

**AL DAWAA MEDICAL SERVICES COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2024  
WITH  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**AL DAWAA MEDICAL SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2024**

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## KPMG Professional Services

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P.O. Box 4803  
Al Khobar, 34412 - 3146  
Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

الطابق ١٦، برج البرغش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

To the Shareholders of Al Dawaa Medical Services Company

## Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial statements of **Al Dawaa Medical Services Company** ("the Company") and its subsidiary ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2024;
- the condensed consolidated statement of profit or loss for the three month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of comprehensive income for the three month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; and
- the notes to the condensed consolidated interim financial statements.

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

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR 40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأسمالها (٤٠٠٠٠٠٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاء محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



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

To the Shareholders of Al Dawaa Medical Services Company (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed consolidated interim financial statements of Al Dawaa Medical Services Company and its subsidiary are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## For KPMG Professional Services

**Nasser Ahmed Al Shutairy**  
License no. 454



Al Khobar,  
Date: 1 Safar 1446H  
Corresponding to: 5 August 2024G

**AL DAWAA MEDICAL SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2024**

**(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

|   | <b>Note</b> | <b>30 June 2024<br/>(Unaudited)</b> | <b>31 December 2023<br/>(Audited)</b> |
|---|-------------|-------------------------------------|---------------------------------------|
| <b>Assets</b>   |             |                                     |                                       |
| <b>Non-current assets</b>   |             |                                     |                                       |
| Property and equipment  | 3           | <b>1,012,801,336</b>                | 994,861,137                           |
| Right-of-use assets   | 4           | <b>1,493,491,062</b>                | 1,475,826,600                         |
| Intangible assets   |             | <b>19,030,102</b>                   | 21,041,323                            |
| Equity accounted investee   |             | <b>490,000</b>                      | -                                     |
| Investment in unconsolidated subsidiaries   |             | <b>204,739</b>                      | 204,739                               |
| Equity instruments designated at fair value through<br>other comprehensive income (FVOCI) |             | <b>58,900,000</b>                   | 208,797,334                           |
| <b>Total non-current assets</b>   |             | <b>2,584,917,239</b>                | 2,700,731,133                         |
| <b>Current assets</b>   |             |                                     |                                       |
| Inventories   |             | <b>1,495,172,854</b>                | 1,309,662,210                         |
| Trade receivables   |             | <b>571,499,559</b>                  | 447,171,699                           |
| Prepayments and other current assets  |             | <b>208,183,947</b>                  | 192,737,718                           |
| Amounts due from related parties  | 13(c)       | <b>317,911</b>                      | 2,167,957                             |
| Right of return assets  |             | <b>693,262</b>                      | 693,262                               |
| Equity instruments designated at fair value through<br>other comprehensive income (FVOCI) |             | <b>26,505,000</b>                   | -                                     |
| Cash and cash equivalents   | 5           | <b>33,259,877</b>                   | 54,323,191                            |
| <b>Total current assets</b>   |             | <b>2,335,632,410</b>                | 2,006,756,037                         |
| <b>Total assets</b>   |             | <b>4,920,549,649</b>                | 4,707,487,170                         |
| <b>Equity and liabilities</b>   |             |                                     |                                       |
| <b>Equity</b>   |             |                                     |                                       |
| Share capital   |             | <b>850,000,000</b>                  | 850,000,000                           |
| Statutory reserve   | 6           | <b>-</b>                            | 59,459,361                            |
| Fair value reserve of equity instruments at FVOCI   |             | <b>(11,165,000)</b>                 | 24,856,826                            |
| Retained earnings   |             | <b>538,383,376</b>                  | 378,688,565                           |
| <b>Total equity</b>   |             | <b>1,377,218,376</b>                | 1,313,004,752                         |
| <b>Liabilities</b>  |             |                                     |                                       |
| <b>Non-current liabilities</b>  |             |                                     |                                       |
| Lease liabilities   | 4           | <b>1,323,098,008</b>                | 1,307,680,985                         |
| Term loans  | 8.1         | <b>54,583,343</b>                   | 140,416,666                           |
| Employees' benefits   |             | <b>176,656,174</b>                  | 150,351,408                           |
| <b>Total non-current liabilities</b>  |             | <b>1,554,337,525</b>                | 1,598,449,059                         |

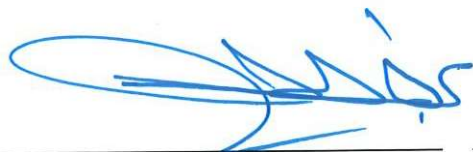
**AL DAWAA MEDICAL SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 30 JUNE 2024**

**(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

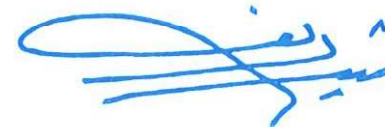
|                                      | <b>Note</b> | <b>30 June 2024<br/>(Unaudited)</b> | <b>31 December 2023<br/>(Audited)</b> |
|--------------------------------------|-------------|-------------------------------------|---------------------------------------|
| <b>Current liabilities</b>           |             |                                     |                                       |
| Refund liabilities                   |             | 21,722,747                          | 31,516,870                            |
| Trade and other payables             |             | 1,110,251,240                       | 821,512,754                           |
| Amounts due to related parties       | 13(d)       | 47,584,697                          | 50,932,286                            |
| Current portion of lease liabilities | 4           | 195,733,915                         | 184,484,573                           |
| Current portion of term loans        | 8.1         | 171,666,668                         | 161,666,668                           |
| Contract liabilities                 |             | 25,731,249                          | 22,579,380                            |
| Short-term borrowings                | 8.2         | 395,500,000                         | 500,000,000                           |
| Provision for zakat                  | 10          | 20,803,232                          | 23,340,828                            |
| <b>Total current liabilities</b>     |             | <b>1,988,993,748</b>                | <b>1,796,033,359</b>                  |
| <b>Total liabilities</b>             |             | <b>3,543,331,273</b>                | <b>3,394,482,418</b>                  |
| <b>Total equity and liabilities</b>  |             | <b>4,920,549,649</b>                | <b>4,707,487,170</b>                  |



Authorised Board of Directors Member  
Mr. Ibrahim Salem Alrowais



Chief Executive Officer  
Mr. Mohammed Saad Al-Farraj



Chief Financial Officer  
Mr. Shareef Al-Aqabawi

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.

