

**ARABIAN INTERNATIONAL HEALTHCARE  
HOLDING COMPANY AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**Condensed Consolidated Interim Financial Statements (Unaudited)**  
**For the six-month period ended 30 June 2025**  
together with  
**Independent Auditor's Report**  
**On Review of Condensed Consolidated Interim Financial Statements**

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS  
SUBSIDIARIES**

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2025

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<b><i>INDEX</i></b>	<b><i>PAGE</i></b>
Independent auditor's report on review of the condensed consolidated interim financial statements	1 – 2
Condensed consolidated statement of financial position	3 – 4
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7 – 8
Notes to the condensed consolidated interim financial statements	9 – 31



## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

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

To the Shareholders of Arabian International Healthcare Holding Company and its Subsidiaries (A Saudi Joint Stock Company)

## Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial statements of **Arabian International Healthcare Holding Company ("the Company") and its subsidiaries ("the Group")** which comprises:

- the condensed consolidated statement of financial position as at 30 June 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2025; 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.



**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS  
SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2025

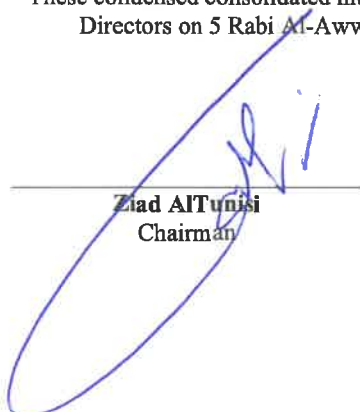
		<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	29,059,636	32,225,957
Right-of-use assets	8	41,925,687	39,913,179
Intangible assets		7,480,105	8,626,970
Goodwill	7	19,385,649	19,385,649
Equity-accounted investees	5	69,544,752	76,378,232
Investment in finance lease		1,294,271	3,042,524
<b>Total non-current assets</b>		<b>168,690,100</b>	<b>179,572,511</b>
<b>Current assets</b>			
Current portion of investment in finance lease		2,160,568	611,734
Inventories, net	9	375,182,213	293,922,998
Trade receivables, net	10	739,539,274	734,574,786
Contract assets	11	1,700,000	-
Prepayments and other current assets	12	45,773,209	57,432,333
Amounts due from related parties	14	9,129,743	4,135,942
Cash and cash equivalents	13	98,682,480	80,633,684
<b>Total current assets</b>		<b>1,272,167,487</b>	<b>1,171,311,477</b>
<b>Total assets</b>		<b>1,440,857,587</b>	<b>1,350,883,988</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	200,000,000	200,000,000
Additional capital contribution	16	100,000,000	-
Statutory reserve		-	23,916,614
Other reserve		23,916,614	-
Treasury share reserve	15	(8,069,083)	(8,069,083)
Cashflow hedging reserve	20	-	(369,402)
Retained earnings		4,280,033	28,569,918
<b>Equity attributable to shareholders of the company</b>		<b>320,127,564</b>	<b>244,048,047</b>
Non-controlling interest	17	34,114,221	48,677,050
<b>Total equity</b>		<b>354,241,785</b>	<b>292,725,097</b>
<b>Non-current liabilities</b>			
Employee defined benefit liabilities	18	28,390,616	27,986,174
Loan and borrowings	19	104,000,000	145,000,000
Non-current portion of lease liabilities	8	37,549,096	34,794,717
Non-current portion of contract liabilities	22	17,106,039	32,247,329
Derivative liabilities, net	20	277,560	369,402
<b>Total non-current liabilities</b>		<b>187,323,311</b>	<b>240,397,622</b>

The accompanying notes 1 to 38 form an integral part of these condensed consolidated interim financial statements.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS  
SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
As at 30 June 2025

		<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
	<i>Notes</i>		
<b>Current liabilities</b>			
Trade and notes payables	21	312,910,851	303,782,247
Provisions	24	21,694,315	20,995,220
Dividend payable	25	2,250,000	-
Accrued expenses and other current liabilities	23	109,655,399	94,094,924
Amounts due to related parties	14	4,488,323	11,361,918
Current portion of contract liabilities	22	66,379,471	68,869,420
Current portion of lease liabilities	8	5,984,568	5,854,043
Current portion of loans and borrowings	19	369,000,000	302,396,295
Zakat payable	31	6,929,564	10,407,202
<b>Total current liabilities</b>		<b>899,292,491</b>	<b>817,761,269</b>
<b>Total liabilities</b>		<b>1,086,615,802</b>	<b>1,058,158,891</b>
<b>Total equity and liabilities</b>		<b>1,440,857,587</b>	<b>1,350,883,988</b>

These condensed consolidated interim financial statements shown on pages 3 to 31 were approved by the Board of Directors on 5 Rabi Al-Awwal 1447H (corresponding to 28 August 2025) and signed on their behalf by:

  
**Ziad AlTunisi**  
Chairman

  
**Christophe Yvon Lala**  
Chief Executive Officer

  
**Wael Aref**  
Chief Financial Officer


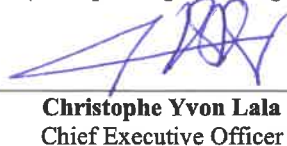

The accompanying notes 1 to 38 form an integral part of these condensed consolidated interim financial statements.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS  
SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

For the six-month period ended 30 June 2025 (Unaudited)

		30 June 2025 SR (Unaudited)	30 June 2024 SR (Unaudited)
	Notes		
Revenue	26	348,855,908	274,096,735
Cost of revenue	27	(269,362,768)	(212,133,521)
<b>Gross profit</b>		<b>79,493,140</b>	<b>61,963,214</b>
Selling and marketing expenses	28	(46,129,121)	(38,428,445)
General and administrative expenses		(33,233,579)	(33,211,130)
Impairment loss on trade receivables and contract assets	10,11	(1,700,092)	(6,803,917)
Impairment of Goodwill		-	(23,833,459)
Other income		5,438,170	6,983,414
Other expense		(3,943,308)	(2,763,141)
Share of loss from equity-accounted investees	5	(3,379,891)	(588,615)
<b>Operating loss</b>		<b>(3,454,681)</b>	<b>(36,682,079)</b>
Finance charges		(18,420,533)	(18,147,197)
Finance income	29	1,974,504	3,561,437
Reversal and change in fair value of contingent consideration		-	24,123,095
<b>Loss before zakat</b>		<b>(19,900,710)</b>	<b>(27,144,744)</b>
Zakat charge	31	(6,702,004)	(6,009,153)
<b>Loss for the period</b>		<b>(26,602,714)</b>	<b>(33,153,897)</b>
<b>Other comprehensive loss</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Movement in fair value of cash flow hedges	20	369,402	2,556,496
<b>Total comprehensive loss for the period</b>		<b>(26,233,312)</b>	<b>(30,597,401)</b>
<b>Loss attributable to:</b>			
Equity holders of the parent		(24,289,885)	(31,813,616)
Non-controlling interests	17	(2,312,829)	(1,340,281)
		<b>(26,602,714)</b>	<b>(33,153,897)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the parent		(23,920,483)	(29,257,120)
Non-controlling interests	17	(2,312,829)	(1,340,281)
		<b>(26,233,312)</b>	<b>(30,597,401)</b>
<b>Loss per share</b>			
Basic and diluted loss per share	30	(1.23)	(1.61)

These condensed consolidated interim financial statements shown on pages 3 to 31 were approved by the Board of Directors on 5 Rabi Al-Awwal 1447H (corresponding to 28 August 2025)) and signed on their behalf by:

 <b>Ziad AlTunisi</b> Chairman	 <b>Christophe Yvon Lala</b> Chief Executive Officer	 <b>Wael Aref</b> Chief Financial Officer
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The accompanying notes 1 to 38 form an integral part of these condensed consolidated interim financial statements.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)

