



Al Hammadi Holding Company
(A Saudi Joint Stock Company)

The Condensed Consolidated Interim Financial Statements (Unaudited)

For the three month and six-month periods ended

30 June 2025

**and Independent Auditors Review Report on the condensed consolidated
interim financial statements**

Al Hammadi Holding Company (A Saudi Joint Stock Company)
The Condensed Consolidated Interim Financial Statements for the three-month and six-
month periods ended 30 June 2025 (Unaudited)
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Al Hammadi Holding Company
"A Saudi Joint Stock Company"
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Al Hammadi Holding Company ("the Company") and its subsidiaries (together "the Group") as at 30 June 2025 and the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income for the three-month and six-month periods then ended, and condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard ("IAS 34") "*Interim Financial Reporting*" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on those condensed consolidated interim 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" 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.

Conclusion

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

For Dr. Mohamed Al-Amri & Co.

Ahmed Al Jumah
Certified Public Accountant
Registration No. 621

Riyadh, 16 Safar 1447 (H)
Corresponding to: 10 August 2025 (G)



Al Hammadi Holding Company (A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Profit or Loss

(All Amounts in ﷲ Unless Otherwise Stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		<u>2025</u> <u>(Unaudited)</u>	<u>2024 (Unaudited)</u>	<u>2025</u> <u>(Unaudited)</u>	<u>2024 (Unaudited)</u>
		ﷲ	ﷲ	ﷲ	ﷲ
Revenues	(6)	298,239,430	263,458,181	600,120,163	540,498,525
Cost of revenues		(205,246,410)	(177,718,567)	(410,620,768)	(363,701,934)
GROSS PROFIT		92,993,020	85,739,614	189,499,395	176,796,591
Selling and marketing expenses		(2,098,927)	(1,616,279)	(4,569,071)	(2,364,423)
General and administrative expenses		(22,518,776)	(20,201,888)	(46,119,180)	(44,519,113)
(Provision for)/ reversal of allowance for expected credit loss		(10,912,411)	2,004,272	(10,581,818)	4,178,728
Gain from disposal of property and equipment		-	55,269,000	-	55,269,000
Other income		6,427,910	8,971,474	12,387,286	15,702,729
OPERATING PROFIT		63,890,816	130,166,193	140,616,612	205,063,512
Company share of profit / (loss) from associate	(9)	7,059,856	(554,338)	12,545,269	(533,361)
Finance income		1,070,509	203,126	3,096,276	203,126
Finance cost		(6,057,613)	(5,943,625)	(12,368,268)	(11,820,456)
NET PROFIT BEFORE ZAKAT		65,963,568	123,871,356	143,889,889	192,912,821
Zakat expense		(4,000,000)	(6,000,000)	(8,000,000)	(11,000,000)
NET PROFIT FOR THE PERIOD		61,963,568	117,871,356	135,889,889	181,912,821
Earnings per share:					
Earnings per share basic and diluted	(7)	0.39	0.74	0.85	1.14

(The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements)



Mohammed Said Al Saafeen
Finance Manager



Mohammed Saleh Al Hammadi
Managing Director & CEO

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Comprehensive Income

(All Amounts in ﷲ Unless Otherwise Stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		ﷲ	ﷲ	ﷲ	ﷲ
NET PROFIT FOR THE PERIOD		61,963,568	117,871,356	135,889,889	181,912,821
Other comprehensive income					
Items that will not be subsequently reclassified into profit or loss:					
Re-measurement gain/ (loss) on defined benefit plans	(17)	1,051,711	(323,100)	2,438,455	(97,082)
The Company's share in other comprehensive loss of an associate	(9)	(70,617)	(101,500)	(141,234)	(59,500)
Other comprehensive income /(loss) for the period		981,094	(424,600)	2,297,221	(156,582)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		62,944,662	117,446,756	138,187,110	181,756,239

(The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements)



Mohammed Said Al Saafeen
Finance Manager



Mohammed Saleh Al Hammadi
Managing Director & CEO

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Financial Position

(All Amounts in ﷲ Unless Otherwise Stated)

