<u>316,174,228</u>
<i><u>Adjustment on finalization of PPA:</u></i>	
Intangible assets	26,697,000
Final net assets acquired	<u><u>342,871,228</u></u>

**5.1 Finalization of purchase price allocation:**

The completion of the Purchase Price Allocation (PPA) and valuation exercise were completed within twelve months from the acquisition date, which has resulted in the following adjustments to previously reported amounts. These have been adjusted in the prior year annual financial statements as follows:

	<b><u>Provisional purchase price allocation</u></b>	<b><u>Adjustment</u></b>	<b><u>Final purchase price allocation</u></b>
Consideration transferred (Note 5.1.1)	351,471,874	(18,331,884)	333,139,990
Add: NCI Proportion	124,699,116	--	124,699,116
Less: Fair value of identifiable net assets acquired	<u>(316,174,228)</u>	<u>(26,697,000)</u>	<u>(342,871,228)</u>
<b>Goodwill</b>	<u><b>159,996,762</b></u>	<u><b>(45,028,884)</b></u>	<u><b>114,967,878</b></u>

**5.1.1 Adjustment to consideration transferred:**

As part of the consideration transferred SR 34 million had been placed in escrow account, which was subject to the finalization of transaction value. During year ended in December 2023 and within twelve months from the acquisition date, the transaction value was finalized between the Parent Company and selling shareholders, which resulted in receipt of SR 18.3 million to Group from that escrow account, thereby reducing the overall purchase consideration.

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**6. PROPERTY AND EQUIPMENT**

6.1 Reconciliation of carrying amounts:

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Carrying amount at beginning of the period / year	1,635,208,564	1,303,085,288
Additions during the period / year	48,123,973	372,394,211
Transfer from right-of-use asset (note 7)	--	51,559,232
Disposals during the period / year	(13,541)	(2,655,171)
Depreciation charge for the period / year	(22,702,245)	(89,174,996)
<b>Carrying amount at the end of the period / year</b>	<b>1,660,616,751</b>	<b>1,635,208,564</b>

6.2 Category-wise carrying amounts are as follows:

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Land	290,842,046	290,842,046
Buildings and leasehold improvements	748,061,094	754,088,647
Medical and support equipment	250,877,259	248,389,678
Furniture and fixtures	28,989,573	30,359,162
Motor vehicles	9,548,656	10,007,590
Office equipment	6,859,002	7,114,926
Computers	35,990,512	35,675,403
Capital work-in-progress (note 6.3)	289,448,609	258,731,112
	<b>1,660,616,751</b>	<b>1,635,208,564</b>

6.3 Capital work-in-progress mainly represents the construction work being carried out for the Group's expansion projects and upgrading the existing infrastructure and facilities.

6.4 During the period ended 31 March 2024, an amount of SR 1.7 million (2023: SR 5.3 million) was capitalized as borrowing cost.

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

7.1 Right-of-use assets

a) Reconciliation of carrying amounts

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
<b><u>Cost:</u></b>		
Balance at the beginning of the period / year	679,477,313	516,749,092
Additions during the period / year	751,992	124,835,186
Modifications during the period / year	--	112,668,929
Transfer to property and equipment	--	(56,648,282)
Terminations for the period / year	--	(18,127,612)
<b>Balance at the end of the period / year</b>	<b>680,229,305</b>	<b>679,477,313</b>

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

**7.1 Right-of-use assets (continued)**

	<b>31 March 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<b><u>Accumulated depreciation:</u></b>		
Balance at the beginning of the period / year	<b>158,242,724</b>	124,775,556
Depreciation charge for the period / year	<b>13,154,400</b>	51,244,273
Transfer to property and equipment	--	(5,089,050)
Terminations for the period / year	--	(12,688,055)
<b>Balance at the end of the period / year</b>	<b><u>171,397,124</u></b>	<u>158,242,724</u>
<b>Carrying Amounts at the end of the period</b>	<b><u>508,832,181</u></b>	<u>521,234,589</u>