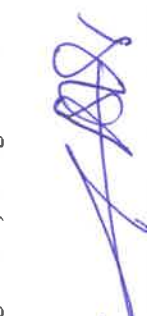

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2025 (Unaudited)

	Share capital SR	Additional capital contribution SR	Statutory reserve SR	Other reserve* SR	Retained earnings* SR	Treasury share reserves SR	Cashflow hedging reserve SR	Total SR	Non-controlling Interests SR	Total equity SR
<b>As at 1 January 2025 (Audited)</b>	200,000,000	-	23,916,614	-	28,569,918	(8,069,083)	(369,402)	244,048,047	48,677,050	292,725,097
Loss for the period	-	-	-	-	(24,289,885)	-	-	(24,289,885)	(2,312,829)	(26,602,714)
Other comprehensive income	-	-	-	-	-	-	369,402	369,402	-	369,402
Total comprehensive (loss)/income for the period	-	-	-	-	(24,289,885)	-	369,402	(23,920,483)	(2,312,829)	(26,233,312)
Dividend (Note 25)	-	-	-	-	-	-	-	-	(12,250,000)	(12,250,000)
Transfer between statutory and other reserve*	-	-	(23,916,614)	23,916,614	-	-	-	-	-	-
Additional capital contribution (Note 16)	-	100,000,000	-	-	-	-	-	100,000,000	-	100,000,000
<b>As at 30 June 2025 (Unaudited)</b>	200,000,000	100,000,000	-	23,916,614	4,280,033	(8,069,083)	-	320,127,564	34,114,221	354,241,785
<b>As at 1 January 2024 (Audited)</b>	200,000,000	-	23,916,614	-	93,337,283	(8,069,083)	(2,593,075)	306,591,739	52,856,685	359,448,424
Loss for the period	-	-	-	-	(31,813,616)	-	-	(31,813,616)	(1,340,281)	(33,153,897)
Other comprehensive income	-	-	-	-	-	-	2,556,496	2,556,496	-	2,556,496
Total comprehensive (loss)/income for the period	-	-	-	-	(31,813,616)	-	2,556,496	(29,257,120)	(1,340,281)	(30,597,401)
<b>As at 30 June 2024 (Unaudited)</b>	200,000,000	-	23,916,614	-	61,523,667	(8,069,083)	(36,579)	277,334,619	51,516,404	328,851,023

\*The transfer from statutory reserve to other reserve has been made by the management in accordance with the amended By-Laws, as aligned with new companies law through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022), which removes the mandatory requirement to maintain a statutory reserve.

These condensed consolidated interim financial statements shown on pages 3 to 31 were approved by the Board of Directors on 5 Rabi Al-Awwal 1447H (corresponding to 28 August 2025) and signed on their behalf by:

 <b>Ziad AlTunisi</b> Chairman	 <b>Christophe Yvon Lala</b> Chief Executive Officer
 <b>Wael Aref</b> Chief Financial Officer	

The accompanying notes 1 to 38 form an integral part of these condensed consolidated interim financial statements.



**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS**  
For the six-month period ended 30 June 2025 (Unaudited)

	<i>Notes</i>	<b>30 June 2025</b> <b>SR</b> <b>(Unaudited)</b>	<b>30 June 2024</b> <b>SR</b> <b>(Unaudited)</b>
<b>OPERATING ACTIVITIES</b>			
Loss for the period		<b>(26,602,714)</b>	<b>(33,153,897)</b>
<i>Adjustments for:</i>			
Provision for employee defined benefit liabilities	<i>18</i>	<b>3,136,764</b>	2,955,946
Depreciation of property and equipment and right of use assets	<i>6 &amp; 8</i>	<b>7,590,498</b>	6,852,328
Charge of provision for net realizable value loss	<i>9</i>	<b>1,898,055</b>	336,610
Accrued interest for leases	<i>8</i>	<b>1,257,520</b>	1,213,708
Amortization of intangible assets		<b>1,146,865</b>	1,576,973
Share of loss from equity accounted investees	<i>5</i>	<b>3,379,891</b>	588,615
Reversal and change in fair value of contingent consideration		-	(24,123,095)
Impairment loss on Goodwill		-	23,833,459
Zakat expense	<i>31</i>	<b>6,702,004</b>	6,009,153
Change in fair value of derivative instrument	<i>20</i>	<b>277,560</b>	-
Interest income on finance lease	<i>29</i>	<b>(1,008,573)</b>	(1,085,110)
Loss on derecognition of property and equipment		-	1,088
Impairment loss on trade receivables and contract assets	<i>10 , 11</i>	<b>1,700,092</b>	6,803,917
		<b>(522,038)</b>	<b>(8,190,305)</b>
<i>Changes in operating assets and liabilities:</i>			
Inventories, net		<b>(83,157,270)</b>	<b>(62,738,390)</b>
Trade receivables, net		<b>(6,664,580)</b>	81,272,014
Contract assets, net		<b>(1,700,000)</b>	4,854,364
Prepayments and other current assets		<b>11,659,124</b>	6,740,436
Related parties' balances, net		<b>(11,867,396)</b>	(9,387,788)
Trade and notes payables		<b>9,128,604</b>	(23,329,748)
Accrued expenses and other current liabilities		<b>16,259,570</b>	(20,749,996)
Contract liabilities		<b>(17,631,239)</b>	25,991,607
		<b>(84,495,225)</b>	<b>(5,537,806)</b>
Employee defined benefit liabilities paid	<i>18</i>	<b>(2,732,322)</b>	(809,447)
Zakat paid	<i>31</i>	<b>(10,179,642)</b>	(11,633,578)
<b>Net cash used in operating activities</b>		<b>(97,407,189)</b>	<b>(17,980,831)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment	<i>6</i>	<b>(873,266)</b>	(1,267,224)
Proceeds on disposal of property and equipment		-	1,000
Proceeds from investment against finance lease		<b>1,207,992</b>	1,107,368
Dividend received from equity accounted investee	<i>5</i>	<b>3,453,589</b>	3,512,672
Acquisition of a branch, net of cash		-	(9,937,821)
<b>Net cash generated from / (used in) investing activities</b>		<b>3,788,315</b>	<b>(6,584,005)</b>

The accompanying notes 1 to 38 form an integral part of these condensed consolidated interim financial statements.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS (CONTINUED)**  
For the six-month period ended 30 June 2025 (Unaudited)

	<i>Notes</i>	<b>30 June 2025 SR (Unaudited)</b>	<b>30 June 2024 SR (Unaudited)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from short-term loans	19	266,500,000	91,000,000
Repayment of short-term loans	19	(128,396,295)	(58,500,000)
Repayment of Long-term loans	19	(12,500,000)	(12,500,000)
Payment of lease liabilities	8	(3,936,035)	(2,008,440)
Dividends paid	33	(10,000,000)	-
<b>Net cash generated from financing activities</b>		<b>111,667,670</b>	<b>17,991,560</b>
<b>Change in cash and cash equivalents</b>		<b>18,048,796</b>	<b>(6,573,276)</b>
Cash and cash equivalents at beginning of the period	13	80,633,684	82,383,154
<b>Cash and cash equivalents at end of the period</b>	13	<b>98,682,480</b>	<b>75,809,878</b>
<b><u>Non-cash transactions:</u></b>			
Change in fair value of cash flow hedges	20	-	2,556,496

These condensed consolidated interim financial statements shown on pages 3 to 31 were approved by the Board of Directors on 5 Rabi Al-Awwal 1447H (corresponding to 28 August 2025) and signed on their behalf by:

  
**Ziad Al-Tunisi**  
Chairman

  
**Christophe Yvon Lala**  
Chief Executive Officer

  
**Wael Aref**  
Chief Financial Officer

The accompanying notes 1 to 38 form an integral part of these condensed consolidated interim financial statements.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

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**1. ACTIVITIES**

Arabian International Healthcare Holding Company (the “Company”) (trading as Tibbiyah) is a Saudi Joint Stock Company, registered in Riyadh, Kingdom of Saudi Arabia under commercial registration numbered 1010380429 dated 10 Sha’aban 1434H (corresponding to 19 June 2013). The Company and its subsidiaries together are referred to as (“the Group”).