	Note	As at 30 June 2025 (Unaudited) ﷲ	As at 31 December 2024 (Audited) ﷲ
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property and equipment	(8)	1,687,556,296	1,709,582,028
Intangible assets		27,637,578	27,065,424
Investment in associate	(9)	147,390,814	134,986,779
Total non-current assets		1,862,584,688	1,871,634,231
<u>Current assets</u>			
Inventories		67,890,428	61,155,649
Other receivables		9,145,585	7,204,889
Prepayments		26,358,219	21,929,968
Contract assets		11,026,891	9,145,543
Trade receivables	(10)	475,478,973	434,433,975
Cash and cash equivalents		193,603,968	245,261,942
Total current assets		783,504,064	779,131,966
TOTAL ASSETS		2,646,088,752	2,650,766,197
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY</u>			
Share capital	(11)	1,600,000,000	1,600,000,000
General reserve	(12)	101,236,022	101,236,022
Retained earnings		286,204,868	260,017,758
TOTAL EQUITY		1,987,440,890	1,961,253,780
<u>LIABILITIES</u>			
<u>Non-current liabilities</u>			
Long-term loans	(14)	152,528,853	165,146,289
Government grants	(15)	94,745,725	97,988,955
Lease liabilities	(16)	99,977,526	104,068,911
Employees' terminal benefits	(17)	98,754,216	97,394,254
Total non-current liabilities		446,006,320	464,598,409
<u>Current liabilities</u>			
Current portion of long-term loans	(14)	18,714,240	18,714,240
Government grants	(15)	6,537,820	7,846,052
Lease liabilities	(16)	16,189,051	16,179,839
Accrued zakat		7,984,889	15,475,483
Trade payables	(18)	55,551,639	66,437,751
Accrued expenses		44,159,535	53,665,942
Other payables		16,219,008	15,990,506
Contract liabilities		47,285,360	30,604,195
Total current liabilities		212,641,542	224,914,008
TOTAL LIABILITIES		658,647,862	689,512,417
TOTAL EQUITY AND LIABILITIES		2,646,088,752	2,650,766,197

(The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements)



Mohammed Said Al Saafeen
Finance Manager



Mohammed Saleh Al Hammadi
Managing Director & CEO

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Changes in Equity

(All Amounts in ﷲ Unless Otherwise Stated)

	Note	Share capital	Statutory reserve	General Reserve	Retained earnings	Total equity
		ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
As at 1 January 2024 (Audited)		1,600,000,000	67,355,941	-	177,567,896	1,844,923,837
Net profit for the period		-	-	-	181,912,821	181,912,821
Other comprehensive Loss for period		-	-	-	(156,582)	(156,582)
Total comprehensive income for period		-	-	-	181,756,239	181,756,239
Transferred from statutory reserve		-	(67,355,941)	67,355,941	-	-
Dividends	(13)	-	-	-	(112,000,000)	(112,000,000)
As at 30 June 2024 (Unaudited)		<u>1,600,000,000</u>	<u>-</u>	<u>67,355,941</u>	<u>247,324,135</u>	<u>1,914,680,076</u>
As at 1 January 2025 (Audited)		1,600,000,000	-	101,236,022	260,017,758	1,961,253,780
Net profit for the period		-	-	-	135,889,889	135,889,889
Other comprehensive income for period		-	-	-	2,297,221	2,297,221
Total comprehensive income for period		-	-	-	138,187,110	138,187,110
Dividends	(13)	-	-	-	(112,000,000)	(112,000,000)
As at 30 June 2025 (Unaudited)		<u>1,600,000,000</u>	<u>-</u>	<u>101,236,022</u>	<u>286,204,868</u>	<u>1,987,440,890</u>

(The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements)



Mohammed Said Al Saafeen
Finance Manager



Mohammed Saleh Al Hammadi
Managing Director & CEO

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Cash Flows
(All Amounts in ﷲ Unless Otherwise Stated)