**AL DAWAA MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2024**  
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

|  | Note | Three month period ended    |                             | Six month period ended      |                             |
|--|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  |      | 30 June 2024<br>(Unaudited) | 30 June 2023<br>(Unaudited) | 30 June 2024<br>(Unaudited) | 30 June 2023<br>(Unaudited) |
| Revenue  | 9    | 1,586,272,315               | 1,436,739,023               | 3,102,692,222               | 2,844,330,546               |
| Cost of revenue  |      | (1,010,301,611)             | (911,096,862)               | (1,962,298,899)             | (1,783,712,231)             |
| <b>Gross profit</b>  |      | <b>575,970,704</b>          | <b>525,642,161</b>          | <b>1,140,393,323</b>        | <b>1,060,618,315</b>        |
| Selling and distribution expenses  |      | (405,877,146)               | (373,221,494)               | (802,140,136)               | (756,626,806)               |
| General and administrative expenses  |      | (33,786,375)                | (26,135,833)                | (69,171,501)                | (61,709,639)                |
| Other expense, net   |      | (2,008,911)                 | (4,541,306)                 | (4,289,965)                 | (5,712,824)                 |
| <b>Operating profit</b>  |      | <b>134,298,272</b>          | <b>121,743,528</b>          | <b>264,791,721</b>          | <b>236,569,046</b>          |
| Finance costs  |      | (30,385,317)                | (28,149,977)                | (62,085,541)                | (63,190,463)                |
| <b>Profit before zakat</b>   |      | <b>103,912,955</b>          | <b>93,593,551</b>           | <b>202,706,180</b>          | <b>173,378,583</b>          |
| Zakat expense  | 10   | (8,034,990)                 | (4,260,000)                 | (11,499,990)                | (7,790,000)                 |
| <b>Profit for the period</b>   |      | <b>95,877,965</b>           | <b>89,333,551</b>           | <b>191,206,190</b>          | <b>165,588,583</b>          |
| <b>Earnings per share</b>  |      |                             |                             |                             |                             |
| Basic and diluted earnings per share attributable to the shareholders of the Group | 11   | 1.13                        | 1.05                        | 2.25                        | 1.95                        |

|   |  |  |
|---|--|--|
| <br>Authorised Board of Directors Member<br>Mr. Ibrahim Salem Alrowais | <br>Chief Executive Officer<br>Mr. Mohammed Saad Al-Farraj | <br>Chief Financial Officer<br>Mr. Shareef Al-Aqabawi |
|---|--|--|

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.



**AL DAWAA MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2024**  
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

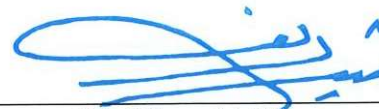
|  | <b>Three month period ended</b> |              | <b>Six month period ended</b> |              |
|--|---------------------------------|--------------|-------------------------------|--------------|
|  | <b>30 June 2024</b>             | 30 June 2023 | <b>30 June 2024</b>           | 30 June 2023 |
|  | <b>(Unaudited)</b>              | (Unaudited)  | <b>(Unaudited)</b>            | (Unaudited)  |
| <b>Profit for the period</b>   | <b>95,877,965</b>               | 89,333,551   | <b>191,206,190</b>            | 165,588,583  |
| <b>Other comprehensive (loss) / income</b>   |                                 |              |                               |              |
| <i>Items that will not be reclassified to the consolidated statement of profit or loss in subsequent periods</i> |                                 |              |                               |              |
| Fair value changes in equity instrument at FVOCI   | <b>(17,255,000)</b>             | 86,830,205   | <b>(20,742,566)</b>           | 98,464,734   |
| <b>Total comprehensive income for the period</b>   | <b>78,622,965</b>               | 176,163,756  | <b>170,463,624</b>            | 264,053,317  |



Authorised Board of Directors Member  
Mr. Ibrahim Salem Alrowais



Chief Executive Officer  
Mr. Mohammed Saad Al-Farraj



Chief Financial Officer  
Mr. Shareef Al-Aqabawi

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.



AL DAWAA MEDICAL SERVICES COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024  
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