The Group is engaged in the import, export, wholesale, and retail trade of medical and surgical equipment, hospital supplies, laboratory systems, and related products. Its activities include the distribution and maintenance of medical devices, imaging equipment, prosthetics, dental and veterinary equipment, and cosmetic products. Additionally, the Group provides medical care and cosmetic surgery treatments, along with software and hardware solutions for healthcare applications. The Group also deals in pharmaceuticals and nutritional supplements, supporting the broader healthcare sector.

The registered office of the Group is located at the following address:

Qurtubah District  
Business Gate, Building No. 9  
P.O. Box 62961  
Riyadh 11595  
Kingdom of Saudi Arabia

The subsidiaries included in the condensed consolidated interim financial statements are as follows:

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Effective shareholding %</i>
Al Faisaliah Medical Systems Company	Kingdom of Saudi Arabia	100
International Medical Supplies Company	Kingdom of Saudi Arabia	100
International Healthcare Optimization Company	Kingdom of Saudi Arabia	100
Health Care Technologies Company	Kingdom of Saudi Arabia	100
Alhammad Medical Services Company	Kingdom of Saudi Arabia	100
Innovative Healthcare Company Holdings Limited	United Arab Emirates	51

The Group has the following branches and the assets, liabilities and results of operations of the branches are included in these consolidated financial statements.

<b><u>Branch location</u></b>	<b><u>C.R Number</u></b>	<b><u>Date</u></b>
Jeddah	4030280314	13 Rabi Thani 1436H (corresponding to 2 February 2015)
Khobar	2051062515	17 Sha’aban 1437H (corresponding to 24 May 2016)
Jeddah	4030280313	13 Rabi Thani 1436H (corresponding to 2 February 2015)
Khobar	2051060081	22 Rabi Thani 1436H (corresponding to 11 February 2015)
Jeddah	4030280345	15 Rabi Thani 1436H (corresponding to 4 February 2015)
Khobar	2051060082	22 Rabi Thani 1436H (corresponding to 11 February 2015)
Jeddah	4030280342	15 Rabi Thani 1436H (corresponding to 4 February 2015)
Khobar	2051062516	17 Sha’aban 1437H (corresponding to 24 May 2016)
Riyadh	1010441566	28 Rabi Thani 1438H (corresponding to 26 January 2017)
Riyadh	1010355640	11 Muharram 1434H (corresponding to 25 November 2012)
Riyadh	1010442812	12 Jumada Thani 1437H (corresponding to 21 March 2016)
Riyadh	1010690800	17 Rajab 1442H (corresponding to 1 March 2021)

The Company is owned 75% by Advanced Drugs Company for Pharmaceuticals. The Ultimate Parent Company is Al Faisaliah Group Holding Company.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

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**2. BASIS OF PREPARATION**

**2.1 Statement of Compliance**

These condensed consolidated interim financial statements have been prepared for the six-month period ended 30 June 2025 ("Condensed Consolidated Interim Financial Statements") in accordance with requirements of IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with annual financial statements as at 31 December 2024.

The condensed consolidated interim financial statements do not include all the information required for the full financial in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS endorsed in KSA"). However, the condensed consolidated interim financial statements include some disclosures to explain some material events and transactions in order to understand the changes in the Group's financial position and performance since the last annual financial statements.

**2.2 Basis of measurement**

The condensed consolidated interim financial statements have been prepared in accordance with the historical cost basis, except for the following items:

- The provision for employees' end-of-service benefits that are measured at present value using the projected unit credit method.
- Derivative financial instruments that are measured at fair value.
- Contingent consideration measured at fair value.

Further, the condensed consolidated interim financial statements are prepared using the accrual basis of accounting and the going concern concept.

**2.3 Functional and presentation currency**

The condensed consolidated interim financial statements of the Group are presented in Saudi Riyals (SR) which is the Group's functional currency.

**2.4 New- standards and amendments issued:**

**Currently effective standards**

The following are the new currently effective requirements which are effective for annual periods beginning after 1 January 2025. These requirements do not have any material impact in these condensed consolidated interim financial statements.

Effective date	New standards or amendments
1 January 2025	<i>Lack of exchangeability – Amendments to IAS 21</i>

**IFRS issued but not yet effective and amendments to standards**

Following are the forthcoming requirements to standards which are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted them in preparing these condensed consolidated interim financial statements.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

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

**2.4 New standards and amendments issued: (continued)**

Effective date	New standards or amendments
01 January 2026	Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7
	Contracts referencing nature-dependent electricity – Amendments to IFRS 9 and IFRS 7
	Annual improvements to IFRS Accounting Standards – Volume 11
01 January 2027	IFRS 18 Presentation and disclosure in financial statements
	IFRS 19 Subsidiaries without Public accountabilities: Disclosures.
Available for early adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

**3 USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA for the year ended 31 December 2024. For the assumptions used in estimating liability of employees defined benefit liabilities, it has been assumed that there is no change in the assumptions which were used for determining the liability for Group's annual consolidated financial statements as at 31 December 2024.

**4 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies applied on these condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS endorsed in KSA. These accounting policies are the same accounting policies applied on the financial statements for the Group which were prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia as at the financial year ended 31 December 2024.

**5 INVESTMENT IN EQUITY ACCOUNTED INVESTEEES**

	<i>Ownership</i>		<i>Carrying value as at</i>	
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>%</i>	<i>%</i>	<i>SR</i>	<i>SR</i>
			<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Investment in Joint Venture</i>				
Philips Healthcare Saudi Arabia Limited	<b>50%</b>	50%	<b>50,491,031</b>	51,595,893
Genalive Medical Company Limited	<b>50%</b>	50%	<b>19,053,721</b>	24,782,339
			<b><u>69,544,752</u></b>	<u>76,378,232</u>

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**5 INVESTMENT IN EQUITY ACCOUNTED INVESTEEES (CONTINUED)**

**a) *Philips Healthcare Saudi Arabia Limited (PHC)***

The investment in a joint venture pertains to a 50% holding in Philips Healthcare Saudi Arabia Limited (the “Joint Venture”), which is incorporated in the Kingdom of Saudi Arabia.

The principal activities of the Joint Venture are importing, installing, repairing and leasing of medical devices and equipment, providing training services and technical support related to the medical devices and equipment, information technology and software. The Joint Venture is accounted for using the equity method in these condensed consolidated interim financial statements.

Summarized below are the financial information in respect of the Group's share in the Joint Venture. The summarized financial information below represents amounts shown in the Joint Venture's financial statements prepared in accordance with IFRS Accounting Standards as endorsed in Kingdom of Saudi Arabia.

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Current assets	<b>460,474,260</b>	400,203,071
Non-current assets	<b>14,448,890</b>	15,002,231
Current liabilities	<b>(344,904,995)</b>	(233,330,622)
Non-current liabilities	<b>(29,885,657)</b>	(79,569,104)
Net assets	<b>100,132,498</b>	102,305,576
Adjustments to net assets*	<b>849,564</b>	886,210
Adjusted net assets	<b>100,982,062</b>	103,191,786
Group's share in Joint Venture's net assets – 50% (2024: 50%)	<b>50,491,031</b>	51,595,893

\*The adjustments to net assets pertain to zakat expense and income tax expense to arrive at the base amount used for the calculation of the Group's share in the Joint Venture.