		For the six- month period ended	
	Note	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
		ﷲ	ﷲ
OPERATING ACTIVITIES			
Net profit of the period		135,889,889	181,912,821
Adjustments for non-cash items:			
Depreciation of property and equipment and right of use assets		47,725,070	49,055,009
Amortization of intangible assets		267,846	341,203
Gain from disposal of property and equipment		-	(55,269,000)
Company share of profit / (loss) from associate	(9)	(12,545,269)	533,361
(Provision) /Reversal for expected credit loss		10,581,818	(4,178,728)
Government grants amortization	(15)	(4,551,462)	(4,551,462)
Current services cost of employees' terminal benefits	(17)	6,246,791	7,076,992
Contract liability formed during the period		27,750,571	17,284,121
Finance income		(3,096,276)	(203,126)
Finance cost		12,368,268	11,820,456
Zakat expense		8,000,000	11,000,000
		228,637,246	214,821,647
Working capital adjustments:			
Inventories		(6,734,779)	(981,135)
Other receivables		(1,521,436)	(4,058,110)
Prepayments		(4,394,495)	(503,758)
Contract assets		(2,499,920)	3,807,339
Net changes in related parties		(10,110)	(4,067,543)
Trade receivables		(50,921,495)	133,785,444
Trade payables		(10,948,667)	(15,832,807)
Accrued expenses		(9,506,407)	(3,149,040)
Other payables		123,574	(15,193,910)
Contract liability		(11,069,406)	(38,460,435)
Cash from operations		131,154,105	270,167,692
Employees' terminal benefits paid	(17)	(4,816,914)	(3,096,251)
Zakat paid		(15,490,594)	(18,243,131)
NET CASH FLOWS FROM OPERATING ACTIVITIES		110,846,597	248,828,310
INVESTING ACTIVITIES			
Purchase of property and equipment		(25,699,338)	(10,034,230)
Proceeds from sale of property and equipment		-	124,600,000
Purchase of intangible assets		(840,000)	(1,101,845)
Received from finance income		2,616,276	-
NET CASH FLOWS (USED IN) /PROVIDING FROM INVESTING ACTIVITIES		(23,923,062)	113,463,925

(The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements)

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Cash Flows (Continued)
(All Amounts in ﷲ Unless Otherwise Stated)

	Notes	For the six- month period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
		ﷲ	ﷲ
FINANCING ACTIVITIES			
Repayment of short- and long-term loans		(17,337,000)	(17,339,240)
Lease liabilities paid	(16)	(7,965,255)	(7,916,630)
Finance cost paid		(1,384,182)	(697,792)
Dividends paid		(111,895,072)	(111,541,109)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(138,581,509)	(137,494,771)
Net changes in cash and cash equivalents		(51,657,974)	224,797,464
Cash and cash equivalents at 1 January		245,261,942	125,237,441
CASH AND CASH EQUIVALENTS AT 30 JUNE		193,603,968	350,034,905

Supplementary information for non-cash transactions

Right-of-use assets additions		-	3,080,572
Right-of-use assets disposals		-	1,102,981
Transfer from lease liabilities to trade payables	(16)	3,750	12,900
Transfer from lease liabilities to related parties payables	(16)	9,150	-

(The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements)



Mohammed Said Al Saafeen
Finance Manager



Mohammed Saleh Al Hammadi
Managing Director & CEO

Al Hammadi Holding Company (A Saudi Joint Stock Company)

Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

1. Corporate information

Al Hammadi Holding Company (the “Company”) is a Saudi joint stock company registered under Commercial Registration No. 1010196714 issued on 23 Safar 1425H (corresponding to: 13 April 2004) in Riyadh city. The Company’s shares are listed in Saudi Stock Exchange (Tadawul) since 17 Ramadan 1435H (corresponding to 15 July 2014).

The Company’s registered address is P.O. Box 10112, Riyadh 11443, Saudi Arabia.