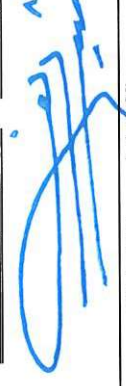
|  | Share capital | Statutory reserve | Fair value reserve of equity instruments at FVOCI | Retained earnings | Total         |
|--|---------------|-------------------|---|-------------------|---------------|
| Balance at 1 January 2023 (Audited)                                      | 850,000,000   | 59,459,361        | (63,699,474)                                      | 249,427,948       | 1,095,187,835 |
| <i>Total comprehensive income for the period</i>                         |               |                   |   |                   |               |
| Profit for the period  | -             | -                 | -   | 165,588,583       | 165,588,583   |
| Other comprehensive income for the period                                | -             | -                 | 98,464,734  | -                 | 98,464,734    |
| Total comprehensive income for the period                                | -             | -                 | 98,464,734  | 165,588,583       | 264,053,317   |
| <i>Transactions with owners in their capacity as owners</i>              |               |                   |   |                   |               |
| Dividends  | -             | -                 | -   | (106,250,000)     | (106,250,000) |
| Balance at 30 June 2023 (Unaudited)                                      | 850,000,000   | 59,459,361        | 34,765,260  | 308,766,531       | 1,252,991,152 |
| Balance at 1 January 2024 (Audited)                                      | 850,000,000   | 59,459,361        | 24,856,826  | 378,688,565       | 1,313,004,752 |
| <i>Total comprehensive income for the period</i>                         |               |                   |   |                   |               |
| Profit for the period  | -             | -                 | -   | 191,206,190       | 191,206,190   |
| Other comprehensive loss for the period                                  | -             | -                 | (20,742,566)                                      | -                 | (20,742,566)  |
| Total comprehensive income for the period                                | -             | -                 | (20,742,566)                                      | 191,206,190       | 170,463,624   |
| Transfer of fair value reserve of equity instruments designated at FVOCI | -             | -                 | (15,279,260)                                      | 15,279,260        | -             |
| Transfer of statutory reserves (note 6)                                  | -             | (59,459,361)      | -   | 59,459,361        | -             |
| <i>Transactions with owners in their capacity as owners</i>              |               |                   |   |                   |               |
| Dividends (note 7)   | -             | -                 | -   | (106,250,000)     | (106,250,000) |
| Balance at 30 June 2024 (Unaudited)                                      | 850,000,000   | -                 | (11,165,000)                                      | 538,383,376       | 1,377,218,376 |



Authorised Board of Directors Member  
Mr. Ibrahim Salem Alrowais



Chief Executive Officer  
Mr. Mohammed Saad Al-Farraj



Chief Financial Officer  
Mr. Shareef Al-Aqabawi

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.

**AL DAWAA MEDICAL SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**


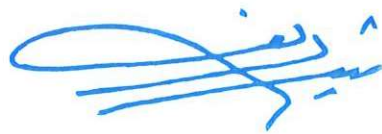
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

|  | Note | Six month period ended      |                             |
|--|------|-----------------------------|-----------------------------|
|  |      | 30 June 2024<br>(Unaudited) | 30 June 2023<br>(Unaudited) |
| <b>Cash flows from operating activities</b>                      |      |                             |                             |
| Profit for the period  |      | 191,206,190                 | 165,588,583                 |
| <u>Adjustments for:</u>  |      |                             |                             |
| Depreciation for property and equipment                          | 3    | 77,888,690                  | 75,546,123                  |
| Depreciation for right-of-use assets                             | 4    | 105,235,027                 | 104,757,681                 |
| Amortisation of intangible assets                                |      | 3,114,830                   | 2,908,009                   |
| Loss on derecognition due to termination of leases               |      | 76,548                      | 2,657,735                   |
| Short term lease expense   |      | 1,241,469                   | 549,059                     |
| Variable lease expense   |      | 4,291,370                   | 2,994,710                   |
| Write off of property and equipment                              |      | 2,314,611                   | 2,390,275                   |
| Provision for employees' benefits                                |      | 12,539,104                  | 13,542,114                  |
| Gain on disposal of property and equipment                       |      | -                           | (1,206,668)                 |
| Finance cost   |      | 62,085,541                  | 63,190,463                  |
| Zakat expense  |      | 11,499,990                  | 7,790,000                   |
| <u>Changes in:</u>   |      |                             |                             |
| Inventories  |      | (194,096,172)               | (233,447,035)               |
| Trade receivables  |      | (124,327,860)               | (122,610,884)               |
| Prepayments and other current assets                             |      | (3,392,479)                 | 91,804,651                  |
| Amounts due from related parties                                 |      | 1,850,046                   | 781,643                     |
| Right of return assets   |      | -                           | 389,034                     |
| Refund liabilities   |      | (9,794,123)                 | 13,816,458                  |
| Trade and other payables   |      | 289,832,131                 | 236,903,953                 |
| Amounts due to related parties                                   |      | (3,837,589)                 | 17,610,357                  |
| Contract liabilities   |      | 3,151,869                   | 3,585,415                   |
| <b>Cash generated from operating activities</b>                  |      | <b>430,879,193</b>          | <b>449,541,676</b>          |
| Short term lease payments  |      | (1,241,469)                 | (549,059)                   |
| Variable lease payments  |      | (4,291,370)                 | (2,994,710)                 |
| Settlement for termination of lease contracts                    |      | (1,127,605)                 | (3,077,730)                 |
| Interest paid  |      | (58,953,702)                | (58,862,390)                |
| Employees' benefits paid   |      | (2,513,572)                 | (3,504,383)                 |
| Zakat paid   |      | (14,037,586)                | (8,797,900)                 |
| <b>Net cash generated from operating activities</b>              |      | <b>348,713,889</b>          | <b>371,755,504</b>          |
| <b>Cash flows from investing activities</b>                      |      |                             |                             |
| Purchase of property and equipment                               | 3    | (89,557,972)                | (85,140,009)                |
| Proceeds from disposal of property and equipment                 |      | -                           | 2,818,820                   |
| Addition to intangible assets                                    |      | (1,103,609)                 | -                           |
| Proceeds from disposal of equity instruments designated at FVOCI |      | 102,649,768                 | -                           |
| <b>Net cash generated from / (used) in investing activities</b>  |      | <b>11,988,187</b>           | <b>(82,321,189)</b>         |