**7.2 Lease liabilities**

	<b>31 March 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Balance at the beginning of the period / year	<b>542,963,008</b>	401,484,950
Additions during the period / year	<b>751,992</b>	124,835,186
Interest expenses for the period / year	<b>9,165,302</b>	32,835,521
Modifications	--	111,039,914
Terminations	--	(4,214,329)
Payments during the period / year	<b>(33,783,543)</b>	(123,018,233)
<b>Balance at the end of the period / year</b>	<b><u>519,096,759</u></b>	<u>542,963,009</u>

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

	<b>31 March 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Non-current portion of lease liabilities	<b>466,100,056</b>	495,866,960
Current portion of lease liabilities	<b><u>52,996,703</u></b>	<u>47,096,049</u>
	<b><u>519,096,759</u></b>	<u>542,963,009</u>

**8. INTANGIBLE ASSETS AND GOODWILL**

	<b>31 March 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Goodwill	<b>488,816,378</b>	488,816,378
Medical licenses	<b>22,914,925</b>	23,582,350
Customer relationships	<b>19,778,804</b>	20,156,743
Computer software	<b>8,144,660</b>	8,728,617
Software under development	<b><u>3,916,905</u></b>	<u>2,959,649</u>
	<b><u>543,571,672</u></b>	<u>544,243,737</u>

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**9. OTHER LONG-TERM RECEIVABLES**

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Non-current portion of receivables under DAAM scholarship Program	<b>93,450,998</b>	93,327,252
	<b><u>93,450,998</u></b>	<u>93,327,252</u>

**10. ACCOUNTS AND OTHER RECEIVABLES**

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Trade receivables	<b>880,928,358</b>	851,003,721
Trade receivables - related parties (note 17)	<b>30,397,137</b>	28,861,862
	<b>911,325,495</b>	879,865,583
Less: allowance for expected credit losses	<b>(136,995,045)</b>	(134,169,037)
	<b><u>774,330,450</u></b>	<u>745,696,546</u>

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

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Balance at beginning of the period / year	<b>134,169,037</b>	133,494,607
Provision for expected credit loss during the period / year	<b>2,826,008</b>	11,345,180
Written-off during the period / year	<b>--</b>	(10,670,750)
<b>Balance at end of the period / year</b>	<b><u>136,995,045</u></b>	<u>134,169,037</u>

10.2 The contract asset primarily relates to operating project contract with customers.



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**11. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash and bank balances.

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Cash in hand	5,308,702	1,501,738
Cash at banks - current accounts	95,618,502	96,294,018
Short-term deposits	141,500,000	116,500,000
	<u>242,427,204</u>	<u>214,295,756</u>

At reporting date, the bank balances are assessed to have low credit risk as these are held with reputable and high credit rating domestic banking institutions with no history of default.

- 11.1 Short-term deposits are made for varying periods of 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.

**12. SHARE CAPITAL**

As at 31 March 2024, the share capital of the Parent Company comprised of 200,000,000 shares at a nominal value of SR 1 per share (31 December 2023: 200,000,000 shares at a nominal value of SR 1 per share).

- 12.1 During the period no dividend was declared by the Group.

**13. LOANS AND BORROWINGS**

**Non-current portion**

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Balance at end of the period / year	<u>1,260,030,000</u>	<u>1,196,445,000</u>

**Current portion**

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Short term loans	455,495,693	493,995,693
Current portion of long-term loans	32,830,000	30,485,000
Balance at end of the period / year	<u>488,325,693</u>	<u>524,480,693</u>
Total loans	<u>1,748,355,693</u>	<u>1,720,925,693</u>

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**13. LOANS AND BORROWINGS (continued)**

**13.1 Loans from local banks**

The group has obtained facilities from local banks which include both long term and short-term loans. These facilities are subject to Saudi Arabia interbank Offered Rate “SIBOR” plus a margin. The group is subject to certain bank covenants which remain compliant at the reporting date.