The main activities of the Company are represented in managing its subsidiaries or participating in the management of other companies in which it contributes and providing the necessary support to them, investing its money in shares and other securities in accordance with legal and regulatory controls, owning real estate and movables necessary to conduct its activities, and providing loans, guarantees and financing to its subsidiaries, Owning property rights including patents, trademarks, industrial rights, franchises and other intangible rights, exploiting and leasing them to its subsidiaries or others, and owning, developing and investing real estate by selling, buying, renting, leasing, managing, operating and maintaining it. The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent agencies, if any.

Details of subsidiary companies are as follows:

<u>Name of Subsidiary</u>	<u>Country of Incorporation</u>	<u>Commercial Registration No.</u>	<u>Business Activity</u>	<u>Functional Currency</u>	<u>Ownership Interest</u>	
					<u>2025</u>	<u>2024</u>
Medical Support Services Company Limited	Saudi Arabia	1010203580	Service Company	ﷲ	100%	100%
Pharmaceutical Services Company Limited	Saudi Arabia	1010170194	Trading Company	ﷲ	100%	100%
Medical Industries Company Limited	Saudi Arabia	1010899779	Industrial Company	ﷲ	100%	100%

These condensed consolidated interim financial statements include the accounts of the Group and the following branches (together the group), which operate under separate commercial registrations:

<u>Branch Name</u>	<u>Commercial Registration No.</u>	<u>City</u>
Al Hammadi Hospital, Olaya - branch	1010263026	Riyadh
Al Hammadi Hospital, Al-Suwaidi- branch	1010934227	Riyadh
Al Hammadi Hospital, Al-Nuzha - branch	1010374270	Riyadh
Al Hammadi Hospitals Group	1010740187	Riyadh
Pharmaceutical Services Company Limited	1010173099	Riyadh
Maintenance & Constructions	1010374273	Riyadh
Arabian Hospitality	1010610529	Riyadh
Higher Institute for Continuing Professional Development for Training	1010500366	Riyadh
Higher Institute for Continuing Professional Development for Women's Training	1010651084	Riyadh
Home Medical Care	1010610897	Riyadh
Medical Diagnostic Center for Medical Services	1010610524	Riyadh
Telemedicine Limited	1010610532	Riyadh
Unified Procurement Limited	1010610555	Riyadh
Bio and Pharmaceutical Industries Complex	1126105966	Sudair

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

2. Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 “Initial Financial Report” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the group as of 31 December 2024 (the “Last year annual financial statements”). These condensed consolidated interim financial statements do not include all the information required to prepare a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards. specific accounting policies and explanatory explanations have been included to explain important events and transactions to understand changes in the financial position and financial performance of the group in the financial statements Since 31 December 2024. The results for the six-month period ended on 30 June 2025 are not necessarily indicative of the results that can be expected for the year ending on 31 December 2025.

2.2 Preparation of the financial statements

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for the employee’s terminal benefits which is measured at the present value of future obligations using the Projected Unit Credit method.

2.3 Use of judgments 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, revenue, and expenses. Actual results may differ from these estimates. 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 consolidated financial statements.

The assumptions and estimates are continually evaluated and they are based on past experience and other factors, including expectations of future events that are relevant to the circumstances. The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3. Functional and presentation currency

These condensed consolidated interim financial statements are presented in ﷲ, which is the functional and presentation currency of the Group. Unless otherwise stated all figures are rounded to the nearest Riyal (ﷲ).

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

4. Basis of consolidation

These condensed consolidated interim financial statements comprising the condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of other comprehensive income, condensed consolidated interim statement of changes in equity, condensed consolidated interim statement of cash flows and notes to the condensed consolidated interim financial statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiaries, as set out in note (1). Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill in condensed consolidated interim statement of financial position. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods

5. Material accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

New Standards, Amendment to Standards and Interpretations:

There are number of amendments to standards which are effective from 1 January 2025 and has been explained in Group annual Consolidated Financial Statements, but they do not have a material effect on the Group's Condensed Consolidated Interim Financial Statements as at 30 June 2025.

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

6. Segment information

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

The Group's operations consist mainly of the medical services and pharmaceuticals products segment.

