

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

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods ended
30 June 2024
together with the
INDEPENDENT AUDITORS' REVIEW REPORT

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods ended 30 June 2024

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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 30 June 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 30 June 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 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.



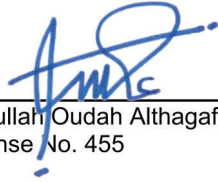
Independent auditor's report on review of condensed consolidated interim financial statements

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 30 June 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, 13 August 2024
Corresponding to 9 Safar 1446H



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
Property and equipment	6	1,696,985,988	1,635,208,564
Right-of-use assets	7	505,705,148	521,234,589
Intangible assets and goodwill	8	542,981,182	544,243,738
Investment properties		438,090	458,719
Prepayments and other non-current assets		70,903,349	49,211,158
Other long-term receivables	9	89,894,727	93,327,252
Non-current assets		2,906,908,484	2,843,684,020
Inventories		176,188,907	163,120,518
Accounts and other receivables	10	871,592,836	745,696,546
Contract assets	10.2	207,912,420	102,314,728
Prepayments and other current assets		220,705,879	162,989,742
Cash and cash equivalents	11	788,949,176	214,295,756
Current assets		2,265,349,218	1,388,417,290
Total assets		5,172,257,702	4,232,101,310
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	232,000,000	200,000,000
Treasury shares	12	(2,000,000)	--
Share premium	12	1,653,473,036	--
Retained earnings		912,454,172	820,255,030
Equity attributable to owners of the Company		2,795,927,208	1,020,255,030
Non-controlling interests		278,854,929	235,219,964
Total equity		3,074,782,137	1,255,474,994
LIABILITIES			
Long-term loans	13	752,000,000	1,196,445,000
Lease liabilities	7	491,400,746	495,866,960
Employees' end of service benefits		240,193,811	219,013,090
Non-current liabilities		1,483,594,557	1,911,325,050
Short-term loans	13	--	493,995,693
Current portion of long-term loans	13	--	30,485,000
Current portion of lease liabilities	7	38,633,321	47,096,049
Accounts payables		381,869,323	275,300,060
Accrued and other current liabilities		177,464,009	193,966,796
Accrued Zakat	14	15,914,355	24,457,668
Current liabilities		613,881,008	1,065,301,266
Total liabilities		2,097,475,565	2,976,626,316
Total equity and liabilities		5,172,257,702	4,232,101,310

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 Joint Stock Company)


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


For the three-month and six-month periods ended 30 June 2024

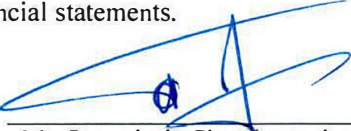
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024	2023	2024	2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	15	654,041,372	545,671,922	1,334,375,292	1,075,077,574
Costs of revenue		(492,166,758)	(419,493,131)	(983,917,312)	(804,502,772)
Gross profit		161,874,614	126,178,791	350,457,980	270,574,802
Other income		10,944,440	1,662,033	14,798,481	7,408,131
General and administrative expenses		(75,298,742)	(50,026,948)	(144,414,005)	(101,613,532)
Selling and marketing expenses		(12,410,630)	(14,393,597)	(25,905,189)	(24,724,959)
Impairment loss on accounts receivables	10.1	(2,794,861)	(3,165,000)	(5,620,869)	(7,200,000)
Operating profit		82,314,821	60,255,279	189,316,398	144,444,442
Finance costs		(34,687,779)	(29,228,192)	(73,968,180)	(59,821,605)
Finance income		--	12,912,497	--	24,831,463
Profit before zakat		47,627,042	43,939,584	115,348,218	109,454,300
Zakat	14	(4,764,664)	(5,340,963)	(11,787,815)	(10,331,965)
Profit for the period		42,862,378	38,598,621	103,560,403	99,122,335
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Re-measurement loss on defined benefit obligations		--	--	--	--
Total comprehensive income for the period		42,862,378	38,598,621	103,560,403	99,122,335
Profit / (loss) for the period attributable to:					
- Owners of the Parent Company		47,466,227	53,917,216	120,188,905	125,955,256
- Non-controlling interests		(4,603,849)	(15,318,595)	(16,628,502)	(26,832,921)
		42,862,378	38,598,621	103,560,403	99,122,335
Total comprehensive income / (loss) for the period attributable to:					
- Owners of the Parent Company		47,466,227	53,917,216	120,188,905	125,955,256
- Non-controlling interests		(4,603,849)	(15,318,595)	(16,628,502)	(26,832,921)
		42,862,378	38,598,621	103,560,403	99,122,335
Earnings per share					
Basic and diluted earnings per share	16	0.23	0.27	0.59	0.63