Movement summary of the loans and borrowings during the period / year is as follows:

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Balance at beginning of the period / year	<b>1,720,925,693</b>	1,848,002,440
Proceeds during the period / year	<b>355,000,000</b>	2,195,195,259
Payments made during the period / year	<b>(327,570,000)</b>	(2,322,272,006)
Balance at end of the period / year	<b><u>1,748,355,693</u></b>	<u>1,720,925,693</u>

**14. ZAKAT**

**a) Charge for the period:**

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

	<b>31 March 2024 (Unaudited)</b>	31 March 2023 (Unaudited)
Charge for the period	<b><u>7,023,151</u></b>	<u>4,991,002</u>

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

	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
Balance at beginning of the period / year	<b>24,457,668</b>	17,176,450
Charge for current period / year	<b>7,023,151</b>	22,689,988
Payments during the period / year	<b>--</b>	(15,408,770)
Balance at end of the period / year	<b><u>31,480,819</u></b>	<u>24,457,668</u>

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**14. ZAKAT (continued)**

**c) Status of assessments**

*Dr. Soliman Abdel Kader Fakeeh Hospital Company*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The Company has finalized its Zakat assessments status for the year ended December 31, 2018. The ZATCA has not issued Zakat assessments for the years 2019 to 2023.

The ZATCA issued the assessment for 2018, which has shown Zakat differences of SR 1.5 million due from the Company. The Company has raised objection against the said assessment which was rejected by ZATCA. The Company escalated the objection to the Committee for Resolution of Zakat, Tax, and Customs Violations and Disputes (CRTVD) which has been rejected by CRTVD. The Company filed an appeal against the above mentioned CRTVD decision at the Appellate Committee for Zakat, Tax, and Customs Violations and Disputes Resolution (ACTVDR), which is still under study by the ACTVDR as of March 31, 2024.

*Al Farabi Special Healthcare Company Limited*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The Company finalized its Zakat status for the year ended December 31, 2019. The ZATCA did not issue Zakat assessments for the years 2020 to 2023.

*Saudi Airlines Company for Medical Services*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The ZATCA did not issue any Zakat assessments for the years 2019 to 2023.

*Dr. Soliman Abdel Kader Fakeeh Family Medicine Centers*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023.  
The ZATCA did not issue any Zakat assessments for the years 2019 to 2023.

*Golden Union Company Limited*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023.

The ZATCA did not issue any Zakat assessments for the years 2019 to 2023.

*Advanced Horizon Constructing Company Limited*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The ZATCA did not issue any Zakat assessments for the years 2019 to 2023.

*Dr. Soliman Abdel Kader Fakeeh Medical Education Company Limited*

The Company filed its Zakat returns till the year ended 31 December 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The Company finalized its Zakat status for the year ended December 31, 2020. The ZATCA did not issue Zakat assessments for the years 2019 and 2021 to 2023.

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**14. ZAKAT (continued)**

**c) Status of assessments (continued)**

*Al Toor Medical Services*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The Company finalized its Zakat status for the year ended December 31, 2021. The ZATCA did not issue Zakat assessments for the years 2019, 2020, 2022, and 2023.

*Al Faraj Pharmaceutical Medical Company*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The ZATCA did not issue Zakat assessments for the years 2019 to 2023.

*Dr. Soliman Fakeeh Hospital Medical Company*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The ZATCA did not issue any Zakat assessments for the years 2019 to 2023.

*Dr. Mazen Fakeeh Complementary Health Care Company Limited*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023. The ZATCA issued the assessments for the years 2015, 2016 and 2017. The Company objected against the said assessments which were rejected by ZATCA. The Company escalated the objection to the Committee for Resolution of Zakat, Tax, and Customs Violations and Disputes (CRTVD). The CRTVD rejected the Company's objection. The Company filed an appeal against the CRTVD decision at the Appellate Committee for Zakat, Tax, and Customs Violations and Disputes Resolution (ACTVDR). The ACTVD issued its decision and rejected the Company's appeal. The Company will settle the additional liability of SR 0.2 million for the said years in July 2024. The ZATCA did not issue any Zakat assessments for the years 2019 up to 2023.