Summary of the financial performance of the Joint Venture during the period ended 30 June are as follows:

	<b>30 June 2025 SR (Unaudited)</b>	<b>30 June 2024 SR (Unaudited)</b>
Revenue	<b>163,412,262</b>	164,843,491
Total comprehensive income	<b>4,680,141</b>	8,004,099
Adjusted Group's share in Joint Venture's profit – 50% (2024: 50%)	<b>2,348,727</b>	4,456,267
Dividends received from Joint Venture during the period	<b>3,453,589</b>	3,512,672

Movement during the period / year:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
As at 1 January	<b>51,595,893</b>	54,737,156
Share of profit of joint venture	<b>2,348,727</b>	5,152,381
Share of OCI of joint venture	-	(551,523)
Dividend received	<b>(3,453,589)</b>	(7,742,121)
As at period / year end	<b>50,491,031</b>	51,595,893

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**5 INVESTMENT IN EQUITY ACCOUNTED INVESTEEs (CONTINUED)**

**b) Genalive Medical Company Limited**

The investment in a joint venture pertains to a 50% holding in Genalive Medical Company (the “Joint Venture”), which is incorporated in the Kingdom of Saudi Arabia.

The principal activities of the Company is to provide clinical laboratory testing services and genetic testing services to hospitals, research institutes, medical centers and clinics for both the public and private sectors. The Joint Venture is accounted for using the equity method in these condensed consolidated interim financial statements.

Summarized below are the financial information in respect of the Group's share in the Joint Venture. The summarized financial information below represents amounts shown in the Joint Venture's financial statements prepared in accordance with IFRS accounting standards as endorsed in Kingdom of Saudi Arabia.

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Current assets	24,822,242	21,722,511
Non-current assets	54,671,588	58,776,841
Current liabilities	(34,550,346)	(24,072,435)
Non-current liabilities	(7,248,042)	(7,274,239)
Net assets	37,695,442	49,152,678
Group's share in Joint Venture's net assets – 50% (2024: 50%)	18,847,721	24,576,339
Initial Direct Cost incurred at acquisition	206,000	206,000
Investment as at period / year end	<u>19,053,721</u>	<u>24,782,339</u>

	<b>30 June 2025 SR (Unaudited)</b>	<b>30 June 2024 SR (Unaudited)</b>
Revenue	5,061,500	5,249,968
Loss for the period	(11,457,236)	(10,089,765)
Group's share in Joint Venture's loss – 50% (2024: 50%)	<u>(5,728,618)</u>	<u>(5,044,882)</u>

Movement during the period / year:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
As at 1 January	24,782,339	35,639,037
Share in OCI	-	51,983
Share of loss of joint venture	(5,728,618)	(10,908,681)
As at period / year end	<u>19,053,721</u>	<u>24,782,339</u>

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**6 PROPERTY AND EQUIPMENT**

	<i>Leasehold improvements SR</i>	<i>Machinery and tools SR</i>	<i>Furniture and fixtures SR</i>	<i>Office equipment SR</i>	<i>Computer hardware SR</i>	<i>Motor vehicles SR</i>	<i>Total SR</i>
<i>Cost:</i>							
As at 1 January 2025	26,723,189	53,714,765	6,023,072	1,784,198	3,593,209	5,626,490	97,464,923
Additions	77,725	409,952	-	222,284	163,305	-	873,266
<b>As at 30 June 2025 (Unaudited)</b>	<b>26,800,914</b>	<b>54,124,717</b>	<b>6,023,072</b>	<b>2,006,482</b>	<b>3,756,514</b>	<b>5,626,490</b>	<b>98,338,189</b>
<i>Accumulated Depreciation:</i>							
As at 1 January 2025	13,004,833	37,304,326	5,235,576	1,516,263	2,628,189	5,549,779	65,238,966
Charge for the period	912,899	2,674,758	153,551	51,314	204,518	42,547	4,039,587
<b>As at 30 June 2025 (Unaudited)</b>	<b>13,917,732</b>	<b>39,979,084</b>	<b>5,389,127</b>	<b>1,567,577</b>	<b>2,832,707</b>	<b>5,592,326</b>	<b>69,278,553</b>
<i>Net book value:</i>							
<b>As at 30 June 2025 (Unaudited)</b>	<b>12,883,182</b>	<b>14,145,633</b>	<b>633,945</b>	<b>438,905</b>	<b>923,807</b>	<b>34,164</b>	<b>29,059,636</b>



**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2025 (Unaudited)

**6 PROPERTY AND EQUIPMENT (CONTINUED)**

	<i>Leasehold improvements SR</i>	<i>Machinery and tools SR</i>	<i>Furniture and fixtures SR</i>	<i>Office equipment SR</i>	<i>Computer hardware SR</i>	<i>Motor vehicles SR</i>	<i>Total SR</i>
<i>Cost:</i>							
As at 1 January 2024	22,331,420	51,748,094	5,004,699	1,386,239	2,686,889	3,966,285	87,123,626
Additions	405,769	1,782,780	450,136	21,190	780,560	-	3,440,435
Acquisition through business combination	3,986,000	3,309,483	568,237	376,769	131,035	1,660,205	10,031,729
Disposals	-	(3,125,592)	-	-	(5,275)	-	(3,130,867)
As at 31 December 2024 ( <i>Audited</i> )	<u>26,723,189</u>	<u>53,714,765</u>	<u>6,023,072</u>	<u>1,784,198</u>	<u>3,593,209</u>	<u>5,626,490</u>	<u>97,464,923</u>
<i>Accumulated Depreciation:</i>							
As at 1 January 2024	11,073,799	32,953,741	4,492,299	1,058,988	2,211,529	3,828,754	55,619,110
Charge for the year	1,931,034	5,716,555	296,935	105,686	347,839	86,667	8,484,716
Acquisition through business combination	-	207,816	446,342	351,589	69,135	1,634,358	2,709,240
Disposals	-	(1,573,786)	-	-	(314)	-	(1,574,100)
As at 31 December 2024 ( <i>Audited</i> )	<u>13,004,833</u>	<u>37,304,326</u>	<u>5,235,576</u>	<u>1,516,263</u>	<u>2,628,189</u>	<u>5,549,779</u>	<u>65,238,966</u>
<i>Net book value:</i>							
As at 31 December 2024 ( <i>Audited</i> )	<u>13,718,356</u>	<u>16,410,439</u>	<u>787,496</u>	<u>267,935</u>	<u>965,020</u>	<u>76,711</u>	<u>32,225,957</u>

Depreciation expense is allocated as follows:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
<b>Allocation of depreciation expense</b>		
Cost of sales	<b>1,174,468</b>	2,434,042
Selling and marketing expenses	<b>1,238,577</b>	2,786,082
General and administrative expenses	<b>1,626,542</b>	3,264,592
	<b><u>4,039,587</u></b>	<u>8,484,716</u>

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**7 GOODWILL**

	Note	30 June 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Gross amount of Goodwill as at 1 January		130,250,458	127,672,108
Addition due to acquisition of branch in Innovative Care Trading Company during the period/ year		-	2,578,350
Accumulated Impairment loss of Goodwill related to Innovative Healthcare Holding Ltd	7.1	(110,864,809)	(110,864,809)
Closing Net amount of Goodwill as at 30 June / 31 December		<u>19,385,649</u>	<u>19,385,649</u>

**7.1 Impairment of goodwill**

For the purpose of impairment testing, goodwill is allocated to the Group's acquired subsidiary Innovative Healthcare Holding Ltd and branch of Innovative Care Trading Company, which represent the lowest level of Cash Generating Units (CGU) within the Group at which the goodwill is monitored for internal management purposes. During the period impairment test was carried out by management for each CGU.

The carrying amount relating to Branch of Innovative Care Trading Company was found to be lower than the recoverable amount, determined on the basis of value-in-use calculation.

