

**Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries  
(Saudi Joint Stock Company)**

Interim Condensed Consolidated Financial Statements  
For the three and six months period ended 30 June 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF  
DR. SULAIMAN AL HABIB MEDICAL SERVICES GROUP COMPANY  
(SAUDI JOINT STOCK COMPANY)**

**Introduction:**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Dr. Sulaiman Al Habib Medical Services Group Company ("the Company") and its subsidiaries (collectively with the Company referred to as "the Group") as at 30 June 2023, and the related interim condensed consolidated statements of income, comprehensive income, for the three and six months periods ended 30 June 2023, and the related interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended, and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of Review:**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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.

**Conclusion:**

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

for Ernst & Young Professional Services



Rashid S. Roshod  
Certified Public Accountant  
License No. (366)

Riyadh: 18 Muharram 1445H  
(5 August 2023)



**Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries**  
**(Saudi Joint Stock Company)**  
**Interim condensed consolidated statement of financial position**  
**As at 30 June 2023**

		30 June 2023 SR (Unaudited)	31 December 2022 SR (Audited)
	<b>Notes</b>		
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,438,849,274	2,746,989,005
Accounts receivable		982,279,853	741,713,503
Prepayments and other assets		307,842,636	181,380,520
Inventories		575,058,208	490,392,915
<b>Total current assets</b>		<b>4,304,029,971</b>	<b>4,160,475,943</b>
<b>Non-current assets</b>			
Investments in associates		185,926,002	186,999,110
Investments in equity instruments – Sukuk		300,000,000	300,000,000
Property and equipment	6	9,198,719,928	7,936,642,673
<b>Total non-current assets</b>		<b>9,684,645,930</b>	<b>8,423,641,783</b>
<b>Total assets</b>		<b>13,988,675,901</b>	<b>12,584,117,726</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current portion of long-term loans	9	34,203,406	167,651,299
Accounts payable		1,169,173,130	961,319,436
Accruals and other liabilities		1,371,791,604	1,247,476,180
Zakat payable		166,460,972	169,722,113
Current portion of lease liabilities		46,876,202	44,142,088
<b>Total current liabilities</b>		<b>2,788,505,314</b>	<b>2,590,311,116</b>
<b>Non-current liabilities</b>			
Long-term loans	9	3,865,401,195	3,032,584,836
Government grant		57,469,688	60,337,851
Lease liabilities		269,373,794	277,078,057
Employees' end-of-service benefits		560,954,039	518,141,099
<b>Total non-current liabilities</b>		<b>4,753,198,716</b>	<b>3,888,141,843</b>
<b>Total liabilities</b>		<b>7,541,704,030</b>	<b>6,478,452,959</b>
<b>Equity</b>			
Issued and paid-up share capital		3,500,000,000	3,500,000,000
Statutory reserve		876,157,331	876,157,331
Retained earnings		1,820,915,354	1,502,535,470
<b>Equity attributable to equity holders of the parent</b>		<b>6,197,072,685</b>	<b>5,878,692,801</b>
Non-controlling interests		249,899,186	226,971,966
<b>Total equity</b>		<b>6,446,971,871</b>	<b>6,105,664,767</b>
<b>Total liabilities and equity</b>		<b>13,988,675,901</b>	<b>12,584,117,726</b>



APPROVED BY:  
FAISSAL AL NASSAR  
CFO



APPROVED BY:  
FAISSAL AL NASSAR  
CEO (ACTING)



APPROVED BY:  
DR. SULAIMAN AL HABIB  
CHAIRMAN

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

Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries  
(Saudi Joint Stock Company)  
Interim condensed consolidated statement of income  
For the three and six months period ended 30 June 2023