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 Joint Stock Company)


CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY


For the six-month period ended 30 June 2024


(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Attributed to owners of the parent						Non-controlling interests	Total equity
	Share capital	Treasury shares	Statutory reserves	Share premium	Retained earnings	Total		
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
<u>Total comprehensive income for the period</u>								
Profit for the period	--	--	--	--	125,955,256	125,955,256	(26,832,921)	99,122,335
<u>Transactions with owners</u>								
Dividends declared	--	--	--	--	(50,000,000)	(50,000,000)	--	(50,000,000)
Additional capital contribution	--	--	--	--	--	--	20,442,293	20,442,293
Balance at 30 June 2023 (Unaudited)	100,000,000	--	50,000,000	--	1,823,593,794	1,973,593,794	253,215,022	2,226,808,816
Balance at 1 January 2024 (Audited)	200,000,000	--	--	--	820,255,030	1,020,255,030	235,219,964	1,255,474,994
<u>Total comprehensive income for the period</u>								
Profit for the period	--	--	--	--	120,188,905	120,188,905	(16,628,502)	103,560,403
<u>Transactions with owners</u>								
Share capital increase (note 12)	30,000,000	--	--	1,653,473,036	--	1,683,473,036	--	1,683,473,036
Share capital increase - Employee share ownership program (note 12.2)	2,000,000	--	--	--	(2,000,000)	--	--	--
Treasury shares for Employee share ownership program (note 12.2)	--	(2,000,000)	--	--	2,000,000	--	--	--
Capital contribution by Non-Controlling interest	--	--	--	--	--	--	32,273,704	32,273,704
Effect of capital increase in subsidiary and dilution of NCI (note 5.2)	--	--	--	--	(27,989,763)	(27,989,763)	27,989,763	--
Balance at 30 June 2024 (Unaudited)	232,000,000	(2,000,000)	--	1,653,473,036	912,454,172	2,795,927,208	278,854,929	3,074,782,137

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 Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS (UNAUDITED)