**AL DAWAA MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**  
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

|  | Note | Six month period ended      |                             |
|--|------|-----------------------------|-----------------------------|
|  |      | 30 June 2024<br>(Unaudited) | 30 June 2023<br>(Unaudited) |
| <b>Cash flows from financing activities</b>                              |      |                             |                             |
| Proceeds from short-term borrowings                                      |      | 415,500,000                 | 976,000,000                 |
| Repayments of short-term borrowings                                      |      | (520,000,000)               | (1,077,000,000)             |
| Repayments of long-term loans  |      | (75,833,323)                | (41,666,667)                |
| Principal elements of lease payments                                     |      | (95,182,067)                | (90,685,345)                |
| Dividend paid  |      | (106,250,000)               | (105,862,810)               |
| <b>Net cash used in financing activities</b>                             |      | <b>(381,765,390)</b>        | <b>(339,214,822)</b>        |
| <b>Net decrease in cash and cash equivalents</b>                         |      | <b>(21,063,314)</b>         | <b>(49,780,507)</b>         |
| Cash and cash equivalents at beginning of period                         |      | 54,323,191                  | 138,968,953                 |
| <b>Cash and cash equivalents at end of period</b>                        |      | <b>33,259,877</b>           | <b>89,188,446</b>           |
| <b>Significant non-cash transactions</b>                                 |      |                             |                             |
| Additions to right-of-use assets and lease liabilities                   | 4    | 138,718,923                 | 34,659,256                  |
| Remeasurements to right-of-use assets and lease liabilities              | 4    | 2,120,195                   | 9,981,664                   |
| Derecognised of right-of-use assets due to lease termination             | 4    | (17,939,629)                | 17,462,185                  |
| Derecognised of lease liabilities due to lease termination               | 4    | (18,990,686)                | 17,882,180                  |
| Fair value (loss) / gain on equity instruments designated at FVOCI       |      | (20,742,566)                | 98,464,734                  |
| Transfer of fair value reserve of equity instruments designated at FVOCI |      | 15,279,260                  | -                           |
| Transfer from inventories to property and equipment                      |      | 8,585,528                   | (110,000)                   |
| Investment in equity accounted investee                                  |      | 490,000                     | -                           |
| Transfer of statutory reserve to retained earnings                       |      | 59,459,361                  | -                           |

|   |  |  |
|---|--|--|
| <br>Authorised Board of Directors Member<br>Mr. Ibrahim Salem Alrowais | <br>Chief Executive Officer<br>Mr. Mohammed Saad Al-Farraj | <br>Chief Financial Officer<br>Mr. Shareef Al-Aqabawi |
|---|--|--|

The accompanying notes from 1 to 17 form an integral part of these condensed consolidated interim financial statements.

**AL DAWAA MEDICAL SERVICES COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**1. GENERAL INFORMATION**

Al Dawaa Medical Services Company (herein after referred as the “Company”) is a Saudi Joint Stock Company. The Company was initially registered as a Limited Liability Company in the Kingdom of Saudi Arabia (“KSA”) under Commercial Registration numbered 2051025701 dated 23 Ramadan 1422H (corresponding to 8 December 2001G) with branches in Khobar, Riyadh, Jeddah, and other cities across the Kingdom. The Company’s registered office is located at P.O. box 4326, Al Khobar 31952, Kingdom of Saudi Arabia.

The Company is listed on Saudi Stock Exchange (Tadawul) since 14 March 2022 with a free float of 30% of the Company’s share capital.

The Company and its subsidiaries listed below (collectively referred to as the "Group") are engaged in online wholesale of pharmaceutical products, pharmaceutical agents, wholesale of pharmaceutical goods, related pharmacy activities, pharmaceutical warehousing activities, retail of medical equipment and other equipment, online retailing, land transport of goods, providing delivery services via electronic platforms, managing and renting self-storage stores and manufacturing of single-use medical products and disposables.

These condensed consolidated interim financial statements were approved and signed for issuance by the Board of Directors on 29 Muharram 1446H corresponding to 4 August 2024G.

The Company has investment in the following subsidiaries and associate:

| Name  | Country of incorporation | Equity interest % |                  |
|---|--------------------------|-------------------|------------------|
|   |                          | 30 June 2024      | 31 December 2023 |
| Premier Medical Devices Manufacturing Company | Kingdom of Saudi Arabia  | 100%              | 100%             |
| Glanzen                                       | United Arab Emirates     | 100%              | 100%             |
| Al-Dawaa Medical Services Company FZCO        | United Arab Emirates     | 100%              | 100%             |
| Ronzac GmbH                                   | Germany                  | 100%              | 100%             |
| Hollinz                                       | Germany                  | 100%              | 100%             |
| Modawaa and Rieaya Medical Company Limited    | Kingdom of Saudi Arabia  | 49%               | -                |

**1.1 Subsidiaries and associate**

**a) Premier Medical Devices Manufacturing Company**

Premier Medical Devices Manufacturing Company is engaged in manufacturing of single-use medical products, consumables, medical examination tables, surgical furniture, beds with mechanical motion additives, medical thermometers, respirators and medical anesthesia.

**b) Glanzen**

Glanzen is engaged in marketing activities and health care management consulting activities. Refer note 1.1.1 below.

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**1. GENERAL INFORMATION (CONTINUED)**

**1.1 Subsidiaries and associate (continued)**

**c) Al-Dawaa Medical Services Company FZCO**

Al-Dawaa Medical Services Company FZCO is engaged in marketing activities. Refer note 1.1.1 below.

**d) Ronzac GmbH**

Ronzac GmbH is engaged in granting marketing licenses for pharmaceutical products, consumer goods and food products. Refer note 1.1.1 below.

**e) Hollinz**

Hollinz is engaged in granting marketing licenses for pharmaceutical products, consumer goods and food products. Refer note 1.1.1 below.

**f) Modawaa and Rieaya Medical Company Limited**

During the period, the Group in partnership with Mouwasat Medical Services Company established Modawaa and Rieaya Medical Company Limited (“Modawaa”) as a limited liability company within Kingdom of Saudi Arabia, against which 49% of equity share (of equivalent amount) will be issued upon completion of legal formalities. Modawaa will be principally engaged in medical clinics activities. The Group has significant influence over Modawaa and classified it as investment in associate.