	Notes	For the three months period ended		For the six months period ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
		SR (Unaudited)	SR (Unaudited)	SR (Unaudited)	SR (Unaudited)
Revenue		2,272,267,964	2,014,010,837	4,579,142,548	4,004,872,327
Cost of revenue		(1,497,441,647)	(1,343,135,920)	(3,020,674,738)	(2,675,435,836)
<b>Gross profit</b>		<b>774,826,317</b>	<b>670,874,917</b>	<b>1,558,467,810</b>	<b>1,329,436,491</b>
Selling and marketing expenses		(91,391,275)	(80,300,906)	(184,840,216)	(162,296,767)
General and administrative expenses		(184,625,737)	(175,826,597)	(364,249,926)	(330,304,978)
<b>Operating income</b>		<b>498,809,305</b>	<b>414,747,414</b>	<b>1,009,377,668</b>	<b>836,834,746</b>
Share of income of associates		5,946,214	8,862,897	9,813,597	10,688,689
Finance costs		(17,409,762)	(10,762,191)	(35,296,778)	(19,838,164)
Other income		38,643,778	34,309,502	72,955,830	56,134,435
<b>Income before zakat</b>		<b>525,989,535</b>	<b>447,157,622</b>	<b>1,056,850,317</b>	<b>883,819,706</b>
Zakat		(26,855,000)	(39,140,000)	(57,488,938)	(78,090,000)
<b>Net Income for the period</b>		<b>499,134,535</b>	<b>408,017,622</b>	<b>999,361,379</b>	<b>805,729,706</b>
<b>Net Income for the period Attributable to:</b>					
Equity holders of the Parent		486,970,538	398,132,155	976,237,083	788,636,898
Non-controlling interests		12,163,997	9,885,467	23,124,296	17,092,808
		<b>499,134,535</b>	<b>408,017,622</b>	<b>999,361,379</b>	<b>805,729,706</b>
<b>Earnings per share:</b>	10				
Basic and diluted earnings per share from income the period attributable to equity holders of the parent		1.39	1.14	2.79	2.25



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CHAIRMAN

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Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries  
(Saudi Joint Stock Company)  
Interim condensed consolidated statement of comprehensive income  
For the three and six months period ended 30 June 2023

	For the three months period ended		For the six months period ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Net Income for the period</b>	<b>499,134,535</b>	<b>408,017,622</b>	<b>999,361,379</b>	<b>805,729,706</b>
<b>Other comprehensive income</b>				
<i>Items that will not to be reclassified to profit or loss in subsequent periods:</i>				
Remeasurement gain on employees' end-of-service benefits	801,458	784,821	17,445,725	1,693,773
<b>Other comprehensive Income for the period</b>	<b>801,458</b>	<b>784,821</b>	<b>17,445,725</b>	<b>1,693,773</b>
<b>Total comprehensive income for the period</b>	<b>499,935,993</b>	<b>408,802,443</b>	<b>1,016,807,104</b>	<b>807,423,479</b>
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the parent company	488,228,603	398,911,514	993,879,884	790,201,136
Non-controlling interests	11,707,390	9,890,929	22,927,220	17,222,343
	<b>499,935,993</b>	<b>408,802,443</b>	<b>1,016,807,104</b>	<b>807,423,479</b>



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Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries  
(Saudi Joint Stock Company)  
Interim condensed consolidated statement of changes in equity  
For the six months period ended 30 June 2023

	Attributable to equity holders of the parent				Non-controlling interests	Total equity
	Issued and paid-up share capital	Statutory reserve	Retained earnings	Total	SR	SR
	SR	SR	SR	SR	SR	SR
As at 1 January 2023	3,500,000,000	876,157,331	1,502,535,470	5,878,692,801	226,971,966	6,105,664,767
Net income for the period	-	-	976,237,083	976,237,083	23,124,296	999,361,379
Other comprehensive income	-	-	17,642,801	17,642,801	(197,076)	17,445,725
Total comprehensive income	-	-	993,879,884	993,879,884	22,927,220	1,016,807,104
Dividends (note 8)	-	-	(675,500,000)	(675,500,000)	-	(675,500,000)
As at 30 June 2023 (Unaudited)	<u>3,500,000,000</u>	<u>876,157,331</u>	<u>1,820,915,354</u>	<u>6,197,072,685</u>	<u>249,899,186</u>	<u>6,446,971,871</u>
As at 1 January 2022	3,500,000,000	711,082,326	1,128,089,112	5,339,171,438	187,904,565	5,527,076,003
Net income for the period	-	-	788,636,898	788,636,898	17,092,808	805,729,706
Other comprehensive income	-	-	1,564,238	1,564,238	129,535	1,693,773
Total comprehensive income	-	-	790,201,136	790,201,136	17,222,343	807,423,479
Dividends (note 8)	-	-	(535,500,000)	(535,500,000)	-	(535,500,000)
As at 30 June 2022 (Unaudited)	<u>3,500,000,000</u>	<u>711,082,326</u>	<u>1,382,790,248</u>	<u>5,593,872,574</u>	<u>205,126,908</u>	<u>5,798,999,482</u>