For six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
Cash flows from operating activities			
Profit before zakat		115,348,218	109,454,300
Adjustments for:			
- Depreciation on property and equipment	6	46,583,583	45,301,726
- Depreciation on right-of-use assets	7.1	26,594,442	22,509,802
- Amortization		3,258,649	3,057,546
- Depreciation on investment properties		20,629	27,506
- Provision for employee's end of service benefits		30,158,270	19,321,323
- Impairment loss on accounts receivables	10.1	5,620,869	7,200,000
- Gain on disposal of property and equipment		(367,005)	(1,295,978)
- Discounting impact of DAAM scholarship program		(1,631,902)	(914,820)
- Finance costs		73,968,180	59,821,605
		299,553,933	264,483,010
<i>Changes in operating assets and liabilities:</i>			
- Inventories		(13,068,389)	(17,387,540)
- Accounts and other receivables		(131,517,159)	(40,489,220)
- Contract asset		(105,597,692)	5,696,448
- Other long-term receivables		5,064,427	(4,518,978)
- Prepayments and other current assets		(56,974,343)	(142,649,937)
- Accounts payables		106,569,264	16,025,472
- Accrued and other current liabilities		825,836	42,274,966
Cash generated from operating activities		104,855,877	123,434,221
Interest paid		(74,322,831)	(42,229,237)
Employees' end of service benefits paid		(8,977,549)	(11,286,683)
Zakat paid	14	(20,331,128)	(14,909,586)
Net cash generated from operating activities		1,224,369	55,008,715
Cash flows from investing activities:			
Additions to property and equipment	6	(108,435,580)	(206,579,529)
Additions to intangible assets	8	(1,996,094)	(1,119,798)
Long-term advances to suppliers		(22,433,986)	(16,411,459)
Additions to other long-term receivables		--	(90,730,544)
Proceeds from disposal of property and equipment		441,578	8,384,193
Net cash used in investing activities		(132,424,082)	(306,457,137)
Cash flows from financing activities:			
Capital contribution by NCI		32,273,704	20,442,293
Net proceeds from the issue of ordinary shares		1,683,473,036	--
Repayment of lease liabilities	7.2	(40,967,914)	(18,152,300)
Dividend paid		--	(19,996,000)
Proceeds from long-term loans		80,000,000	552,904,866
Repayment of long-term loans		(554,930,000)	(9,019,950)
Net movement in short term loans		(493,995,693)	(484,019,942)
Net cash generated from financing activities		705,853,133	42,158,967
Net increase / (decrease) in cash and cash equivalents		574,653,420	(209,289,455)
Cash and cash equivalents at beginning of the period		214,295,756	316,762,024
Cash and cash equivalents at the end of the period	11	788,949,176	107,472,569

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

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS (UNAUDITED) (continued)

For six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
Major non-cash transactions:			
Addition to right-of-use assets and lease liabilities	7	11,065,001	--
Zakat charge	14	11,787,815	10,331,965
Borrowing cost capitalized	6.4	5,691,813	2,339,772
Transfers from Capital Work In Progress		26,358,920	11,275,044

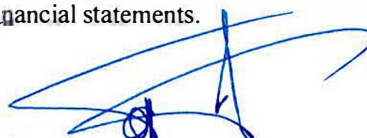
The accompanying notes 1 to 22 form an integral part of these condensed consolidated interim financial statements.



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 Joint Stock Company)

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

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

1. GENERAL

Dr. Soliman Abdel Kader Fakeeh Hospital Company (the “Parent Company”) is a Saudi Joint Stock Company formed under the laws of the Kingdom of Saudi Arabia and is registered in the Commercial Registry in Jeddah under No. 4030014511 on 11 Rabi II 1398H (20 March 1978). The Parent Company was converted from a Sole Proprietorship to a Saudi closed Joint Stock Company under the Ministerial Decision No. 28 dated 1 Safar 1433H (corresponding to 26 December 2011) approving the announcement of the establishment of Dr. Soliman Abdel Kader Fakeeh Hospital Company (A Saudi “closed Joint Stock Company”). On 28 Duhl Qadah 1445H (corresponding to 5 June 2024) the Parent Company completed its Initial Public Offering (“IPO”) and its shares were listed on Tadawul Primary Market, and started trading with the symbol 4017 and ISIN code SA562GSHUOH7 accordingly the Company was converted from Saudi “Closed Joint Stock Company” to Saudi “Joint Stock Company”.

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

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

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 19).

As at 30 June 2024, the Group has investments in the following subsidiaries:

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

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

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

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

1. GENERAL (continued)

<u>Name of subsidiaries</u>	<u>Effective holding</u>		<u>Principal activities</u>
	<u>2024</u>	<u>2023</u>	
Al Toor Medical Services Company (“Al Toor”)	51%	51%	Healthcare service provider
Saudi Airlines Company for Medical Services (“SMS”)	75%	75%	Healthcare service provider
Al-Faraj Pharmaceutical Medical Company (“Al-Faraj”)	89.82%	89.82%	Trading in pharmaceutical products
Advanced Horizon Contracting Company (“AHC”)	100%	100%	Construction and contracting
Golden Union Medical Company (“GUMC”)	100%	100%	Emergency medical services
Dr. Soliman Fakeeh Hospital Medical Company (“DSFH Riyadh”)	68.36%	60.56%	Healthcare service provider
White Lines Medical Company (“WLMC”)	74.25%	74.25%	Trading in pharmaceutical products
Fakeeh Vision Company Limited (“FVCL”)	100%	100%	Trading of spectacles and cosmetics
Dr. Soliman Abdel Kader Fakeeh Home Health Care Company (“FHHC”)	100%	--	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 six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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 30 June 2024, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 six-month period ended 30 June 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.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning after the following date</u>
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.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning after the following date</u>
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.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning after the following date</u>
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

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

For the six-month period ended 30 June 2024

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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.

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 had made payments aggregating to SR 151.5 million to the shareholders of Rana Medical Services Company and had 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 further 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:

	<u>29 October 2022</u>
Provisional net assets acquired	316,174,228
<u>Adjustment on finalization of PPA:</u>	
Intangible assets	26,697,000
Final net assets acquired	<u>342,871,228</u>

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5. ACQUISITION OF A SUBSIDIARY (continued)

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

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:

	<u>Provisional purchase price allocation</u>	<u>Adjustment</u>	<u>Final purchase price allocation</u>
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>
Goodwill	<u>159,996,762</u>	<u>(45,028,884)</u>	<u>114,967,878</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 said consideration was finalized between the shareholders of 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.

5.2 In April 2024, the Parent Company completed the subscription of 10 million additional shares, par value of SR 10 each, of DSFH Riyadh totaling SR 100 million. Consequently, the Parent Company’s shareholding percentage increased from 60.56% to 68.4% and the non-controlling interest increased by SR 28 million, due to the related net asset value being lower than the par value.

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6. PROPERTY AND EQUIPMENT

6.1 Reconciliation of carrying amounts:

	30 June 2024 (Unaudited)	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	108,435,580	372,394,211
Transfer from right-of-use asset (note 7)	--	51,559,232
Disposals during the period / year	(74,573)	(2,655,171)
Depreciation charge for the period / year	(46,583,583)	(89,174,996)
Carrying amount at the end of the period / year	1,696,985,988	1,635,208,564

6.2 Category-wise carrying amounts are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Land	290,978,446	290,842,046
Buildings and leasehold improvements	760,220,645	754,088,647
Medical and support equipment	264,340,487	248,389,678
Furniture and fixtures	28,399,867	30,359,162
Motor vehicles	9,056,050	10,007,590
Office equipment	7,573,657	7,114,926
Computers	36,656,351	35,675,403
Capital work-in-progress (note 6.3)	299,760,485	258,731,112
	1,696,985,988	1,635,208,564

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 / (year) ended 30 June 2024, an amount of SR 5.7 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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>Cost:</u>		
Balance at the beginning of the period / year	679,477,313	516,749,092
Additions during the period / year	11,065,001	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)
Balance at the end of the period / year	690,542,314	679,477,313

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

7.1 Right-of-use assets (continued)

a) Reconciliation of carrying amounts (continued)

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>Accumulated depreciation:</u>		
Balance at the beginning of the period / year	158,242,724	124,775,556
Depreciation charge for the period / year	26,594,442	51,244,273
Transfer to property and equipment	--	(5,089,050)
Terminations for the period / year	--	(12,688,055)
Balance at the end of the period / year	184,837,166	158,242,724
Carrying Amounts at the end of the period / year	505,705,148	521,234,589

7.2 Lease liabilities

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period / year	542,963,008	401,484,950
Additions during the period / year	11,065,001	124,835,186
Interest expenses for the period / year	16,973,972	32,835,521
Modifications	--	111,039,914
Terminations	--	(4,214,329)
Payments during the period / year	(40,967,914)	(123,018,233)
Balance at the end of the period / year	530,034,067	542,963,009