**1.1.1** The Group has accounted for the investment in these subsidiaries at cost and classified as investment in unconsolidated subsidiaries as these subsidiaries have not yet commenced operations. The assets, liabilities and operations of these subsidiaries as of 30 June 2024 and for the year then ended are not material to the Group’s consolidated financial statements.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**2.1 Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023 (“Last Annual Consolidated Financial Statements”). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Group’s consolidated financial position and performance since the last annual consolidated financial statements.

**2.2 Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR) which is the Company’s functional and Group’s presentation currency.



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**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

**2.3 Basis of preparation**

These consolidated financial statements are prepared under the historical cost convention, using the accruals basis of accounting, except for certain employees' benefits which are measured at present value of the defined benefit obligation using the projected unit credit method and equity investments at FVOCI which is measured at fair value.

**2.4 Use of judgements and estimates**

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except for the disclosed in note 3 on these condensed consolidated interim financial statements, 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 described in the last annual financial statements.

**2.5 Material accounting policies**

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

**2.6 New standards, amendments and interpretations**

*New and revised standards with no material effect on the condensed consolidated interim financial statements:*

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16) effective for annual periods beginning on or after 1 January 2024.
- Non-current Liabilities with Covenants (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7), effective for annual periods beginning on or after 1 January 2024.

However, these amendments did not have an impact on the condensed consolidated interim financial statement of the Group.

*New and revised standards issued but not yet effective:*

The amendments to existing standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these amendments to existing standards, if applicable, when they become effective:

- Lack of exchangeability (Amendments to IAS 21), effective for annual periods beginning on or after 1 January 2025.
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', effective for annual periods beginning on or after 01 January 2026.
- IFRS 18 'Presentation and Disclosure in Financial Statements', effective for annual periods beginning on or after 01 January 2027.
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures', effective for annual periods beginning on or after 01 January 2027.

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**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

**2.6 New standards, amendments and interpretations (continued)**

*New and revised standards issued but not yet effective: (continued)*

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The above-mentioned standards are not expected to have a significant impact on the condensed consolidated interim financial statements of the Group.

**3. PROPERTY AND EQUIPMENT**

|   | <b>30 June<br/>2024<br/>(Unaudited)</b> | <b>31 December<br/>2023<br/>(Audited)</b> |
|---|---|---|
| <i>Cost:</i>                                      |   |   |
| At beginning of the period / year                 | <b>2,042,086,307</b>                    | 1,867,326,123                             |
| Additions   | <b>89,557,972</b>                       | 216,847,332                               |
| Disposals   | -                                       | (10,221,207)                              |
| Transfer from / (to) inventories                  | <b>8,585,528</b>                        | (110,000)                                 |
| Write-off   | <b>(8,026,382)</b>                      | (31,755,941)                              |
| <b>At end of the period / year</b>                | <b><u>2,132,203,425</u></b>             | <b><u>2,042,086,307</u></b>               |
| <i>Accumulated depreciation:</i>                  |   |   |
| At beginning of the period / year                 | <b>1,047,225,170</b>                    | 925,561,128                               |
| Charge for the period / year                      | <b>77,888,690</b>                       | 156,140,930                               |
| Disposals   | -                                       | (8,505,856)                               |
| Write-off   | <b>(5,711,771)</b>                      | (25,971,032)                              |
| <b>At end of the period / year</b>                | <b><u>1,119,402,089</u></b>             | <b><u>1,047,225,170</u></b>               |
| <b>Net book value at end of the period / year</b> | <b><u>1,012,801,336</u></b>             | <b><u>994,861,137</u></b>                 |

**3.1** During the period, the Group has, in assistance with accredited valuers, concluded on the results of a detailed technical exercise to re-assess the useful lives and residual value of vehicles, considering multiple factors including historical and future anticipated usage and realizable value of similar assets. Based on such exercise, the Group's management revised the useful life range of vehicles from 5 years to 5 - 15 years and assessed residual value to reach 25% of initial cost, with effect from 1 January 2024. The revisions in estimated residual value and estimated useful life range are considered to be a change in accounting estimate and, accordingly, the effects of these changes have been adopted prospectively. As a result of these changes, the depreciation charge has decreased by SR 4.8 million and total consolidated comprehensive income for the period ended 30 June 2024 increased by SR 4.8 million. Assuming the assets are held until the end of their useful lives, depreciation for the year ended 31 December 2024 in relation to these assets will decrease by SR 9.5 million.

**4. LEASES**

Set out below are the carrying amounts of the Group's right-of-use assets recognised and the movement during the period / year:

|  | <b>30 June<br/>2024<br/>(Unaudited)</b> | <b>31 December<br/>2023<br/>(Audited)</b> |
|--|---|---|
| At the beginning of the period / year  | <b>1,475,826,600</b>                    | 1,586,284,268                             |
| Additions                              | <b>138,718,923</b>                      | 119,430,225                               |
| Remeasurements                         | <b>2,120,195</b>                        | (6,384,945)                               |
| Modifications                          | -                                       | 5,651,517                                 |
| Derecognised due to termination        | <b>(17,939,629)</b>                     | (27,079,400)                              |
| Depreciation expense                   | <b>(105,235,027)</b>                    | (202,075,065)                             |
| <b>At the end of the period / year</b> | <b><u>1,493,491,062</u></b>             | <b><u>1,475,826,600</u></b>               |