*Dr. Soliman Qader Fakeeh Information Technology Company*

The Company filed its Zakat return till the year ended December 31, 2023 and obtained an unrestricted Zakat certificate for the year ended December 31, 2023.

The ZATCA did not issue any Zakat assessments for the years 2019 up to 2023.

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**15. 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>For the three-month period ended 31 March <u>2024</u> (Unaudited)</b>	<b>For the three-month period ended 31 March <u>2023</u> (Unaudited)</b>
Revenue from Health care operations	<b>625,179,496</b>	479,190,790
Revenue from Medical related services	<b>25,219,449</b>	26,558,093
Revenue from Education services	<b>26,252,054</b>	22,331,853
Revenue from IT services	<b>3,682,921</b>	1,324,916
	<b><u>680,333,920</u></b>	<u>529,405,652</u>
	<b>For the three-month period ended 31 <u>March 2024</u> (Unaudited)</b>	<b>For the three-month period ended 31 <u>March 2023</u> (Unaudited)</b>
<i>Timing of revenue recognition</i>		
Point in time	<b>418,308,158</b>	310,534,799
Over time	<b>262,025,762</b>	218,870,853
<b>Revenue from contracts with customers</b>	<b><u>680,333,920</u></b>	<u>529,405,652</u>

**16. EARNINGS PER SHARE**

Basic earnings per share (EPS) is 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.

	<b>For the three- month period ended <u>31 March 2024</u> (Unaudited)</b>	<b>For the three- month period ended <u>31 March 2023</u> (Unaudited)</b>
Profit for the period attributable to ordinary equity holders of the Parent	<b><u>72,722,678</u></b>	<u>72,038,041</u>
Weighted average number of ordinary shares in issue	<b><u>200,000,000</u></b>	<u>200,000,000</u>
Basic and diluted earnings per share	<b><u>0.36</u></b>	<u>0.36</u>

The share issue during the three-month period has been treated as if it had occurred before the beginning of 31 March 2023 as required by IAS 33, "Earnings per share" as follows:



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**16. EARNINGS PER SHARE (continued)**

	<b>For the three- month period ended 31 March 2024 (Unaudited)</b>	<b>For the three- month period ended 31 March 2023 (Unaudited)</b>
Issued ordinary shares at 01 January	<b>10,000,000</b>	10,000,000
Effect of change in par value (note 16.1)	<b>90,000,000</b>	90,000,000
Effect of shares transfer (note 16.1)	<b>100,000,000</b>	100,000,000
Weighted average number of ordinary shares at 31 March	<b>200,000,000</b>	200,000,000

Diluted earnings per share have been computed by dividing the profit attributable to shareholders of the Parent Company by the weighted average number of shares outstanding adjusted for the effects of all dilutive potential ordinary shares. However, the Parent Company does not have any instruments that could potentially dilute earnings per share.

- 16.1 The Parent Company's shareholders in Extraordinary General Assembly Meeting held on 12 Rabi Al Awwal 1445H (corresponding to 27 September 2023), approved amendments to its by-laws including an increase in share capital of SR 100 million through a transfer from the retained earnings (SR 50 million) and statutory reserve (SR 50 million). Accordingly, the share capital of the Parent Company was increased from SR 100 million to SR 200 million and the nominal value per share was reduced from SR 10 per share to SR 1 per share, while maintaining the same ownership percentages of each shareholder of the Parent Company. The legal formalities for such change were completed during the year ended 31 December 2023.