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Non-current portion of lease liabilities	491,400,746	495,866,960
Current portion of lease liabilities	38,633,321	47,096,049
	530,034,067	542,963,009

8. INTANGIBLE ASSETS AND GOODWILL

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Goodwill	488,816,378	488,816,378
Medical licenses	22,247,500	23,582,350
Customer relationships	19,400,865	20,156,743
Computer software	10,520,345	8,728,618
Software under development	1,996,094	2,959,649
	542,981,182	544,243,738

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9. OTHER LONG-TERM RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Non-current portion of receivables under DAAM scholarship Program	<u>89,894,727</u>	<u>93,327,252</u>
	<u>89,894,727</u>	<u>93,327,252</u>

10. ACCOUNTS AND OTHER RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables	962,168,304	851,003,721
Trade receivables - related parties (note 17)	<u>40,895,038</u>	<u>28,861,862</u>
	1,003,063,342	879,865,583
Less: allowance for impairment losses	<u>(131,470,506)</u>	<u>(134,169,037)</u>
	<u>871,592,836</u>	<u>745,696,546</u>

10.1 The movement of allowance for impairment losses is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the period / year	134,169,037	133,494,607
Provision for impairment losses during the period / year	5,620,869	11,345,180
Written-off during the period / year	<u>(8,319,400)</u>	<u>(10,670,750)</u>
Balance at end of the period / year	<u>131,470,506</u>	<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.

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash in hand	1,726,945	1,501,738
Cash at banks - current accounts	186,722,231	96,294,018
Short-term deposits	600,500,000	116,500,000
	<u>788,949,176</u>	<u>214,295,756</u>

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

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

12. SHARE CAPITAL

As at 30 June 2024, the share capital of the Parent Company comprised of 232 million shares at a nominal value of SR 1 per share (31 December 2023: 200 million shares).

In June 2024, the Parent Company increased its Share Capital from 200 million shares to 232 million shares through (a) issuance of 30 million New Shares offered in Initial Public Offering at the subscription price of SR 57.5 and (b) issuance of 2 million New Shares for Employee Share Ownership Plan funded through the capitalization of SR 2 million from the retained earnings. The legal formalities for such increase were completed on 3 June 2024 and subsequently the shares of the Parent Company were listed on 5 June 2024 in the Tadawul Primary Market (note 1).

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

	<u>Pre-Offering</u>		<u>Post-Offering</u>	
	<u>No. of Shares</u>	<u>Amount SR</u>	<u>No. of Shares</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 (note 12.2)	--	--	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>

- 12.1 The Parent Company has paid total dividends of nil during the period ended 30 June 2024 (31 December 2023: SR 1,150 million).

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12. SHARE CAPITAL (continued)

12.2 Employee Share Ownership Plan

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

13. LOANS AND BORROWINGS

Non-current portion

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at end of the period / year	<u>752,000,000</u>	<u>1,196,445,000</u>

Current portion

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Short term loans	--	493,995,693
Current portion of long-term loans	--	30,485,000
Balance at end of the period / year	--	<u>524,480,693</u>
Total loan	<u>752,000,000</u>	<u>1,720,925,693</u>

13.1 Loans from local banks

The group is financed through facilities from local banks which include both long-term and short-term loans. These facilities are Sharia compliant and are subject to Saudi Arabia interbank Offered Rate "SIBOR" plus a margin. The group is subject to certain bank covenants which are fully compliant at the reporting date. The loans carry interest at prevailing market rates and a long-term loan of SR 370 million is secured against the mortgage of hospital land.