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**4. LEASES (CONTINUED)**

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

|                                   | <b>30 June<br/>2024<br/>(Unaudited)</b> | <b>31 December<br/>2023<br/>(Audited)</b> |
|-----------------------------------|---|---|
| At beginning of the period / year | <b>1,492,165,558</b>                    | 1,577,270,581                             |
| Additions                         | <b>138,718,923</b>                      | 119,430,225                               |
| Modifications                     | <b>-</b>                                | 5,651,517                                 |
| Remeasurements                    | <b>2,120,195</b>                        | (6,384,945)                               |
| Derecognised due to termination   | <b>(18,990,686)</b>                     | (27,430,153)                              |
| Finance cost                      | <b>30,729,432</b>                       | 58,766,489                                |
| Payments                          | <b>(125,911,499)</b>                    | (235,138,156)                             |
| At end of the period / year       | <b>1,518,831,923</b>                    | 1,492,165,558                             |
| Current                           | <b>195,733,915</b>                      | 184,484,573                               |
| Non-current                       | <b>1,323,098,008</b>                    | 1,307,680,985                             |

**5. CASH AND CASH EQUIVALENTS**

|              | <b>30 June<br/>2024<br/>(Unaudited)</b> | <b>31 December<br/>2023<br/>(Audited)</b> |
|--------------|---|---|
| Cash in hand | <b>6,745,446</b>                        | 6,576,383                                 |
| Cash at bank | <b>26,514,431</b>                       | 47,746,808                                |
|              | <b>33,259,877</b>                       | 54,323,191                                |

**6. STATUTORY RESERVE**

During the period, the Company has amended its By-laws in accordance to the update in the Regulations for Companies in the Kingdom of Saudi Arabia under which the mandatory statutory reserve requirement has been abolished. Accordingly, management has transferred statutory reserve to retained earnings.

**7. DIVIDENDS**

On 19 Jumada Al-Akhirah 1445H (corresponding to 1 January 2024), the Group's Board of Directors have approved cash dividend amounting to SR 1.25 per share amounting to SR 106.25 million for the second half of the year ended 31 December 2023, which was distributed on 15 Shaban 1445H (corresponding to 25 February 2024).

**8. LOANS AND BORROWINGS**

**8.1 Term loans**

|                       | <b>30 June<br/>2024<br/>(Unaudited)</b> | <b>31 December<br/>2023<br/>(Audited)</b> |
|-----------------------|---|---|
| Term loans            | <b>226,250,011</b>                      | 302,083,334                               |
| Less: current portion | <b>(171,666,668)</b>                    | (161,666,668)                             |
| Non-current portion   | <b>54,583,343</b>                       | 140,416,666                               |

**8.1.1** Term loans represents Murabaha and Tawaruq loans which were obtained from various local commercial banks and carry financial costs at normal commercial rates. The facilities are secured by promissory notes. These facilities carry borrowing cost at average rate of SIBOR plus 0.75% - 1%. These loans are repayable in semi-annual and quarterly installments over the period of two years. These facility agreements contain financial covenants which require the Group to maintain certain level of financial ratios. There have been no breaches of financial covenants of these facility agreements for the period ended 30 June 2024.

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**8. LOANS AND BORROWINGS (CONTINUED)**

**8.2 Short term borrowings**

Short term borrowings represent Murabaha, Tayseer and Tawarooq facilities obtained from various local banks to meet the working capital requirements with a total facility limit of SR 2,325 million (2023: SR 2,325 million). The net utilized balance as of 30 June 2024 amounted to SR 395.5 million (2023: SR 500 million). These facilities carry financial costs in excess of SIBOR and are consistent with the terms of each facility agreement that are secured by promissory notes issued by the Group and carry charges agreed with the facilities' providers. Further, these facility agreements contain financial covenants which require the Group to maintain certain level of financial ratios. As of 30 June 2024, the Group was in compliance with the loan covenants.

**9. REVENUE**

|                                       | <b>Three month period ended</b> |                      | <b>Six month period ended</b> |                      |
|---------------------------------------|---------------------------------|----------------------|-------------------------------|----------------------|
|                                       | <b>30 June 2024</b>             | <b>30 June 2023</b>  | <b>30 June 2024</b>           | <b>30 June 2023</b>  |
|                                       | <b>(Unaudited)</b>              | <b>(Unaudited)</b>   | <b>(Unaudited)</b>            | <b>(Unaudited)</b>   |
| <b>Type of revenue</b>                |                                 |                      |                               |                      |
| Retail                                | <b>1,498,136,134</b>            | 1,366,977,174        | <b>2,940,119,711</b>          | 2,708,161,416        |
| Wholesale and others                  | <b>88,136,181</b>               | 69,761,849           | <b>162,572,511</b>            | 136,169,130          |
|                                       | <b><u>1,586,272,315</u></b>     | <u>1,436,739,023</u> | <b><u>3,102,692,222</u></b>   | <u>2,844,330,546</u> |
| <b>Geographic markets</b>             |                                 |                      |                               |                      |
| Kingdom of Saudi Arabia               | <b><u>1,586,272,315</u></b>     | <u>1,436,739,023</u> | <b><u>3,102,692,222</u></b>   | <u>2,844,330,546</u> |
| <b>Timing of revenue recognition</b>  |                                 |                      |                               |                      |
| Revenue recognised at a point in time | <b>1,576,381,507</b>            | 1,436,739,023        | <b>3,081,907,549</b>          | 2,844,330,546        |
| Revenue recognised over time          | <b>9,890,808</b>                | -                    | <b>20,784,673</b>             | -                    |
|                                       | <b><u>1,586,272,315</u></b>     | <u>1,436,739,023</u> | <b><u>3,102,692,222</u></b>   | <u>2,844,330,546</u> |

**10. ZAKAT**

**10.1 Charge for the period**

The charge for the interim period is calculated based on estimated zakat charge for the whole year for the Group, which files a combined zakat return for the Company and its wholly owned subsidiary.