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**Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries**  
**(Saudi Joint Stock Company)**  
**Interim condensed consolidated statement of cash flows**  
**For the six months period ended 30 June 2023**

	2023 SR (Unaudited)	2022 SR (Unaudited)
<b>Operating activities</b>		
Income before zakat	1,056,850,317	883,819,706
Non-cash adjustments to reconcile income before zakat to net cash flows:		
Depreciation	156,081,324	154,261,992
Share of income of associates	(9,813,597)	(10,688,689)
Allowance for expected credit losses	106,624,835	104,907,533
Finance costs	35,296,778	19,838,164
Employees' end-of-service benefits	75,642,775	58,270,742
	<u>1,420,682,432</u>	<u>1,210,409,448</u>
Working capital adjustments:		
Accounts receivable	(347,191,185)	(40,842,188)
Inventories	(84,665,293)	(63,064,260)
Prepayments and other assets	(121,093,025)	(84,444,926)
Accounts payable	214,804,542	49,173,500
Accruals and other liabilities	119,979,357	192,951,746
<b>Cash generated from operations</b>	<u>1,202,516,828</u>	<u>1,264,183,320</u>
Zakat paid	(60,860,238)	(69,368,923)
Employees' end-of-service benefits paid	(21,952,694)	(20,753,280)
<b>Net cash from operating activities</b>	<u>1,119,703,896</u>	<u>1,174,061,117</u>
<b>Investing activities</b>		
Purchase of property and equipment	(1,401,757,377)	(635,006,617)
Investments in subsidiaries and associates	(950,000)	(126,035,354)
Dividends from associates	10,515,094	-
Investments in equity instruments – Sukuk	-	(150,000,000)
<b>Net cash used in investing activities</b>	<u>(1,392,192,283)</u>	<u>(911,041,971)</u>
<b>Financing activities</b>		
Proceeds from long-term loans, net	696,591,402	460,471,151
Lease liabilities paid	(23,159,809)	(27,125,212)
Finance costs paid	(33,582,937)	(18,891,211)
Dividends paid	(675,500,000)	(535,500,000)
<b>Net cash used in financing activities</b>	<u>(35,651,344)</u>	<u>(121,045,272)</u>
Net (decrease) increase in cash and cash equivalents	<u>(308,139,731)</u>	<u>141,973,874</u>
Cash and cash equivalents at the beginning of the period	<u>2,746,989,005</u>	<u>2,643,829,664</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>2,438,849,274</u>	<u>2,785,803,538</u>
<b>Non-cash transactions:</b>		
Recognition of right-of-use assets	19,057,131	49,754,890
Recognition of lease liabilities	19,057,131	49,754,890



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



## **1. Corporate information and activities**

Dr. Sulaiman Al Habib Medical Services Group Company (the "Company") (a Saudi Listed Joint Stock Company) is registered in Riyadh, under commercial registration number 1010118330 dated 11 Jumada al-thani 1414H (corresponding to 25 November 1993). The registered office is located at Olaya District, P.O. Box 301578, Riyadh 11372, Kingdom of Saudi Arabia (the "Kingdom"), and the Company was listed on the Saudi Stock Exchange (Tadawul) on 22 Rajab 1441H (corresponding to 17 March 2020).

The activities of the Company and its subsidiaries (collectively referred to as "the Group") are to provide private health services and ancillary services for its operations in the Kingdom and the region through the establishment, management, and operation of hospitals, general and specialized medical complexes, day surgery centers, pharmaceutical facilities, and other ancillary areas which include providing services of Home health care, specialized medical laboratories, technology services & information systems, providing facility maintenance services, Tele-medicine services, revenue cycle management services, medical equipment maintenance services, and real estate activity.