**17. 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 remuneration and compensation comprised of the following:

	<b>31 March 2024</b>	<b>31 March 2023</b>
Short-term employee benefits	<b>4,653,464</b>	4,609,639
Board of Directors' and related committee remuneration	<b>375,663</b>	392,529
Post-employment benefits	<b>227,564</b>	232,358
	<b>5,256,691</b>	5,234,526

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

b) Related party relationships

Name	Relationship
<i><u>Entities with joint control of, or significant influence over, the entity</u></i>	
Fakeeh Academic Medical Centre – Dubai	Under common ownership of the Group's shareholder
Maabar Rehabilitation Centre	Under common ownership of the Group's shareholder
Fakeeh Real Estate Company Limited	Shareholder and under common ownership of the Group's shareholder
Al Solimania United Company Limited	Shareholder and under common ownership of the Group's shareholder
<i><u>The parent</u></i>	
Dr. Mazen Soliman Abdel Kader Fakeeh	Shareholder and President
Mr. Ammar Soliman Abdel Kader Fakeeh	Shareholder
Dr. Manal Soliman Abdel Kader Fakeeh	Shareholder
<i><u>Other related parties</u></i>	
Abdul Bary Mohammed Eid Al-Shawy – Trust	Non - controlling Shareholder of subsidiary
Saudi Arabian Airlines Corporation Group*	Non - controlling Shareholder and its subsidiaries

(\*) *Saudi Airlines Corporation is considered an affiliate of the Group in accordance with the Corporate Governance Regulations.*

c) Related party transactions

<u>Name</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
		<b>31 March 2024</b>	31 March 2023
Fakeeh Academic Medical Centre – Dubai	Interest income	--	11,918,966
	Loan disbursement	--	31,225,151
	Royalty Charges	<b>600,000</b>	--
	SLA Charges	<b>274,197</b>	714,533
	Expenses incurred on behalf of related party	--	909,269
Saudi Arabian Airlines Corporation Group	Revenue	<b>7,805,717</b>	4,303,702
	Expenses incurred on behalf of related party	--	530,692
Dr. Mazen Soliman Abdel Kader Fakeeh	Lease rentals	<b>2,532,259</b>	2,532,259
	Expenses incurred on behalf of the related party	<b>600,692</b>	--

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

c) Related party transactions (continued)

	Lease rentals	<b>2,532,259</b>	2,532,259
Mr. Ammar Soliman Abdel Kader Fakeeh	Expenses incurred on behalf of the related party	<b>332,056</b>	--
	Lease rentals	<b>1,266,130</b>	1,266,130
Dr. Manal Soliman Abdel Kader Fakeeh	Expenses incurred on behalf of the related party	<b>225,274</b>	--

(\*) In 2023, the lease arrangements of the Group were modified with the shareholders to increase the lease periods of the land and building contracts.

d) Related parties closing balances

<u>Name</u>	<u>Closing balance</u>	
	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)
<b><u>Due from related parties – other long-term receivables (non-current)</u></b>		
Fakeeh Academic Medical Centre – Dubai	<b>1,793,021</b>	1,052,395
	<b>1,793,021</b>	1,052,395
<b><u>Due from related parties – (Trade and other receivables)</u></b>		
Saudi Arabian Airlines Corporation Group	<b>27,191,731</b>	37,938,062
Abdul Bary Mohammed Eid Al-Shawy – Trust	<b>2,288,028</b>	2,288,028
Dr. Mazen Soliman Abdel Kader Fakeeh	<b>1,800,968</b>	1,300,807
Mr. Ammar Soliman Abdel Kader Fakeeh	<b>862,553</b>	463,476
Dr. Manal Soliman Abdel Kader Fakeeh	<b>497,314</b>	238,529
	<b>32,640,594</b>	42,228,902
<b><u>Due to related parties – (Accounts payable)</u></b>		
Fakeeh Academic Medical Center – Dubai	--	228,240
Saudi Airlines Real Estate Development Company	<b>33,000</b>	2,175,288
	<b>33,000</b>	2,403,528

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**18. COMMITMENTS AND CONTINGENCIES**

As at 31 March 2024, the Group's bankers have issued letters of guarantee amounting to SR 14.5 million (31 December 2023: SR 13.8 million) out of which SR 14 million (31 December 2023: SR 13.6 million) have been issued on behalf of the Parent's related parties. Remaining SR 0.5 million (31 December 2023: SR 0.2 million) letters of guarantee have been issued by the Group's bankers on behalf of the Group.