The following are selected financial information as at 30 June 2025, 30 June 2024 and 31 December 2024 by business segment:

- Medical Services segment: Fees imposed on hospitals' services for inpatient and outpatient.
- Pharmaceutical's products segment.

For the six-month period ended 30 June (Unaudited)	Medical Services		Pharmaceutical Products		Total	
	2025	2024	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Revenue	480,881,431	444,450,841	119,238,732	96,047,684	600,120,163	540,498,525
Gross Profit	162,604,106	157,517,104	26,895,289	19,279,487	189,499,395	176,796,591
Depreciation and amortization	46,599,910	48,695,571	1,393,006	700,641	47,992,916	49,396,212
Net profit for the period	112,971,156	164,827,904	22,918,733	17,084,917	135,889,889	181,912,821

For the period / year ended as at	Medical Services		Pharmaceutical Products		Total	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Total Assets	2,310,535,445	2,343,338,684	335,553,307	307,427,513	2,646,088,752	2,650,766,197
Total Liabilities	600,875,692	612,740,338	57,772,170	76,772,079	658,647,862	689,512,417

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

7. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
	ﷲ	ﷲ
Net profit for the period	135,889,889	181,912,821
Weighted average number of ordinary shares	160,000,000	160,000,000
Basic and diluted earnings per share	0.85	1.14

The weighted average number of shares as at 30 June 2025 totaled 160,000,000 shares.

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.

8. Property and equipment

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Property and equipment	1,572,059,860	1,588,442,198
Right of use assets	115,496,436	121,139,830
	1,687,556,296	1,709,582,028

Property and equipment illustrated above as at 30 June 2025 include lands with a value of 152.5 million ﷲ (31 December 2024: 152.5 million ﷲ) and a building with a net book value of 834.4 million ﷲ (31 December 2024: 847.8 million ﷲ) pledged as a collateral for a long-term loan from the Ministry of Finance to fund the construction of the hospital in Al-Suwaidi area and its housing compound in addition to the construction of the hospital in Al Nuzha area.

During the second quarter of 2024, a land plot located in the Al Rayyan district of Riyadh, with an area of 35,600 square meters, was sold for 124,600,000ﷲ (excluding real estate transaction tax and brokerage fees) to Emmar Ocean Company. Where the book value of the land is 69,331,000 ﷲ.

9. Investment in associate

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Balance at the beginning of the period/year	134,986,779	128,381,558
Company's share of net profit of the period/year	12,545,269	6,724,221
Company's share of other comprehensive loss of the period/year	(141,234)	(119,000)
Balance at the ending of the period/year	147,390,814	134,986,779

Al Hammadi Holding Company (A Saudi Joint Stock Company)**Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)****(All Amounts in ﷲ Unless Otherwise Stated)****10. Trade receivables**

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
		ﷲ	ﷲ
Trade receivables		571,979,161	521,057,666
Amounts due from related parties	(19)	108,610	48,845
		572,087,771	521,106,511
Deduct: Allowance expected credit loss		(96,608,798)	(86,672,536)
Net trade receivables		475,478,973	434,433,975

The summary for the movement of allowance for expected credit loss is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Balance at the beginning of the period/year	86,672,536	77,835,214
Charged during the period/year	9,936,262	8,837,322
Balance at the end of the period/year	96,608,798	86,672,536

Indicators of impairment in the value of trade receivables are reviewed at the end of the reporting period. The allowance expected credit loss is adjusted in proportion to the periodic changes that occur in these indicators. In the opinion of management, there was no decrease in the value of trade receivables other than what was recorded as an allowance for expected credit loss.

11. Share capital

The company's capital as at 30 June 2025 is 1,600 million ﷲ (31 December 2024: about 1,600 million ﷲ) consisting of 160 million ordinary shares (31 December 2024: 160 million ﷲ ordinary shares), fully paid up with a nominal value of 10 ﷲ.

12. Statutory reserve

The Company's General Assembly, in its extraordinary meeting held on 24 Dhu al-Hijjah 1445 H (corresponding to 30 June 2024), approved the update of the Company's articles of association to comply with the new Companies Law. The meeting approved the transfer of the statutory reserve, amounting to 67,355,941 ﷲ as of December 31, 2023, to a general reserve.