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the period / year	1,720,925,693	1,848,002,440
Proceeds during the period / year	1,249,500,000	2,195,195,259
Payments made during the period / year	(2,218,425,693)	(2,322,272,006)
Balance at end of the period / year	<u>752,000,000</u>	<u>1,720,925,693</u>

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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:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Charge for the period	11,787,815	10,331,965

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the period / year	24,457,668	17,176,450
Charge for current period / year	11,787,815	22,689,988
Payments during the period / year	(20,331,128)	(15,408,770)
Balance at end of the period / year	15,914,355	24,457,668

c) Status of assessments

All the below companies have filed their Zakat return for the years up to 31 December 2023 and received unrestricted Zakat certificates up to the same periods.

<u>Company name</u>	<u>Financial years open for Zakat assessment</u>
Dr. Soliman Abdel Kader Fakeeh Hospital Company	2019 - 2023
Al-Farabi Special Health Care Company Limited	2018, 2020-2023
Dr. Soliman Qader Fakeeh Information Technology Company (Formerly, Kameda Arabia Company Limited)	2018-2023
Dr. Soliman Abdel Kader Fakeeh Family Medicine Centers	2018-2023
Dr. Soliman Abdel Kader Fakeeh Medical Education Company Limited	2018-2019, 2021-2023
Dr. Mazen Fakeeh Complementary Health Care Company Limited	2018-2023
Al Toor Medical Services Company	2018, 2020, 2022 & 2023
Saudi Airlines Company for Medical Services	2018-2023
Al-Faraj Pharmaceutical Medical Company	2018-2023
Advanced Horizon Contracting Company	2021-2023
Golden Union Medical Company	2021-2023
Dr. Soliman Fakeeh Hospital Medical Company	2018-2023
Dr. Soliman Abdel Kader Fakeeh Home Health Care Company	2023

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14. ZAKAT (continued)

Dr. Soliman Abdel Kader Fakeeh Hospital Company

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 30 June 2024.

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:

	For the six- month period ended 30 June 2024 (Unaudited)	For the six-month period ended 30 June 2023 (Unaudited)
Revenue from Health care operations	1,215,231,866	972,223,952
Revenue from Medical related services	55,371,864	50,329,394
Revenue from Education services	53,538,491	44,869,348
Revenue from IT services	10,233,071	7,654,880
	1,334,375,292	1,075,077,574
	For the six- month period ended 30 June 2024 (Unaudited)	For the six-month period ended 30 June 2023 (Unaudited)
Timing of revenue recognition		
Point in time	827,668,726	615,024,753
Over time	506,706,566	460,052,821
Revenue from contracts with customers	1,334,375,292	1,075,077,574

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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.

	For the three- month period ended 30 June 2024 (Unaudited)	For the three- month period ended 30 June 2023 (Unaudited)	For the six- month period ended 30 June 2024 (Unaudited)	For the six- month period ended 30 June 2023 (Unaudited)
Profit for the period attributable to ordinary equity holders of the Parent	47,466,227	53,917,216	120,188,905	125,955,256
Weighted average number of ordinary shares in issue	204,285,715	200,000,000	204,285,715	200,000,000
Basic and diluted earnings per share	0.23	0.27	0.59	0.63

16.1 Weighted-average number of ordinary shares

	30 June 2024
Issued shares at 1 January	200,000,000
Effect of shares issued in June (note 12)	4,571,429
Effect of treasury shares (note 12.2)	(285,714)
Weighted average number of shares as at 30 June 2024	204,285,715

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 Company, its 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:

	30 June 2024	30 June 2023
Short-term employee benefits	8,733,572	12,513,805
Board of Directors' and related committee remuneration	745,581	768,434
Post-employment benefits	418,343	425,564
	9,897,496	13,707,803

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17. RELATED PARTY TRANSACTIONS AND BALANCES