An impairment loss was recognised in relation to goodwill acquired on Innovative Healthcare Holding Ltd as follows:

	30 June 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Accumulated impairment loss as at 1 January	110,864,809	17,200,000
Impairment loss during the period / year	-	93,664,809
Accumulated impairment loss as at 30 June / 31 December	<u>110,864,809</u>	<u>110,864,809</u>

The recoverable amount of this CGU was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of the CGU. The recoverable amount of the CGU was determined to be higher than its carrying amount of SR 49.1 million and no impairment loss was recognised during the period ended 30 June 2025.

The budgeted annual revenue growth is projected to average 13% over the next three years, leading to an anticipated average EBITDA growth of 49% during the budgeted period. This growth is primarily driven by the planned recruitment of new doctors and the implementation of targeted marketing campaigns.

The key assumptions used in the estimation of value in use are discount rates, terminal value growth rates and EBITDA growth rate. These assumptions are as follows:

	Discount rate		Terminal value growth rate		Budgeted EBITDA growth	
	2025	2024	2025	2024	2025	2024
Innovative Healthcare Holding Ltd	17%	17%	2%	2%	49%	45%

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

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**7 GOODWILL (CONTINUED)**

**7.1 Impairment of goodwill (Continued)**

**a) Discount rate**

A post-zakat discount rate of 17% was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience, and industry average weighted-average cost of capital.

**b) Terminal value growth rate**

Cash flows were projected based on past experience, actual operating results and the three-year business plan as of 2024. Cash flows up to perpetuity were extrapolated using a constant growth rate of 2% to perpetuity, which does not exceed the long-term average growth rate for the industry.

**c) Budgeted EBITDA growth**

Budgeted EBITDA is expressed as the compound annual growth rates in the initial three years of the plan used for impairment testing and has been based on past experience adjusted for the following:

- Projections for the years 2025 to 2027 have been based on the management's plan to recoup the performance of the company in prior periods,
- Revenue is assumed to grow by 13% from 2025 to 2027 which is in line with the forecasts included in the industry reports.
- Direct costs are expected to increase in line with revenue growth. Other costs are projected to increase in line with inflation.

**8 LEASES**

The Group has lease contracts for building used in its operations. Information about assets for which the Group is a lessee is presented below:

	<i><b>Right of use 30 June 2025 SR (Unaudited)</b></i>	<i><b>Right of use 31 December 2024 SR (Audited)</b></i>
<i>Cost:</i>		
As at 1 January	<b>58,647,485</b>	55,478,136
Additions during the period / year	<b>5,563,419</b>	6,214,216
Derecognition of right-of-use assets	<b>-</b>	(3,044,867)
As at period / year end	<b>64,210,904</b>	58,647,485
<i>Depreciation:</i>		
As at 1 January	<b>18,734,306</b>	15,111,230
Charge for the period / year	<b>3,550,911</b>	6,667,943
Derecognition of right-of-use assets	<b>-</b>	(3,044,867)
As at period / year end	<b>22,285,217</b>	18,734,306
<i>Net book value:</i>		
At period / year end	<b>41,925,687</b>	39,913,179

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**8 LEASES (CONTINUED)**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
<b>Allocation of depreciation expense</b>		
Selling and marketing expenses	<b>1,106,633</b>	2,317,376
General and administrative expenses	<b>2,444,278</b>	4,350,567
	<b>3,550,911</b>	6,667,943

Amounts recognized in statement of profit or loss and other comprehensive income:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Interest on lease liabilities	<b>1,257,520</b>	2,470,318

Set out below are the carrying amounts of lease liabilities and the movements during the period / year:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
As at 1 January	<b>40,648,760</b>	38,716,876
Additions during the period / year	<b>5,563,419</b>	6,214,216
Accrued interest	<b>1,257,520</b>	2,470,318
Payments during the period / year	<b>(3,936,035)</b>	(6,752,650)
As at period / year end	<b>43,533,664</b>	40,648,760

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Non-current portion	<b>37,549,096</b>	34,794,717
Current portion	<b>5,984,568</b>	5,854,043

Amounts recognized in statement of cash flows

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Total cash outflow for leases	<b>3,936,035</b>	6,752,650

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**8 LEASES (CONTINUED)**

Following is the maturity analysis of leases:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
<b><u>Minimum lease payments</u></b>		
Not later than one year	<b>8,613,630</b>	7,639,630
Later than one year and not later than five years	<b>20,293,900</b>	22,656,220
More than five years	<b>22,560,000</b>	21,450,000
	<b>51,467,530</b>	51,745,850
Less: future finance charges	<b>(7,933,866)</b>	(11,097,090)
Present value of minimum lease payments	<b>43,533,664</b>	40,648,760

**9 INVENTORIES, NET**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Goods held for sale and in relation to projects in progress	<b>380,479,885</b>	308,227,644
Goods in transit	<b>16,618,501</b>	5,880,236
Spare parts	<b>1,557,863</b>	1,391,099
	<b>398,656,249</b>	315,498,979
Less: Allowance for net realizable value loss	<b>(23,474,036)</b>	(21,575,981)
	<b>375,182,213</b>	293,922,998

Movement of the allowance for net realizable value loss is as follows:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Opening	<b>21,575,981</b>	10,198,344
Due to acquisition of subsidiary	-	12,026,517
Provision during the period/year	<b>1,898,055</b>	2,366,292
Write-off during the period/year	-	(3,015,172)
Closing	<b>23,474,036</b>	21,575,981

**10 TRADE RECEIVABLES, NET**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Gross amount of trade receivables	<b>806,692,790</b>	800,028,210
Less: Allowance for expected credit losses	<b>(67,153,516)</b>	(65,453,424)
Trade receivables, net	<b>739,539,274</b>	734,574,786

The average credit period on sales of goods is 90 to 120 days. No interest is charged on outstanding trade receivables.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**10 TRADE RECEIVABLES, NET (CONTINUED)**

Below is the movement of allowance for expected credit losses of trade receivables at period/year end:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
At beginning of the period / year	<b>65,453,424</b>	36,994,715
Due to acquisition through business combination	-	11,603,304
Provision during the period / year	<b>1,700,092</b>	17,678,540
Written off during the period / year	-	(823,135)
At the end of the period / year	<b>67,153,516</b>	65,453,424

**11 CONTRACT ASSETS**

Amounts relating to contract assets are balances under various projects that arise when the Group performs services which have not been invoiced to the customer as at the reporting date. These amounts will be transferred to trade receivables when they are invoiced to the customer.

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Gross contract assets	<b>1,700,000</b>	-
Less: Allowance for expected credit losses	-	-
Net contract assets	<b>1,700,000</b>	-

Below is the movement of allowance for expected credit losses of contract assets at period/year end.

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
At the beginning of the period / year	-	71,927
Reversal during the period / year	-	(71,927)
At the end of the period / year	-	-

**12 PREPAYMENTS AND OTHER CURRENT ASSETS**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Advances to suppliers	<b>26,468,138</b>	28,994,738
Other receivables	<b>6,278,007</b>	11,894,680
Dividend receivable from joint venture	<b>1,959,625</b>	4,103,228
Claims receivable	<b>6,951,329</b>	7,731,153
Prepaid expenses	<b>4,116,110</b>	4,708,534
	<b>45,773,209</b>	57,432,333

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**13 CASH AND CASH EQUIVALENTS**

	<i>30 June</i> <i>2025</i> <i>SR</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2024</i> <i>SR</i> <i>(Audited)</i>
Short term deposits*	<b>30,000,000</b>	-
Overdraft	-	(761,093)
Cash at bank	<b>68,452,580</b>	81,252,092
Cash in hand	<b>229,900</b>	142,685
	<b><u>98,682,480</u></b>	<b><u>80,633,684</u></b>

\* These deposits had maturity terms of less than three months and hence, considered part of cash and cash equivalents. The deposits earn profit at an average rate of 5.45% per annum.