13. Dividends

The Board of Directors of the Company approved, in its meeting held on 8 Ramadan 1445H (corresponding to: 18 March 2024), the distribution of interim cash dividends of 56 million ﷲ to the company's shareholders for the fourth quarter of 2023 at a rate of 0.35 ﷲ (35 Halalas) per share. This comes in light of the authorization given by the Company's General Assembly to the Board of Directors to distribute interim dividends on a semi-annual or quarterly base for the fiscal year 2023 in accordance with the decision of the Ordinary Assembly on 21 Dhu al-Qi`dah 1443H (corresponding to: 20 June 2022).

The Board of Directors of the Company approved, in its meeting held on 10 Dhu al-Qi`dah 1445H (corresponding to: 18 May 2024), the distribution of interim cash dividends of 56 million ﷲ to the company's shareholders for the first quarter of 2024 at a rate of 0.35 ﷲ (35 Halalas) per share. This aligns with the dividend distribution policy approved by the Ordinary General Assembly on Ramadan 22, 1444 AH (corresponding to April 13, 2023).

Al Hammadi Holding Company (A Saudi Joint Stock Company)**Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)****(All Amounts in ﷲ Unless Otherwise Stated)****13. Dividends (Continued)**

The Board of Directors of the Company approved, in its meeting held on 28 Shaban 1446H (corresponding to: 27 February 2025), the distribution of interim cash dividends of 56 million ﷲ to the company's shareholders for the fourth quarter of 2024 at a rate of 0.35 ﷲ (35 Halalas) per share. This comes in light of the authorization given by the Company's General Assembly to the Board of Directors to distribute interim dividends on a semi-annual or quarterly base for the fiscal year 2024 in accordance with the decision of the Extraordinary General Assembly on 24 Dhu al-Hijjah 1445H (corresponding to: 30 June 2024).

The Board of Directors of the Company approved, in its meeting held on 13 Dhu al-Qi`dah 1446H (corresponding to: 11 May 2025), the distribution of interim cash dividends of 56 million ﷲ to the company's shareholders for the first quarter of 2025 at a rate of 0.35 ﷲ (35 Halalas) per share. This aligns with the dividend distribution policy approved by the Ordinary General Assembly on Ramadan 22, 1444 AH (corresponding to April 13, 2023).

14. Long term loans

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Current portion		
Loans from Ministry of Finance	18,714,240	18,714,240
Total Current portion	18,714,240	18,714,240
Non-Current portion		
Loans from Ministry of Finance	152,528,853	165,146,289
Total Non-current portion	152,528,853	165,146,289
Total	171,243,093	183,860,529

Aggregate maturities of loans are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Within one year	18,714,240	18,714,240
From one year to five years	93,571,200	93,571,200
More than five years	134,810,615	152,147,617
Total	247,096,055	264,433,057

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Future loans payment	247,096,055	264,433,057
Less: un-amortized finance costs	(75,852,962)	(80,572,528)
Present value of loans payment	171,243,093	183,860,529
Less: current-portion of loans	(18,714,240)	(18,714,240)
Non-current-portion of loans	152,528,853	165,146,289

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Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

15. Government Grants

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Balance at the beginning of the period/year	105,835,007	114,937,928
Government grants amortized for the period/year	(4,551,462)	(9,102,921)
Balance at the end of the period/year	101,283,545	105,835,007
Current portion	6,537,820	7,846,052
Non-current portion	94,745,725	97,988,955
	101,283,545	105,835,007

16. Lease Liabilities

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Balance at the beginning of the period/year	120,248,750	121,585,672
Additions during the period/year	-	7,020,596
Finance cost of the period/year	3,895,982	7,979,893
Payments during the period/year	(7,965,255)	(16,098,261)
Transferred to trade payables	(3,750)	(7,500)
Transferred to related parties payables	(9,150)	(231,650)
Balance at the end of the period/year	116,166,577	120,248,750