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
<i><u>The parent and shareholders</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
	Shareholder and 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
<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>	
		30 June 2024	30 June 2023
	Interest income	--	14,982,155
	Loan disbursement	--	74,875,139
Fakeeh Academic Medical Centre – Dubai	Expenses incurred on behalf of related party	394,711	--
	Royalty Charges	1,200,000	--
	SLA Charges	600,000	1,429,065
Saudi Arabian Airlines Corporation Group	Revenue	21,911,228	16,070,699
	Expenses incurred on behalf of related party	2,161,339	1,733,532
Dr. Mazen Soliman Abdel Kader Fakeeh	Lease rentals *	2,532,259	2,532,259
	Advances from shareholder	26,800,000	--
Mr. Ammar Soliman Abdel Kader Fakeeh	Lease rentals *	2,532,259	2,532,259
	Expenses incurred on behalf of related party	332,056	--
	Advances from shareholder	26,800,000	--
Dr. Manal Soliman Abdel Kader Fakeeh	Lease rentals *	1,266,130	1,266,130
	Expenses incurred on behalf of related party	225,274	--
	Advances from shareholder	13,400,000	--
Abdul Bary Mohammed Eid Al-Shawy - Trust	Additional contribution from NCI	32,273,704	20,442,293

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

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17 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

d) Related party closing balances

<u>Name</u>	<u>Closing balance</u>	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>Due from related parties – other long-term receivables (non-current)</u>		
Fakeeh Academic Medical Centre – Dubai	3,263,589	1,052,395
<u>Due from related parties – (Trade and other receivables)</u>		
Saudi Arabian Airlines Corporation Group	37,664,334	37,938,062
Abdul Bary Mohammed Eid Al-Shawy – Trust	13,160,962	2,288,028
Dr. Mazen Soliman Abdel Kader Fakeeh	2,540,956	1,300,807
Mr. Ammar Soliman Abdel Kader Fakeeh	1,362,618	463,476
Dr. Manal Soliman Abdel Kader Fakeeh	562,502	238,529
	55,291,372	42,228,902
<u>Due to related parties – (Accounts payable)</u>		
Fakeeh Academic Medical Center – Dubai	--	228,240
Saudi Airlines Real Estate Development Company	32,885	2,175,288
	32,885	2,403,528

18. COMMITMENTS AND CONTINGENCIES

As at 30 June 2024, the Group's bankers have issued letters of guarantee amounting to SR 17.5 million (31 December 2023: SR 13.8 million) out of which SR 17.3 million (31 December 2023: SR 13.6 million) have been issued on behalf of the Group's related parties. Remaining SR 0.2 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 30 June 2024, the Group has outstanding letters of credit amounting to SR 89.4 million (31 December 2023: SR 6.2 million) issued by the bank in favor of the Group.
- As at 30 June 2024, the Group has commitments for capital work in progress of SR 295.4 million (31 December 2023: SR 329.6 million) mainly relating to construction, renovation and upgradation of buildings.
- As at 30 June 2024, there are no significant litigations and claims against the Group.

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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.

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 six-month period ended 30 June:

30 June 2024 (Unaudited)	<u>Reportable Segments</u>				<u>Total</u>
	<u>Medical services</u>	<u>Education</u>	<u>Trading, Retail & Others</u>	<u>Un-Allocated</u>	
Revenues	1,238,395,563	55,170,393	99,256,401	--	1,392,822,357
Inter-segment revenue eliminations	--	(1,631,902)	(56,815,163)	--	(58,447,065)
Segment revenue	1,238,395,563	53,538,491	42,441,238	--	1,334,375,292
Direct costs	(937,955,079)	(28,182,186)	(62,880,115)	--	(1,029,017,380)
Inter-segment direct costs	--	--	45,100,068	--	45,100,068
Segment cost	(937,955,079)	(28,182,186)	(17,780,047)	--	(983,917,312)
Segment gross profit	300,440,484	25,356,305	24,661,191	--	350,457,980
Operating expenses	--	--	--	(170,319,194)	(170,319,194)
Impairment loss on accounts receivables	(4,031,010)	(840,000)	(749,859)	(5,620,869)	(5,620,869)
Other income	--	--	--	14,798,481	14,798,481
Operating profit	--	--	--	(161,141,582)	189,316,398
Finance cost	--	--	--	(73,968,180)	(73,968,180)
Zakat	--	--	--	(11,787,815)	(11,787,815)
Profit for the period	300,440,484	25,356,305	24,661,191	(246,897,577)	103,560,403
Segment assets	4,603,826,769	114,098,106	454,332,827	--	5,172,257,702
Segment liabilities	1,863,544,094	39,388,000	165,047,610	29,495,861	2,097,475,565