The Company has two branches, the first branch is located in Riyadh, Kingdom, "Branch of Dr. Sulaiman Al Habib Medical Services Group Company" ("the Branch") under commercial registration number 1010357146 dated 24 Muharram 1434H (corresponding to 8 December 2012). The Branch is engaged in wholesale and retail trade in cosmetics and maintenance of medical devices and equipment. The second one is located in the Kingdom of Bahrain, "Dr. Sulaiman Al-Habib Medical Services Group Holding Company - Foreign Branch" ("the Foreign Branch") under commercial registration number 81609-1 dated 22 Rajab 1433H (corresponding to 12 June 2012). The Foreign Branch is engaged in activities of head offices and management offices.

The number of shares is 350,000,000 and the share value is 10 Saudi riyals.

The interim condensed consolidated financial statements include the financial information of the branches mentioned above and subsidiaries mentioned in note 3.

## **2. Basis of preparation**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (collectively referred to as "IFRS" as endorsed in Kingdom of Saudi Arabia").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

An interim period is considered an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

These interim condensed consolidated financial statements are prepared on a historical cost basis. The interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional, and presentation currency of the Company and all values are rounded to the nearest one Riyal, except when otherwise indicated.

**Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries**  
**(Saudi Joint Stock Company)**  
**Notes to the interim condensed consolidated financial statements (continued)**  
**30 June 2023**

**3. Basis of consolidation**

These interim condensed consolidated financial statements comprise the financial statements of the Company and its following subsidiaries (collectively referred to as “the Group”), mainly domiciled in Kingdom of Saudi Arabia (“KSA”) and United Arab Emirates (“UAE”) as at 30 June 2023 & 31 December 2022:

	Country of incorporation and business	Activities	Ownership %	
			30 June 2023	31 December 2022
Sehat Al Olaya Medical Complex Company	KSA	Hospital	100%	100%
Asharq Alawsat Pharmacies Company	KSA	Pharmacy	100%	100%
Dr. Sulaiman Al Habib Hospital FZ – LLC	UAE	Hospital	100%	100%
Buraidah Al Takhassusi Hospital for Healthcare Company	KSA	Hospital	100%	100%
Al Rayan Hospital for Healthcare Company	KSA	Hospital	100%	100%
Home Healthcare Company	KSA	Home Healthcare services	100%	100%
Al Gharb Al Takhassusi Hospital for Healthcare Company	KSA	Hospital	100%	100%
Al Mokhtabarat Diagnostic Medical Company	KSA	Laboratory Services	100%	100%
Sehat Al Suwaidi Medical Company	KSA	Hospital	100%	100%
Hulool Al Sahaba for IT & Communication Company	KSA	IT Support Services	100%	100%
Rawabet Medical Company*	KSA	Medical Services, and Telemedicine services	100%	100%
Sehat Al Sharq Medical Limited Company	KSA	Hospital	50%	50%
Al Wosta Medical Limited Company	KSA	Hospital	50%	50%
Gharb Jeddah Hospital Company	KSA	Hospital	50%	50%
Shamal Al Riyadh for Healthcare Company	KSA	Hospital	100%	100%
Al Muhammadiyah Hospital for Healthcare Company	KSA	Hospital	100%	100%
Taswyat Administrative Company	KSA	Revenue cycle management	100%	100%
Al Marakez Al Awwalyah for Health Care Company	KSA	Medical Primary Healthcare centers	100%	100%
Wrass Real Estate Company**	KSA	Real Estate	100%	100%
Flow Medical Company	KSA	Medical equipments maintenance	100%	100%
Sehat Al Kharj for Healthcare Company	KSA	Hospital	100%	100%
Bawabat Al Gharb for Health Care Company	KSA	Hospital	100%	100%
Bawabat Al Shamal for Health Care Company	KSA	Hospital	100%	100%
Sehat Al Hamra for Health Care Company***	KSA	Hospital	100%	-
Wrass for Operation and Maintenance Company****	KSA	Anciliary services	100%	40%

\* During the period, the name of this subsidiary has been changed from “Intensive Care Company for Healthcare” to “Rawabet Medical Company”.

\*\* During the period, the name of this subsidiary has been changed from “Rawabet Medical Company” to “Wrass Real Estate Company”, and its activity changed.

\*\*\* During the period, the Group established new subsidiary “Sehat Al Hamra for Health Care Company”.