**14 RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties of the Group include its shareholders and their affiliated companies where the Group or its shareholders have control, joint control or significant influence. In the ordinary course of business, the Group enters transactions with related parties, which are based on mutually agreed prices and contract terms approved by the management of the Group. The following are the details of major transactions with related parties during the period and period end balances:

<u>Related party</u>	<u>Nature of transactions</u>	<i>Amount of transactions</i> <i>30 June</i> <i>2025</i> <i>(Unaudited)</i>	<i>30 June</i> <i>2024</i> <i>(Unaudited)</i>
Genalive Medical Company (Joint Venture)	Payment made to related party	<b>4,600,000</b>	1,277,477
	Purchases made from related party	-	121,284
Al Faisaliah Group Holding Company ("Ultimate Parent Company")	Purchase of services from Ultimate Parent Company	<b>5,217,578</b>	3,849,197
	Interest cost on loan and borrowings	<b>4,387,491</b>	7,014,869
	Payments made to Ultimate Parent Company	<b>14,085,289</b>	20,650,941
	Loan received from Ultimate Parent Company	<b>125,000,000</b>	40,000,000
	Loan repaid to Ultimate Parent Company	<b>78,500,000</b>	35,000,000
	Loan waived by Ultimate Parent Company	<b>100,000,000</b>	-
Philips Healthcare Saudi Arabia Limited (Joint venture)	Royalty income	<b>5,309,891</b>	5,400,733
	Dividend received	<b>3,453,589</b>	3,512,672
	Payments made to related party against purchase of goods	<b>2,332,652</b>	7,242,305
	Purchase of goods from related party	<b>687,967</b>	4,767,996

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**14 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

Amounts due from and to related parties are as follows:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
<i>Amounts due from related parties:</i>		
Genalive Medical Company Limited	<b>4,600,000</b>	-
Philips Healthcare Saudi Arabia Limited	<b>4,529,743</b>	4,135,942
	<b>9,129,743</b>	4,135,942
<i>Amounts due to related parties:</i>		
Al Faisaliah Group Holding Company	<b>4,013,960</b>	8,494,180
Genalive Medical Company Limited	-	748,690
Philips Healthcare Saudi Arabia Limited	<b>474,363</b>	2,119,048
	<b>4,488,323</b>	11,361,918

The amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received. No amount has been expensed in the current period for expected credit loss in respect of amounts owed by related parties. Compensation paid to key management personnel during the period, in the form of short-term benefits, was SR 3,410,171 (2024: SR 4,201,716).

**15 SHARE CAPITAL**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
20,000,000 shares of SR 10 each	<b>200,000,000</b>	<b>200,000,000</b>

As at 30 June 2025 and 31 December 2024, the share capital of the Company amounting to SR 200,000,000 is divided into 20,000,000 shares of SR 10 each and is owned by the following shareholders:

<b>Shareholders</b>	<b>Number of Shares</b>	<b>Face Value of shares in SR</b>	<b>% of shareholding</b>
Advanced Drug Company for Pharmaceuticals	15,000,000	150,000,000	75.00
Institutional & other Investors	4,790,000	47,900,000	23.95
Arabian International Healthcare Holding Company*	210,000	2,100,000	1.05
	<b>20,000,000</b>	<b>200,000,000</b>	<b>100</b>

On 25 Jamada Al Awwal 1443H (corresponding to 29 December 2021), the Authority announced the approval to offer 5,000,000 shares for public subscription representing 25% of Company's shares.

\* The Company passed a resolution in its extra ordinary general meeting dated 29 June 2023 to buy-back its 210,000 number of its ordinary shares in accordance with Article 12 from Part 4 of Chapter 1 of the 'Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies at the market price. The Company will issue a share-based payment plan to its employees. The Company purchased 210,000 treasury shares for a consideration of SR 8,069,083.

**16 ADDITIONAL CAPITAL CONTRIBUTION**

During the period, the Company received an additional capital contribution from its ultimate parent company through the waiver of an outstanding loan amounting to SAR 100 million.

The amount has been recognized directly in equity. No impact has been recorded in the statement of profit or loss.



**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**17 NON-CONTROLLING INTEREST**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Non-current assets	49,195,352	53,104,700
Current assets	69,786,015	82,311,709
Non-current liabilities	(21,237,155)	(21,707,366)
Current liabilities	(28,123,355)	(14,368,125)
<b>Net assets</b>	<b>69,620,857</b>	<b>99,340,918</b>
<b>Net assets attributable to NCI</b>	<b>34,114,221</b>	<b>48,677,050</b>
Revenue	33,361,435	75,143,217
Loss during the period / year	(4,719,187)	(8,530,741)
<b>Loss allocated to NCI</b>	<b>(2,312,829)</b>	<b>(4,179,635)</b>
Below is the movement during the period / year:		
At beginning of the period / year	48,677,050	52,856,685
Dividend paid during the period	(12,250,000)	-
Share of loss during the period / year	(2,312,829)	(4,179,635)
<b>At the end of the period / year</b>	<b>34,114,221</b>	<b>48,677,050</b>

**18 EMPLOYEE DEFINED BENEFIT LIABILITIES**

The movement of employee defined benefit liabilities for the year is as follows:

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
At beginning of the period / year	27,986,174	24,097,566
Acquisition of subsidiary	-	4,049,146
Expense for the period / year	3,136,764	5,125,946
Paid during the period / year	(2,732,322)	(3,001,949)
Remeasurement gain during the period / year	-	(2,284,535)
<b>At end of the period / year</b>	<b>28,390,616</b>	<b>27,986,174</b>

**19 LOANS AND BORROWINGS**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Current portion of long-term loans from Ultimate Parent Company	12,500,000	25,000,000
Refinance loans from Ultimate Parent Company	104,000,000	145,000,000
Short-term loans from Banks	356,500,000	277,396,295
	<b>473,000,000</b>	<b>447,396,295</b>
Non-current portion	104,000,000	145,000,000
Current portion	369,000,000	302,396,295

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**19 LOANS AND BORROWINGS (CONTINUED)**

- 19.1** The Group has unsecured roll-over loans of SR 104,000,000 (2024: SR 145,000,000) from Ultimate Parent Company to finance its working capital requirements and at agreed commercial rates (SAIBOR +1.50%). Commission on the loans and borrowings from Ultimate Parent Company during 2024 for short term loans is SR 4,099,001 (30 June 2024: SR 5,656,738). The Group has the right to roll over the loan facility and hence reclassified as long term in accordance with updated guidance under IAS 1.
- 19.2** The Group obtained long term loan of SR 100,000,000 in 2020 from ultimate parent Company. Loan amounting to SR 12.5 million was repaid during the period. The commission is fixed at 3.65% on the loan and is payable on quarterly basis with first instalment paid on 28 April 2021 and last instalment due on 31 October 2025. Commission on the long term loan is SR 377,674 (30 June 2024: SR 845,329)
- 19.3** The Group has increased short term loans from banks by SR 79,103,705 at a commission rate of SAIBOR +1.5%. Commission on the loans from banks is SR 10,092,720 (30 June 2024: SR 10,431,422)

All the above loans are shariah compliant.

**20 DERIVATIVE FINANCIAL INSTRUMENT, NET**

During the year ended 31 December 2024, the Group's hedged loan facility amounting to SAR 130 million was fully revoked, following a waive-off of SAR 100 million loan amount from the Ultimate Parent Co.. As a result, the related interest rate swap contract, previously designated as a cash flow hedge, ceased to qualify for hedge accounting under IFRS 9. Consequently, the full amount of the previously recognized cash flow hedge reserve of SAR 369,402 was reclassified to profit or loss within finance costs. The interest rate swap continues to be held by the Group and is now accounted for as a standalone derivative measured at fair value through profit or loss.