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(Expressed in Saudi Arabian Riyals, unless otherwise stated)

19. BUSINESS SEGMENTS (continued)

30 June 2023 (Unaudited)	<u>Reportable Segments</u>				<u>Total</u>
	<u>Medical services</u>	<u>Education</u>	<u>Trading, Retail & Others</u>	<u>Un-Allocated</u>	
Revenues	998,001,268	45,280,545	73,127,313	--	1,116,409,126
Inter-segment revenue eliminations	--	--	(41,331,552)	--	(41,331,552)
Segment revenue	<u>998,001,268</u>	<u>45,280,545</u>	<u>31,795,761</u>	<u>--</u>	<u>1,075,077,574</u>
Direct costs	(765,753,138)	(25,793,357)	(48,439,514)	--	(839,986,009)
Inter-segment direct costs	35,483,237	--	--	--	35,483,237
Segment cost	<u>(730,269,901)</u>	<u>(25,793,357)</u>	<u>(48,439,514)</u>	<u>--</u>	<u>(804,502,772)</u>
Segment gross profit	<u>267,731,367</u>	<u>19,487,188</u>	<u>(16,643,753)</u>	<u>--</u>	<u>270,574,802</u>
Operating expenses	--	--	--	(126,338,491)	(126,338,491)
Impairment loss on accounts receivables	(6,100,000)	(600,000)	(500,000)	(7,200,000)	(7,200,000)
Other income	--	--	--	7,408,131	7,408,131
Operating profit	--	--	--	(126,130,360)	144,444,442
Finance Income	--	--	--	24,831,463	24,831,463
Finance cost	--	--	--	(59,821,605)	(59,821,605)
Zakat	--	--	--	(10,331,965)	(10,331,965)
Profit for the period	<u>267,731,367</u>	<u>19,487,188</u>	<u>(16,643,753)</u>	<u>(171,452,467)</u>	<u>99,122,335</u>
Segment assets	4,745,173,250	109,357,218	434,941,003	--	5,289,471,471
Segment liabilities	2,857,546,238	34,796,108	129,567,333	40,841,126	3,062,750,805

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.

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 six-month period 30 June 2024 (31 December 2022: 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

On August 7th, the Board of Directors of Dr. Soliman Abdel Kader Fakeeh Hospital Company approved to following corporate actions regarding the subsidiary company - Dr. Soliman Fakeeh Hospital Medical Company ("DSFH Riyadh"):

- A reduction of Share Capital by an amount up to SR 335 million through the absorption of an equal amount of accumulated losses; and
- A Share Capital increase of SR 250 million, through the issuance of 25 million new shares with nominal value SR 10 per each share, to be completed by September 2024.

All existing shareholders will participate on a pro-rata basis in the SR 250 million share capital increase. As a result, the Parent Company's ownership of 68.36% of the share capital of DSFH Riyadh will remain unchanged.

22. DATE OF AUTHORIZATION FOR ISSUE

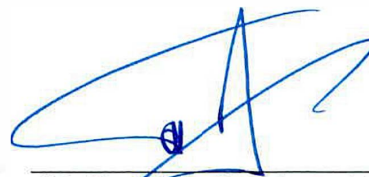
The condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors of Parent Company on 7 August 2024, corresponding to 3 Safar 1446H.



Mr. Ammar Fakeeh
Chairman Board of Directors



Dr. Mazen Fakeeh
President



Mr. Panagiotis Chatziantoniou
Group Chief Financial Officer