As at 31 March 2024, the Group has outstanding letters of credit amounting to SR 56.7 million (31 December 2023: SR 6.2 million) issued by the bank in favor of the Group.

As at 31 March 2024, the Group has commitments for capital work in progress of SR 303.9 million (31 December 2023: SR 329.6 million) mainly relating to construction, renovation and upgradation of buildings.

As at 31 March 2024, there are no significant litigations and claims against the Group.

**19. BUSINESS 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 revenues, 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 three-month period ended 31 March:

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**19. BUSINESS SEGMENTS (continued)**

31 March 2024 (Unaudited)	<u>Reportable Segments</u>				<u>Total</u>
	<u>Medical services</u>	<u>Education</u>	<u>Trading, Retail &amp; Others</u>	<u>Un-Allocated</u>	
Revenues	636,559,505	27,078,952	47,939,612	--	711,578,069
Inter-segment revenue eliminations	(571,802)	(826,898)	(29,845,449)	--	(31,244,149)
<b>Segment revenue</b>	<b>635,987,703</b>	<b>26,252,054</b>	<b>18,094,163</b>	<b>--</b>	<b>680,333,920</b>
Direct costs	(471,016,752)	(13,486,296)	(30,338,934)	--	(514,841,982)
Inter-segment direct costs	571,802	--	22,519,626	--	23,091,428
<b>Segment cost</b>	<b>(470,444,949)</b>	<b>(13,486,296)</b>	<b>(7,819,308)</b>	<b>--</b>	<b>(491,750,554)</b>
Segment gross profit	165,542,754	12,765,758	10,274,855	--	188,583,366
Operating expenses	--	--	--	(85,435,829)	(85,435,829)
Other income	--	--	--	3,854,041	3,854,041
<b>Operating profit</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(81,581,788)</b>	<b>107,001,578</b>
Finance cost	--	--	--	(39,280,401)	(39,280,401)
Zakat	--	--	--	(7,023,151)	(7,023,151)
<b>Profit for the period</b>	<b>165,542,754</b>	<b>12,765,758</b>	<b>10,274,855</b>	<b>(127,885,340)</b>	<b>60,698,026</b>
Segment assets	3,844,494,315	151,290,963	382,193,733	--	4,377,979,011
Segment liabilities	2,825,005,223	84,130,276	145,572,032	--	3,054,707,531

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**19. BUSINESS SEGMENTS (continued)**

31 March 2023 (Unaudited)	Medical services	Education	Reportable Segments		Un-Allocated	Total
			Trading, Retail & Others			
Revenues	487,765,028	22,331,853	39,769,279	--	--	549,866,160
Inter-segment revenue eliminations	--	--	(20,460,508)	--	--	(20,460,508)
<b>Segment revenue</b>	<u>487,765,028</u>	<u>22,331,853</u>	<u>19,308,771</u>	--	--	<u>529,405,652</u>
Direct costs	(360,053,058)	(13,959,190)	(26,528,952)	--	--	(400,541,200)
Inter-segment direct costs	--	--	15,531,559	--	--	15,531,559
<b>Segment cost</b>	<u>(360,053,058)</u>	<u>(13,959,190)</u>	<u>(10,997,393)</u>	--	--	<u>(385,009,641)</u>
Segment gross profit	<u>127,711,970</u>	<u>8,372,663</u>	<u>8,311,378</u>	--	--	<u>144,396,011</u>
Operating expenses	--	--	--	(65,952,946)	--	(65,952,946)
Other income	--	--	--	5,746,098	--	5,746,098
<b>Operating profit</b>	--	--	--	(60,206,848)	--	84,189,163
Finance Income	--	--	--	11,918,966	--	11,918,966
Finance cost	--	--	--	(30,593,413)	--	(30,593,413)
Zakat	--	--	--	(4,991,002)	--	(4,991,002)
<b>Profit for the period</b>	<u>127,711,970</u>	<u>8,372,663</u>	<u>8,311,378</u>	<u>(83,872,297)</u>	--	<u>60,523,714</u>
Segment assets	4,634,217,376	123,497,754	323,283,347	--	--	5,080,998,477
Segment liabilities	2,664,515,629	53,802,444	124,558,026	--	--	2,842,876,099