The following table detail the notional principal amounts and fair values of the derivative financial instruments outstanding as at the reporting date:

<b>Interest rate swap contract</b>	<b>Current</b>	<b>Non-Current</b>	
	<i>Asset / (Liabilities) at fair value SR</i>	<i>Asset / (Liabilities) at fair value SR</i>	<i>Notional amount SR</i>
<b>30 June 2025 (Unaudited)</b>	-	(277,560)	130,000,000
31 December 2024 (Audited)	-	(369,402)	130,000,000

**21 TRADE AND NOTES PAYABLES**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 Dec 2024 SR (Audited)</b>
Trade payable	269,982,086	242,157,983
Notes payable	42,928,765	61,624,264
	<b>312,910,851</b>	<b>303,782,247</b>

No interest is charged on trade payables. The Group has financial risk management policies disclosed in note 36 to the consolidated financial statements in place to ensure that all payables are paid within the credit timeframe.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**21 TRADE AND NOTES PAYABLES (CONTINUED)**

The Group participates in a supplier finance arrangement under which its suppliers may elect to receive payment directly from a bank on the due date. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers payment on the due date of the invoices.

The Group has not derecognized the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

All payables under the arrangement are classified as current as at 30 June 2025 and 31 December 2024. Additional information about the Group's trade payables is provided below:

	<b>30 Jun 2025 (Unaudited)</b>	<b>31 Dec 2024 (Audited)</b>
<b>Carrying amount of financial liabilities</b>		
Presented in trade and other payables of which suppliers have received payment from finance provider	<b>42,928,765</b>	<b>61,624,264</b>
<b>Range of payment due dates (in Days)</b>		
Liabilities that are part of the arrangements	<b>180 – 360</b>	<b>240 – 270</b>
Comparable trade payables that are not part of the arrangements	<b>90 – 180</b>	<b>150 – 180</b>

**22 CONTRACT LIABILITIES**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Advances from customers	<b>49,625,748</b>	68,553,768
Unearned warranty revenue	<b>33,859,762</b>	32,562,981
	<b>83,485,510</b>	101,116,749
Non-current portion	<b>17,106,039</b>	32,247,329
Current portion	<b>66,379,471</b>	68,869,420

**23 ACCRUED EXPENSE AND OTHER LIABILITIES**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Accrued expenses	<b>80,770,267</b>	69,203,913
Accrued salaries and related expenses	<b>13,711,471</b>	11,997,179
Accrued Interest	<b>3,332,344</b>	2,197,513
Deferred consideration	-	4,975,000
Other payables	<b>11,841,317</b>	5,721,319
	<b>109,655,399</b>	94,094,924

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**24 PROVISIONS**

	<i>30 June 2025 SR (Unaudited)</i>	<i>31 December 2024 SR (Audited)</i>
Penalties from customers	18,694,315	17,995,220
Warranty and installation	3,000,000	3,000,000
	<u>21,694,315</u>	<u>20,995,220</u>

	<i>30 June 2025 SR (Unaudited)</i>	<i>31 December 2024 SR (Audited)</i>
Opening	20,995,220	34,962,073
Due to acquisition of subsidiary	-	4,209,169
Provision during the period/year	9,653,718	14,395,059
Penalties paid during the period/year	(8,954,623)	(10,883,863)
Payment for customs case	-	(21,687,218)
Closing	<u>21,694,315</u>	<u>20,995,220</u>

**25 DIVIDEND PAYABLE**

On 29 June 2025, the subsidiary, Innovative Healthcare Company Holdings Limited, declared a dividend for the financial year ended 31 December 2024. The total dividend approved included an attributable portion to the non-controlling interest (NCI) amounting to SAR 12,250,000.

As of the reporting date, a portion of this dividend, amounting to SAR 2,250,000, remains unpaid and is presented in these condensed consolidated financial statements. The payment is expected to be settled in the subsequent period.

**26 REVENUE**

	<i>30 June 2025 SR (Unaudited)</i>	<i>30 June 2024 SR (Unaudited)</i>
<i>Timing of revenue recognition</i>		
<i>At a point in time</i>		
Revenue from delivery of goods	285,204,488	222,062,876
Revenue from clinical services and pharmaceutical	33,361,435	39,552,765
<i>Over time</i>		
Revenue from rendering of services and civil works	28,140,743	7,859,941
Revenue from warranties	2,149,242	4,621,153
	<u>348,855,908</u>	<u>274,096,735</u>

*Seasonal nature of operations*

Due to the seasonal nature of the operations of the medical devices segment, higher revenues and operating profits are usually expected in the last quarter of the year in comparison to the first six months.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**27 COST OF REVENUE**

	<i>30 June</i> <i>2025</i> <i>SR</i> <i>(Unaudited)</i>	<i>30 June</i> <i>2024</i> <i>SR</i> <i>(Unaudited)</i>
Material cost	<b>243,576,325</b>	182,376,300
Doctor's Commission	<b>7,763,685</b>	10,174,885
Salaries and other employee related costs	<b>12,479,068</b>	14,422,822
Provision for net realizable value loss on inventory (Note 9)	<b>1,898,055</b>	336,610
Rent for Surgery room	<b>1,048,856</b>	1,148,385
Depreciation and amortization	<b>1,187,486</b>	1,205,823
Travel expense	<b>730,794</b>	797,024
Others	<b>678,499</b>	1,671,672
	<b><u>269,362,768</u></b>	<b><u>212,133,521</u></b>

**28 SELLING AND MARKETING EXPENSES**

	<i>30 June</i> <i>2025</i> <i>SR</i> <i>(Unaudited)</i>	<i>30 June</i> <i>2024</i> <i>SR</i> <i>(Unaudited)</i>
Salaries and other employee related costs	<b>31,251,428</b>	25,315,228
Marketing, advertising and promotion	<b>3,150,811</b>	3,089,963
Depreciation and amortization	<b>2,693,229</b>	2,989,165
Distribution cost	<b>1,947,798</b>	2,009,753
Travel	<b>2,790,367</b>	1,623,036
Communication and information technology	<b>1,879,673</b>	1,798,314
Professional charges	<b>305,086</b>	433,282
Utilities and rent expenses	<b>372,693</b>	147,169
Others	<b>1,738,036</b>	1,022,535
	<b><u>46,129,121</u></b>	<b><u>38,428,445</u></b>

**29 FINANCE INCOME**

	<i>30 June</i> <i>2025</i> <i>SR</i> <i>(Unaudited)</i>	<i>30 June</i> <i>2024</i> <i>SR</i> <i>(Unaudited)</i>
Interest Income on short term deposits	<b>965,931</b>	2,476,327
Interest Income from leased assets	<b>1,008,573</b>	1,085,110
	<b><u>1,974,504</u></b>	<b><u>3,561,437</u></b>

**30 LOSS PER SHARE**

Basic and diluted losses per share are calculated by dividing the losses for the period by the weighted average number of outstanding shares during the period. There were no potentially dilutive shares or options in the period, therefore no difference between the basic and the diluted losses per share. Basic and diluted losses per share are calculated as follows:

	<i>30 June</i> <i>2025</i> <i>SR</i> <i>(Unaudited)</i>	<i>30 June</i> <i>2024</i> <i>SR</i> <i>(Unaudited)</i>
Loss for the period	<b>(24,289,885)</b>	(31,813,616)
Weighted average number of outstanding shares during the period (Share)	<b>19,790,000</b>	19,790,000
Basic and diluted loss per share	<b><u>(1.23)</u></b>	<b><u>(1.61)</u></b>

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**31 ZAKAT**

The Group files a separate Zakat return from the Ultimate Parent Company from 2021 onwards except partially owned subsidiaries.