**10.2 Movement of provision for zakat:**

|                                       | <b>30 June</b>           | <b>31 December</b> |
|---------------------------------------|--------------------------|--------------------|
|                                       | <b>2024</b>              | <b>2023</b>        |
|                                       | <b>(Unaudited)</b>       | <b>(Audited)</b>   |
| At the beginning of the period / year | <b>23,340,828</b>        | 18,958,328         |
| Provided during the period / year     | <b>11,499,990</b>        | 13,180,400         |
| Payments during the period / year     | <b>(14,037,586)</b>      | (8,797,900)        |
| At the end of the period / year       | <b><u>20,803,232</u></b> | <u>23,340,828</u>  |

**10.3 Status of assessments**

Zakat assessments have been agreed with the Zakat, Tax and Customs Authority ("ZATCA") up to 2016. The Group's zakat returns for the years 2017 to 2023 has been filed with the ZATCA. However, the assessments have not yet been raised by the ZATCA.

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**11. BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

The following reflects the profit and share capital data used in the basic and diluted earnings per share computations:

|   | <b>Three month period ended</b> |                    | <b>Six month period ended</b> |                    |
|---|---------------------------------|--------------------|-------------------------------|--------------------|
|   | <b>30 June</b>                  |                    | <b>30 June</b>                |                    |
|   | <b>2024</b>                     | <b>2023</b>        | <b>2024</b>                   | <b>2023</b>        |
|   | <b>(Unaudited)</b>              | <b>(Unaudited)</b> | <b>(Unaudited)</b>            | <b>(Unaudited)</b> |
| Profit attributable to the shareholders of the Group                                | <b>95,877,965</b>               | 89,333,551         | <b>191,206,190</b>            | 165,588,583        |
| Weighted average number of ordinary shares for basic and diluted earnings per share | <b>85,000,000</b>               | 85,000,000         | <b>85,000,000</b>             | 85,000,000         |
| <b>Basic and diluted earnings per share</b>   | <b>1.13</b>                     | 1.05               | <b>2.25</b>                   | 1.95               |

There has been no item of dilution affecting the weighted average number of ordinary shares.

**12. SEGMENT INFORMATION**

A segment is a distinguishable component of the Group that is engaged in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

For management purposes, the Group is organised into business units based on its products and services and has following two reportable segments:

- Retail: this segment includes the sale of goods to customers commonly at the store checkout for the sales via the Group's pharmacies.
- Wholesale and others: this segment includes sale of goods to the wholesale customers and provision of transportation services.

The Board of directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs) and zakat are managed on a Group basis and are not allocated to operating segments.

The information for each operating segment for the periods ended 30 June 2024 and 30 June 2023 is as follows:

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**12. SEGMENT INFORMATION (CONTINUED)**

|                                 | <b>Retail</b>        | <b>Wholesale and<br/>others</b> | <b>Total</b>         |
|---------------------------------|----------------------|---------------------------------|----------------------|
| <b>30 June 2024 (Unaudited)</b> |                      |                                 |                      |
| Revenue                         | 2,940,119,711        | 162,572,511                     | 3,102,692,222        |
| Cost of revenue                 | (1,865,325,114)      | (96,973,785)                    | (1,962,298,899)      |
| Gross profit                    | 1,074,794,597        | 65,598,726                      | 1,140,393,323        |
| Depreciation and amortization   | (181,200,388)        | (5,038,159)                     | (186,238,547)        |
| Other operating expenses        | (666,540,369)        | (18,532,721)                    | (685,073,090)        |
| Other expenses, net             | (4,173,912)          | (116,053)                       | (4,289,965)          |
| Operating profit                | 222,879,928          | 41,911,793                      | 264,791,721          |
| <i>Unallocated expenses:</i>    |                      |                                 |                      |
| Finance cost                    |                      |                                 | (62,085,541)         |
| Zakat                           |                      |                                 | (11,499,990)         |
| <b>Profit for the period</b>    |                      |                                 | <b>191,206,190</b>   |
| <b>Total assets</b>             | <b>4,748,347,561</b> | <b>172,202,088</b>              | <b>4,920,549,649</b> |
| <b>Total liabilities</b>        | <b>3,419,331,828</b> | <b>123,999,445</b>              | <b>3,543,331,273</b> |
| <b>30 June 2023 (Unaudited)</b> |                      |                                 |                      |
| Revenue                         | 2,708,161,416        | 136,169,130                     | 2,844,330,546        |
| Cost of revenue                 | (1,678,750,058)      | (104,962,173)                   | (1,783,712,231)      |
| Gross profit                    | 1,029,411,358        | 31,206,957                      | 1,060,618,315        |
| Depreciation and amortization   | (176,057,254)        | (7,154,559)                     | (183,211,813)        |
| Other operating expenses        | (620,327,456)        | (14,797,176)                    | (635,124,632)        |
| Other expenses, net             | (5,489,734)          | (223,090)                       | (5,712,824)          |
| Operating profit                | 227,536,914          | 9,032,132                       | 236,569,046          |
| <i>Unallocated expenses:</i>    |                      |                                 |                      |
| Finance cost                    |                      |                                 | (63,190,463)         |
| Zakat                           |                      |                                 | (7,790,000)          |
| <b>Profit for the period</b>    |                      |                                 | <b>165,588,583</b>   |
| <b>Total assets</b>             | <b>4,567,967,111</b> | <b>165,677,563</b>              | <b>4,733,644,674</b> |
| <b>Total liabilities</b>        | <b>3,358,830,649</b> | <b>121,822,873</b>              | <b>3,480,653,522</b> |

**13. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties comprise of the shareholders, directors, associated companies (representing entities controlled or under the significant influence of the Group's shareholders) and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest. The Group in the normal course of business carries out transactions with various related parties.

The pricing policies and terms of payment of transactions with the related parties are approved by the Group's Board of Directors. The outstanding balances at the period ended 30 June 2024 and the year ended 31 December 2023 are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided to amounts due to related parties.