**20. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability
- Fair value information of the Group's financial instruments is analysed below:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

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**20. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

Level 2: quoted prices inactive markets for similar assets and liabilities or valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

There were no transfers between level 1 and level 3 during the three-month period ended 31 March 2024 (31 December 2023: nil). There were no financial assets or financial liabilities classified under level 2.

There were no changes in valuation techniques during the period.

**21. SUBSEQUENT EVENTS**

DSFH Riyadh

In April 2024, the Parent Company proceeded to fully subscribe for additional 10 million shares in DSFH Riyadh for SR 100 million. This has increased the Parent Company's percentage shareholding from 60.56% to 68.4% and related approvals have been received from regulatory authorities after the period end.

Listing of Parent Company Shares on the Tadawul Primary Market

In June 2024, the Parent Company's increased its Share Capital from 200,000,000 shares to 232,000,000 shares or by SR 32,000,000 through (a) the issuance of 30,000,000 New Shares, which were offered to the public at SR 57.5 for each New Share and (b) 2,000,000 Shares created for the Employee Share Ownership Plan and funded through the capitalization of SR 2,000,000 from the retained earnings of the company. All legal formalities for such increase were completed on 3 June 2024. The Shares of the Parent Company were listed on 5 June 2024 in the Tadawul Primary Market and start trading with the symbol 4017 and ISIN code SA562GSHUOH7.

The related parties' shareholding of Parent Company pre and post offering are:

	<u>Pre-Offering</u>		<u>Post-Offering</u>	
	<u>No. of Shares of SR 1 each</u>	<u>Amount SR</u>	<u>No. of Shares of SR 1 each</u>	<u>Amount SR</u>
Dr. Mazen Soliman Abdel Kader Fakeeh	79,984,000	79,984,000	71,648,800	71,648,800
Mr. Ammar Soliman Abdel Kader Fakeeh	79,984,000	79,984,000	71,648,800	71,648,800
Dr. Manal Soliman Abdel Kader Fakeeh	39,992,000	39,992,000	35,824,400	35,824,400
Fakeeh Real Estate Company Limited (A Saudi Limited Liability Company)	20,000	20,000	20,000	20,000
Al Solimania United Company Limited (A Saudi Limited Liability Company)	20,000	20,000	20,000	20,000
Employee Share Ownership Plan	--	--	2,000,000	2,000,000
Free Float	--	--	50,838,000	50,838,000
	<u>200,000,000</u>	<u>200,000,000</u>	<u>232,000,000</u>	<u>232,000,000</u>

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**21. SUBSEQUENT EVENTS (continued)**

Other than the significant events disclosed above and elsewhere in these condensed consolidated interim financial statements, there have been no other significant subsequent events since the period-end, that would require disclosures or adjustments in these condensed consolidated interim financial statements.

**22. DATE OF AUTHORIZATION FOR ISSUE**

The condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors of Parent Company on 7 July 2024, corresponding to 02 Muharram 1446H.

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Mr. Ammar Fakeeh  
Chairman Board of Directors

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Dr. Mazen Fakeeh  
President

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Mr. Panagiotis Chatziantoniou  
Group Chief Financial Officer