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Within one year	16,193,085	16,250,860
From one year to five years	69,680,570	70,800,950
More than five years	81,600,000	88,400,000
Total	167,473,655	175,451,810

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
The maturity dates for the lease liabilities are as follows:		
Future minimum lease payment	167,473,655	175,451,810
Less: un-amortized finance lease	(51,307,078)	(55,203,060)
Present value of minimum lease liabilities	116,166,577	120,248,750
Less: current-portion of lease liabilities	(16,189,051)	(16,179,839)
Non-current-portion of lease liabilities	99,977,526	104,068,911

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Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

17. Employees' terminal benefits

Movement in the present value of the defined benefit obligation:	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Present value of defined benefit obligation at beginning of the period/year	97,394,257	88,235,446
Current service cost during the period/year	6,246,791	14,153,997
Special commission cost during the period/year	2,368,537	4,376,023
Actuarial gains based on a defined benefit plan recognized in the consolidated statement of comprehensive income during the period/year	(2,438,455)	(1,648,129)
Settlements on employee loans and advances during the period/year	-	(2,067,344)
Paid during the period / year	(4,816,914)	(5,655,739)
Present value of defined benefit obligation at end of the period / year	98,754,216	97,394,254

18. Trade payable

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
		ﷲ	ﷲ
Vendors payable		54,673,922	65,618,839
Amounts due to related parties	(19)	877,717	818,912
		55,551,639	66,437,751

19. Related party transactions and balances

The Group in the normal course of business carries on business with other enterprises and individuals that fall within the definition of a related party as per IFRS. These transactions are carried out in normal course of the business and are measured at exchange amounts, being the amounts agreed by both parties. The transactions are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of the period/ year are unsecured, interest free and to be settled in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the period ended as at 30 June 2025 (31 December 2024: Zero) Any decrease in the value of receivables related to amounts due from related parties.

During the ordinary course of business, the Group engaged in several significant transactions with related parties (i.e., major shareholders of the Group) as illustrated below:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
	ﷲ	ﷲ
Compensation to key management members	4,077,041	3,273,560
Purchases from companies owned by shareholders	4,901,248	4,691,941
Rental expense (paid) to shareholders	12,900,000	12,900,000
Rental expense (paid) to relatives of shareholders	700,000	700,000
Rental expenses (paid) to companies owned by major shareholders and their relatives	57,775	-
Clinical services rendered to shareholders	48,016	23,187

Al Hammadi Holding Company (A Saudi Joint Stock Company)
Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

19. Related party transactions and balances (Continued)

Significant period/ year-end balances from transactions with related parties are as follows:

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
		ﷲ	ﷲ
Amounts due from related party			
Main Shareholders		53,059	5,042
Other Related Parties		55,551	43,803
	(10)	108,610	48,845
Amounts due to related party			
Due to Related Parties	(18)	877,717	818,912
		877,717	818,912

20. Commitments and Contingencies

Letters of guarantee

The Group has letters of guarantee issued in the course of the normal business of the group as at 30 June 2025 with a total value of approximately 18.2 million ﷲ (31 December 2024: approximately 4.5 million ﷲ).

Legal cases provision

There are some legal cases, in the normal course of business, that are still pending in front of the competent authorities, and the management works to resolve them, but the final outcome of these cases is not certain. The management closely monitors the updates and takes the necessary provision, based on the principle of conservatism. The management believes that the current provisions are sufficient and it does not expect that the results of these cases will be material on the condensed consolidated interim financial statements of the Group.

21. Financial assets and financial liabilities

Financial instruments risk management objectives and policies

The main financial instruments carried on the Group's condensed consolidated statement of financial position include cash and cash equivalents, accounts receivables and other debit balances, due from related parties, accounts payables, loans, due to related parties, accrued liabilities and other credit balances. The main purpose behind the Group's financial liabilities is to finance the operations and to provide guarantees to support the operations.

The Group's activities exposed it to various risks. These risks are: Market risk (which includes: Currency risk, fair value and cash flow interest rate risks and price risk), Credit risk and Liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. The board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

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Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

21. Financial assets and financial liabilities (Continued)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include: loans, borrowings and deposits.