**AL DAWAA MEDICAL SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**  
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

**13. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

(a) Following are the major transactions entered into by the Group with its related parties:

| Related parties   | Nature of transactions                   | Three month period ended 30 June |                     | Six month period ended 30 June |                     |
|---|--|----------------------------------|---------------------|--------------------------------|---------------------|
|   |  | 2024<br>(Unaudited)              | 2023<br>(Unaudited) | 2024<br>(Unaudited)            | 2023<br>(Unaudited) |
| Meshraf General Contracting Company (controlled by key management personnel)        | Construction cost of pharmacies          | 15,680,848                       | 22,991,391          | 34,199,604                     | 52,807,236          |
| Classic Travel & Tours Agency (under common ownership of the Group's shareholder)   | Tickets and other travel expenses        | 6,963,901                        | 9,171,024           | 15,761,119                     | 16,705,416          |
| Digital Business System Company (under common ownership of the Group's shareholder) | IT services provided to the Group        | 7,273,765                        | 7,282,136           | 12,211,305                     | 14,111,817          |
| Walaa Cooperative Insurance Company (other related party)                           | Insurance services provided to the Group | 661,063                          | 1,808,184           | 4,589,199                      | 7,146,419           |
| 966 Motors Establishment (controlled by key management personnel)                   | Maintenance services                     | 1,169,294                        | 1,458,799           | 2,442,187                      | 3,231,757           |
| Eastern Province Cement Company (other related party)                               | Offices rental for the Group             | 106,056                          | -                   | 2,987,055                      | 1,176,840           |
| Zahwa Trading Services Company (controlled by key management personnel)             | Purchases of inventories                 | 3,645,639                        | -                   | 6,345,266                      | 468,398             |
| Modawaa and Rieaya Medical Company Limited (associate)                              | Investment                               | 490,000                          | -                   | 490,000                        | -                   |
| Kanaf Charitable Association (controlled by key management personnel)               | Donation from pharmacies customers       | 9,388                            | 11,962              | 18,352                         | 24,233              |

(b) Key management personnel compensation:

|                              | Three month period ended 30 June |                     | Six month period ended 30 June |                     |
|------------------------------|----------------------------------|---------------------|--------------------------------|---------------------|
|                              | 2024<br>(Unaudited)              | 2023<br>(Unaudited) | 2024<br>(Unaudited)            | 2023<br>(Unaudited) |
| Short-term employee benefits | 15,431,833                       | 9,222,539           | 23,210,833                     | 15,982,102          |
| End of services benefits     | 1,690,174                        | 834,480             | 2,001,949                      | 1,099,342           |
|                              | <u>17,122,007</u>                | <u>10,057,019</u>   | <u>25,212,782</u>              | <u>17,081,444</u>   |

(c) Due from related parties:

|                                 | 30 June<br>2024<br>(Unaudited) | 31 December<br>2023<br>(Audited) |
|---------------------------------|--------------------------------|----------------------------------|
| Mawarid Trading Limited         | 317,911                        | 130,067                          |
| Eastern Province Cement Company | -                              | 2,037,890                        |
|                                 | <u>317,911</u>                 | <u>2,167,957</u>                 |

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(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

**13. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

(d) Due to related parties:

|  | <b>30 June<br/>2024<br/>(Unaudited)</b> | <b>31 December<br/>2023<br/>(Audited)</b> |
|--|---|---|
| Digital Business System Company            | <b>22,931,761</b>                       | 21,674,929                                |
| Meshraf General Contracting Company        | <b>16,307,484</b>                       | 20,195,624                                |
| Zahwa Trading Services Company             | <b>2,641,037</b>                        | 2,490,763                                 |
| Walaa Cooperative Insurance Company        | <b>2,271,055</b>                        | 2,189,400                                 |
| Classic Travel & Tours Agency              | <b>1,029,253</b>                        | 905,603                                   |
| Modawaa and Rieaya Medical Company Limited | <b>490,000</b>                          | -   |
| Eastern Province Cement Company            | <b>35,755</b>                           | -   |
| Kanaf Charitable Association               | <b>18,352</b>                           | 7,947                                     |
| 966 Motors Establishment                   | -                                       | 1,008,020                                 |
| Accrued directors' remuneration            | <b>1,860,000</b>                        | 2,460,000                                 |
|  | <b>47,584,697</b>                       | 50,932,286                                |

**14. FAIR VALUE MEASUREMENT**

As of 30 June 2024 and 31 December 2023, all of the Group's financial instruments have been carried at amortized cost and the Group does not hold any financial instruments measured at fair value except investment designated at FVOCI which has been classified in level 1 of fair value hierarchy. The carrying value of the other financial assets and liabilities in the condensed consolidated statement of financial position approximates to their fair values.

**15. COMMITMENTS**

As of 30 June 2024, the capital expenditure contracted by the Group but not incurred till 30 June 2024 was approximately SR 182 million (2023: SR 271.6 million).

**16. CORRESPONDING FIGURES**

Certain corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation, the effect of which is not material. The following table summarise the impacts on the Group's condensed consolidated statement of profit or loss.

|  | <u>As previously<br/>stated</u> | <u>Effects due to<br/>reclassification</u> | <u>As restated</u> |
|--|---------------------------------|--|--------------------|
| Consolidated statement of profit or loss for the period 30 June 2023 |                                 |  |                    |
| Selling and distribution expenses                                    | (761,903,186)                   | 5,276,380                                  | (756,626,806)      |
| General and administrative expenses                                  | (61,710,164)                    | 525  | (61,709,639)       |
| Other expense, net   | (436,444)                       | (5,276,380)                                | (5,712,824)        |
| Finance cost   | (63,189,938)                    | (525)                                      | (63,190,463)       |

**17. SUBSEQUENT EVENTS**

No significant subsequent event occurred between 30 June 2024 and the date of authorization of these condensed consolidated interim financial statements by the Board, that may have material impact on these condensed consolidated interim financial statements.