\*\*\*\* On 17 May 2023, the Group acquired the remaining 60% of “Wrass for Operation and Maintenance Company”, previously “Serco Saudi Services Company”, to become 100% owned. The acquisition was done at fair value. The acquisition consideration and the financial information of the acquiree are immaterial to the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

### **3. Basis of consolidation (continued)**

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### **4. Summary of significant accounting policies**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2022.

### **5. Segment Information**

Operating segments is determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM").

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.

**Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries**  
**(Saudi Joint Stock Company)**  
**Notes to the interim condensed consolidated financial statements (continued)**  
**30 June 2023**

**5. Segment Information (continued)**

The identified key segments are Hospitals/Healthcare Facilities, Pharmacies and HMG Solutions/Others (which includes IT support services, laboratory services, home healthcare services, medical equipments maintenance, revenue cycle management and real estate). The segment results for the period ended 30 June 2023 and the reconciliation of the segment measures to the respective statutory items included in the interim condensed consolidated financial statements are as follows:

For the six months period ended 30 June 2023 (Unaudited)	Hospitals/ Healthcare Facilities	Pharmacies	HMG Solutions / Others	Total
	<i>SR' millions</i>			
<b>Saudi Arabia:</b>				
Revenue	3,253	921	121	4,295
Gross profit	1,186	296	30	1,512
<b>Outside Saudi Arabia:</b>				
Revenue	228	54	2	284
Gross profit	32	12	2	46
<b>Total</b>				
Revenue	3,481	975	123	4,579
Gross profit	1,218	308	32	1,558
<b>Unallocated income (expenses)</b>				
Selling and marketing				(185)
General and administrative				(364)
Operating income				1,009
Share of income of associates				10
Finance costs				(35)
Other income				73
<b>Income before zakat</b>				1,057
Zakat				(58)
<b>Net income for the period</b>				999
<b>As at 30 June 2023 (Unaudited)</b>				
<b>Saudi Arabia:</b>				
Total assets	9,970	432	3,025	13,427
Total liabilities	6,039	598	763	7,400
<b>Outside Saudi Arabia</b>				
Total assets	498	60	4	562
Total liabilities	112	27	3	142
<b>Total</b>				
Total assets	10,468	492	3,029	13,989
Total liabilities	6,151	625	766	7,542



**Dr. Sulaiman Al Habib Medical Services Group Company and its Subsidiaries**  
**(Saudi Joint Stock Company)**  
**Notes to the interim condensed consolidated financial statements (continued)**  
**30 June 2023**

**5. Segment Information (continued)**

For the six months period ended 30 June 2022 (Unaudited)	Hospitals/ Healthcare Facilities	Pharmacies	HMG Solutions / Others	Total
	SR' millions			
<b>Saudi Arabia:</b>				
Revenue	2,830	784	139	3,753
Gross profit	979	258	55	1,292
<b>Outside Saudi Arabia:</b>				
Revenue	210	40	2	252
Gross profit	25	10	2	37
<b>Total</b>				
Revenue	3,040	824	141	4,005
Gross profit	1,004	268	57	1,329
<b>Unallocated income (expenses)</b>				
Selling and marketing				(162)
General and administrative				(330)
Operating income				837
Share of income of associates				11
Finance costs				(20)
Other income				56
<b>Income before zakat</b>				884
Zakat				(78)
<b>Net income for the period</b>				806
<b>As at 31 December 2022 (audited)</b>				
<b>Saudi Arabia:</b>				
Total assets	8,495	378	3,151	12,024
Total liabilities	5,080	540	723	6,343
<b>Outside Saudi Arabia</b>				
Total assets	508	42	10	560
Total liabilities	114	18	3	135
<b>Total</b>				
Total assets	9,003	420	3,161	12,584
Total liabilities	5,194	558	726	6,478

**6. Property and equipment**

	As at 30 June 2023 SR (Unaudited)	As at 31 December 2022 SR (Audited)
Property and equipment	8,881,368,828	7,610,726,965
Right-of-use assets	317,351,100	325,915,708
	<b>9,198,719,928</b>	<b>7,936,642,673</b>

## **7. Zakat**

The Company has filed its consolidated zakat returns for the Company and its subsidiaries (100% owned subsidiaries as per note 3) to ZATCA and obtained zakat certificates for all previous years up to 31 December 2022 and final Zakat assessments up to 31 December 2020.