Currency Risk

It is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in ﷲ and US Dollars. As ﷲ is pegged to US Dollar, the Group does not have significant exposure to currency risk.

Cash flow interest rate risks

The exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial positions and cash flows. The Group monitors the commission rate fluctuations on a continuous basis and acts accordingly. The Group's commission rates principally relate to its borrowings and are subject to change on periodic basis.

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is currently not exposed to price risk as it has no investments in marketable securities.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group places its cash with banks that have sound credit ratings. Accounts receivables and due from related parties are carried net of allowance for expected credit loss.

The maximum credit risk for the Group is as follows, and most of them are unsecured:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Other receivables	9,145,585	7,204,889
Trade receivables	475,478,973	434,433,975
Cash at banks	192,956,286	245,027,717
Total	677,580,844	686,666,581

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Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

21. Financial assets and financial liabilities (Continued)

Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments.

The table below summarizes the maturities of the Company's financial liabilities, based on contractual payment dates and current market interest rates:

<u>As at 30 June 2025</u> <u>(Unaudited)</u>	On demand	Within one year	After one year but not more than five years	More than five years	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Loans	-	18,714,240	93,571,200	134,810,615	247,096,055
Trade payables	55,551,639	-	-	-	55,551,639
Accrued expenses	44,159,535	-	-	-	44,159,535
Other payables	16,219,008	-	-	-	16,219,008
Lease liabilities	-	16,193,085	69,680,570	81,600,000	167,473,655

<u>As at 31 December 2024 (Audited)</u>	On demand	Within one year	After one year but not more than five years	More than five years	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Loans	-	18,714,240	93,571,200	152,147,616	264,433,056
Trade payables	66,437,751	-	-	-	66,437,751
Accrued expenses	53,665,942	-	-	-	53,665,942
Other payables	15,990,506	-	-	-	15,990,506
Lease liabilities	-	16,250,860	70,800,950	88,400,000	175,451,810

Capital Management

The Group's objective when managing capital is to preserve the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. and maintaining a strong capital base to support the sustainable development of its business.

The ratio of the Group's adjusted net liabilities to the Group's equity is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Total liabilities	658,647,862	689,512,417
Less: Cash at banks	(192,956,286)	(245,027,717)
Net liabilities	465,691,576	444,484,700
Total shareholder's equity	1,987,440,890	1,961,253,780
Net liabilities to Total shareholder's equity	0,23	0,23

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

There have been no changes to the objectives, policies and procedures for capital management during the period /years ended as at 30 June 2025 and to 31 December 2024.

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Notes to the Condensed Consolidated Interim Financial Statements for the Three-Month and Six-Month Periods Ended 30 June 2025 (Unaudited)

(All Amounts in ﷲ Unless Otherwise Stated)

21. Financial assets and financial liabilities (Continued)

Fair Value

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.

22. Significant events during period

- The company announced on the Saudi Stock Exchange website on 30 Shawwal 1446 H corresponding to 28 April 2025 that Al Hammadi Holding Company signed a non-binding memorandum of understanding to acquire 40% of the capital of Warid Health Company (a limited liability company) operating in the field of laboratory tests and home care, and has (29) branches in the Riyadh region. The company extended the term of the memorandum for an additional 90 days for the purpose of preparing an independent assessment of feasibility and strategic compatibility. On 2 Safar 1447 H, corresponding to July 27, 2025 A, the company announced the extension of the Memorandum of Understanding for an additional (90) days for the purpose of preparing an independent assessment of feasibility and strategic alignment.

23. Subsequent events.

- The company's board of directors decided in its meeting held on 12 Safar 1447 H (corresponding to: 6 August 2025) to distribute interim cash dividends amounting to 56 million ﷲ to the company's shareholders for the second quarter of 2025 at a rate of 0.35 ﷲ (35 halalas) per share.

24. Approval of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements have been approved by the board of directors on 12 Safar 1447H (corresponding to: 6 August 2025).