**31.1 Movement of provision for zakat**

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
At the beginning of the period / year	<b>10,407,202</b>	11,573,916
Acquisition of subsidiary during the year	-	820,222
Charge for the period / year	<b>6,702,004</b>	9,646,642
Paid during the period / year	<b>(10,179,642)</b>	(11,633,578)
At end of the period / year	<b>6,929,564</b>	10,407,202

**31.2 Zakat status**

The Ultimate Parent Company has filed the zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") for all previous years up to 2024.

Final zakat assessments have been agreed with the ZATCA for all years up to 2023.

**32 SEGMENT REPORTING**

The Group's principal business activities involve sale of a broad line of health care products. Selected financial information categorized by these business segments, is as follows:

<i>Medical Devices</i>	Sales of a broad line of branded Medical Devices
<i>Medical Supplies</i>	Sales of a broad line of branded Medical Consumables
<i>Clinic &amp; Pharmaceutical</i>	Medical services at clinic and sale of health and beauty related medicines

	<i>Medical Equipment SR</i>	<i>Medical Supplies SR</i>	<i>Clinic &amp; Pharmaceutical SR</i>	<i>Other Activities SR</i>	<i>Total SR</i>
<b>30 June 2025 (Unaudited)</b>					
Revenue from external customers	150,644,813	164,849,660	33,361,435	-	348,855,908
Depreciation and amortisation	2,757,099	1,490,108	3,085,051	1,405,097	8,737,355
Income / (loss) for the period	1,139,158	(11,544,776)	(3,315,566)	(12,881,530)	(26,602,714)
Segment Assets	661,778,732	572,989,550	118,964,680	87,124,625	1,440,857,587
Segment Liabilities	402,759,491	227,523,629	49,360,509	406,972,173	1,086,615,802
<b>30 June 2024 (Unaudited)</b>					
Revenue from external customers	103,034,030	131,509,940	39,552,765	-	274,096,735
Depreciation and amortization	2,835,447	1,187,508	3,003,257	1,403,089	8,429,301
(Loss)/Profit for the period	(10,785,049)	(5,893,829)	(1,329,890)	(15,145,129)	(33,153,897)
<b>31 December 2024 (Audited)</b>					
Segment Assets	637,079,592	521,272,851	124,549,682	67,981,863	1,350,883,988
Segment Liabilities	373,906,942	213,263,601	36,075,490	434,912,859	1,058,158,891

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

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**33 DIVIDENDS**

No dividend was approved by the shareholders for the period ended 30 June 2025. (2024: nil).

However, one of the Group's subsidiaries declared a dividend of SAR 25 million in respect of the year ended 31 December 2024. Out of this amount, SAR 12.25 million pertains to non-controlling interests, of which SAR 10 million was paid during the period. (Note 25)

**34 COMMITMENTS AND CONTINGENCIES**

**34.1** The Group has issued letters of guarantee through its banks amounting to SR 595.3 million (Dec 2024: SR 532.9 million) in the ordinary course of business.

**34.2** In 2021, Al Faisaliah Medical Systems Company Limited ("the Component") received penalty from a customer amounting to SR 11.15 million due to delay in delivery of goods. However, the Component filed a claim against the customer who agreed that the delay was on account of civil works which was part of another contractor's (not the Component or the Group's subsidiaries) scope of work. In 2022, a case was filed by the Group's legal consultant which was heard during 2023 and the court made the decision in the favor of the Group with the customer having the right to object. However, the customer filed an objection in the supreme court. The management believes that the recovery of the penalty amount is highly probable. Hence, the amount is disclosed as a contingent asset but not recorded in these financial statements.

**35 FAIR VALUE HIERARCHY**

The Group's financial instruments comprising trade receivables, contract assets, amounts due from related parties, cash and cash equivalents, long-term and refinance loans from the Ultimate Parent Company, short-term loans from financial institutions, trade payables, accrued expenses and other current liabilities, contract liabilities, and amounts due to related parties are measured at amortised cost. The fair value of the Group's derivative liabilities, contingent consideration, fair valuation on business combination of property & equipment and intangibles are measured at their fair values using Level 2 of the fair value hierarchy.

During the current and prior periods, there were no transfers between into/out of Level 2 of the fair value hierarchy.

**36 RISK MANAGEMENT**

**a) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**b) Currency risk**

Currency risk is the risk that the value of a financial instruments will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and United States dollar. The Saudi Riyal is pegged to the US Dollar. The management closely and continuously monitors the exchange rate fluctuations.

**c) Interest rate risk**

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial positions and cash flow. With all other variables held constant, the Group's profit before zakat is affected by a +/- 0.5% change on floating rate borrowings for the period ended 30 June 2025 by increase or decrease of SR 1,173 thousand.

**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

**36 RISK MANAGEMENT (CONTINUED)**

**d) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is primarily exposed to credit risk from trade receivables, cash and cash equivalent and other receivables.

	<b>30 June 2025 SR (Unaudited)</b>	<b>31 December 2024 SR (Audited)</b>
Trade receivable	<b>739,539,274</b>	734,574,786
Contract assets	<b>1,700,000</b>	-
Cash and cash equivalents	<b>98,682,480</b>	80,633,684
	<b>839,921,754</b>	815,208,470

The carrying amount of financial assets represents their maximum credit exposure.

<b>30 June 2025 (Unaudited)</b>	<i>Not past due SR</i>	<i>0 – 90 days SR</i>	<i>91 – 180 days SR</i>	<i>181 – 270 days SR</i>	<i>271 – 360 days SR</i>	<i>Above 365 days SR</i>	<i>Total SR</i>
Gross carrying amount	294,976,523	133,605,298	116,461,149	45,053,688	22,016,661	196,279,471	808,392,790
Provision for ECL	(5,105,791)	(4,624,626)	(6,389,691)	(4,540,449)	(2,648,190)	(43,844,769)	(67,153,516)
Net carrying amount	<b>289,870,732</b>	<b>128,980,672</b>	<b>110,071,458</b>	<b>40,513,239</b>	<b>19,368,471</b>	<b>152,434,702</b>	<b>741,239,274</b>

<b>31 December 2024 (Audited)</b>	<i>Not past due SR</i>	<i>0 – 90 days SR</i>	<i>91 – 180 days SR</i>	<i>181 – 270 days SR</i>	<i>271 – 360 days SR</i>	<i>Above 365 days SR</i>	<i>Total SR</i>
Gross carrying amount	358,685,544	82,664,477	36,135,059	58,011,791	64,138,894	200,392,445	800,028,210
Provision for ECL	(6,775,037)	(2,784,251)	(1,606,187)	(4,445,298)	(6,534,046)	(43,308,605)	(65,453,424)
Net carrying amount	<b>351,910,507</b>	<b>79,880,226</b>	<b>34,528,872</b>	<b>53,566,493</b>	<b>57,604,848</b>	<b>157,083,840</b>	<b>734,574,786</b>

**e) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group manages its liquidity risk by ensuring that bank facilities are available. The Group's terms of sales require amounts to be collected within 90 to 120 days of the date of sale. Accounts payable are normally settled within 90 days to 360 days of the date of purchase. The non-current contract liabilities consist of deferred warranty revenue expected to be amortised after 1 year subsequent to year end. All other financial liabilities mature within 1 year subsequent to date of consolidated statement of financial position.



**ARABIAN INTERNATIONAL HEALTHCARE HOLDING COMPANY AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2025 (Unaudited)

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**37    EVENTS SUBSEQUENT TO THE REPORTING DATE**

No events have occurred subsequent to the reporting date and before the issuance of these condensed consolidated interim financial statements which requires adjustment to, or disclosure thereto.

**38    CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS APPROVAL**

The condensed consolidated interim financial statements were approved by the Board of Directors on 5 Rabi Al-Awwal 1447H (corresponding to 28 August 2025).