As for other subsidiaries (with ownership less than 100% as per note 3) that are not part of the consolidated zakat base, which required submitting separate zakat returns. Sehat Al Sharq Medical Limited Company, Gharb Jeddah Hospital Company, and Al Wosta Medical Limited Company submitted their zakat returns to ZATCA, and zakat certificates were obtained up to 31 December 2022. Sehat Al Sharq Medical Limited Company obtained the final zakat assessments for all years up to 31 December 2016. Gharb Jeddah Hospital Company obtained the final zakat assessments for all years up to 31 December 2020.

## **8. Dividends**

During the period ended 30 June 2023, the Board of Directors resolved to distribute interim dividends of SR 1.93 per share totaling to SR 675,500,000 (30 June 2022: interim dividends of SR 1.53 per share making a total of SR 535,500,000) as follows:

- On 18 February 2023, the Board of Directors announced the recommendation to distribute interim dividends of SR 325,500,000 at SR (0.93) only ninety-three halala per share (representing 9.3% of the nominal value of the share) for the 4<sup>th</sup> quarter of 2022. (This was approved by the Ordinary General Assembly meeting held on 19 Ramadan 1444 AH (corresponding to 10 April 2023).
- On 6 May 2023, the Board of Directors announced the recommendation to distribute interim dividends of SR 350,000,000 at SR (1) only one riyal per share (representing 10% of the nominal value of the share) for the 1st quarter of 2023. (This will be presented for approval during the annual meeting of the General Assembly).

## **9. Long-term loans**

	<b>As at 30 June 2023 SR (Unaudited)</b>	<b>As at 31 December 2022 SR (Audited)</b>
<b>Current-portion of loans:</b>		
Loans from local banks (i)	-	123,671,425
Loans from Ministry of Finance (ii)	<b>34,203,406</b>	43,979,874
	<b>34,203,406</b>	167,651,299
<b>Non-current portion of loans:</b>		
Loans from local banks (i)	<b>3,541,864,265</b>	2,688,699,978
Loans from Ministry of Finance (ii)	<b>323,536,930</b>	343,884,858
	<b>3,865,401,195</b>	3,032,584,836

- i) Loans from local banks  
The Group is financed through Islamic facilities in the form of long-term and short-term loans (Murabaha / Tawarruq) from local banks. These facilities are subject to commission rates based on Saudi Arabia Interbank Offered Rate "SIBOR" plus an agreed margin. The facilities are secured by corporate promissory notes.
- ii) Loans from Ministry of Finance (MoF)  
The Group's long-term financing includes MoF non-interest bearing loans to finance the capital expenditures related to the Company and its subsidiaries. The loan repayment instalments are settled on equal yearly installments. Certain assets are pledged against the loans obtained from the MoF.

## **10. Earnings per share**

Basic and diluted earnings per share ("EPS") is calculated by dividing the income for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as the regular or basic earnings per share as the Group does not have any convertible securities or diluted instruments to exercise.

The following table reflects the income for the period attributable to equity holders of the parent and share data used in the basic and diluted EPS computations:

	<b>For the three months period ended</b>		<b>For the six month period ended</b>	
	<b>30 June 2023</b>	30 June 2022	<b>30 June 2023</b>	30 June 2022
	<b>SR</b>	SR	<b>SR</b>	SR
Income for the period attributable to equity holders of the parent	<b>486,970,538</b>	398,132,155	<b>976,237,083</b>	788,636,898
Weighted average number of ordinary shares	<b>350,000,000</b>	350,000,000	<b>350,000,000</b>	350,000,000
Basic and diluted earnings per share from income for the period attributable to equity holders of the parent	<b>1.39</b>	1.14	<b>2.79</b>	2.25

## **11. Fair values**

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents and accounts receivable. Financial liabilities consist of long-term loans, accounts payable, accruals and other liabilities and zakat payable.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially different from their carrying values at reporting date largely.

## **12. Subsequent events**

In the opinion of management, no significant events have occurred subsequent to 30 June 2023 that would have a material impact on financial position or financial performance of the Group.

## **13. Approval of the interim condensed consolidated financial statements**

These interim condensed consolidated financial statements were approved for issuance by the Board of Directors on 18 Muharram 1445H (corresponding to 5 August 2023).