

NATIONAL MEDICAL CARE COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
30 JUNE 2025 AND REVIEW REPORT

NATIONAL MEDICAL CARE COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

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Report on review of condensed consolidated interim financial statements

To the shareholders of National Medical Care Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of National Medical Care Company (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2025 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025, and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period ended 30 June 2025 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 34 - “Interim Financial Reporting” (“IAS 34”), as 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 International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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, as 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 are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Bader I. Benmohareb
License No. 471

4 August 2025

NATIONAL MEDICAL CARE COMPANY

(A Saudi Joint Stock Company)

Condensed consolidated interim statement of profit or loss and other comprehensive income

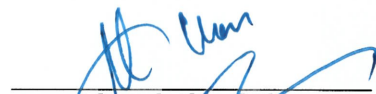
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	13	397,872,152	296,817,981	783,192,608	595,378,999
Cost of revenue		(250,389,309)	(188,663,187)	(492,731,368)	(377,029,477)
Gross profit		147,482,843	108,154,794	290,461,240	218,349,522
Selling and distribution expenses		(4,758,132)	(2,343,003)	(7,595,813)	(3,563,750)
General and administrative expenses		(46,928,656)	(37,891,949)	(94,040,327)	(69,170,681)
Expected credit loss allowance		(11,117,763)	(4,743,033)	(7,597,105)	(11,384,539)
Other operating income, net		300,615	1,940,572	946,831	3,227,264
Operating profit		84,978,907	65,117,381	182,174,826	137,457,816
Finance income		5,594,509	5,083,162	11,002,119	11,943,078
Finance cost		(7,379,774)	(5,085,405)	(14,972,091)	(9,925,013)
Profit before zakat		83,193,642	65,115,138	178,204,854	139,475,881
Zakat	15	(3,253,080)	4,380,759	(12,899,019)	11,307,461
Profit for the period		79,940,562	69,495,897	165,305,835	150,783,342
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		79,940,562	69,495,897	165,305,835	150,783,342
Earnings per share (Saudi Riyals)					
Basic and diluted earnings per share	16	1.79	1.55	3.70	3.36

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


Saad Abdulmohsen Alfadly
Chairman


Abdulaziz Alobaid
Chief Executive Officer


Jahanzeb Ahmed Khan
Chief Financial Officer

NATIONAL MEDICAL CARE COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of financial position
(All amounts in Saudi Riyals unless otherwise stated)

		As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Assets	Notes		
Non-current assets			
Property and equipment	4	951,014,396	940,636,402
Right-of-use assets	5	153,133,167	167,008,153
Goodwill and intangible assets		164,843,062	165,238,323
Total non-current assets		1,268,990,625	1,272,882,878
Current assets			
Inventories		69,016,174	57,572,300
Trade and other receivables	6	721,801,513	604,973,714
Term deposits	7	-	302,924,306
Cash and cash equivalents	8	477,185,196	263,825,475
Total current assets		1,268,002,883	1,229,295,795
Total assets		2,536,993,508	2,502,178,673
Equity and liabilities			
Equity			
Share capital		448,500,000	448,500,000
Treasury Shares	9	(34,113,647)	(34,113,647)
Retained earnings		1,291,044,582	1,215,118,747
Total equity		1,705,430,935	1,629,505,100
Liabilities			
Non-current liabilities			
Long-term borrowings	14	218,485,062	244,317,844
Lease liabilities	10	157,991,303	168,641,140
Employee benefit obligations		119,947,300	111,485,719
Total non-current liabilities		496,423,665	524,444,703
Current liabilities			
Trade and other payables	11	238,037,243	247,640,109
Current portion of long-term borrowings	14	59,747,511	57,809,667
Current portion of lease liabilities	10	17,477,454	16,962,006
Zakat payable	15	19,876,700	25,817,088
Total current liabilities		335,138,908	348,228,870
Total liabilities		831,562,573	872,673,573
Total equity and liabilities		2,536,993,508	2,502,178,673

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

The condensed consolidated interim financial statements, including notes were approved and authorized for issue by the Board of Directors on 31 July 2025 and were signed on their behalf by:



Saad Abdulmohsen Alfadly
Chairman



Abdulaziz Alobaid
Chief Executive Officer



Jahanzeb Ahmed Khan
Chief Financial Officer

NATIONAL MEDICAL CARE COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of changes in equity
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Treasury shares	Retained earnings	Total
At 1 January 2024 (Audited)		448,500,000	186,021,947	-	818,914,111	1,453,436,058
Profit for the period		-	-	-	150,783,342	150,783,342
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	150,783,342	150,783,342
Transfer from statutory reserve		-	(186,021,947)	-	186,021,947	-
Purchase of treasury shares		-	-	(6,931,970)	-	(6,931,970)
Dividends	12	-	-	-	(89,700,000)	(89,700,000)
At 30 June 2024 (Unaudited)		448,500,000	-	(6,931,970)	1,066,019,400	1,507,587,430
At 1 January 2025 (Audited)		448,500,000	-	(34,113,647)	1,215,118,747	1,629,505,100
Profit for the period		-	-	-	165,305,835	165,305,835
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	165,305,835	165,305,835
Dividends	12	-	-	-	(89,380,000)	(89,380,000)
At 30 June 2025 (Unaudited)		448,500,000	-	(34,113,647)	1,291,044,582	1,705,430,935

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

Saad Abdulmohsen Alfadly
Chairman

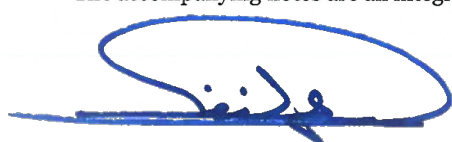
Abdulaziz Alobaid
Chief Executive Officer

Jahanzeb Ahmed Khan
Chief Financial Officer

NATIONAL MEDICAL CARE COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of cash flows
(All amounts in Saudi Riyals unless otherwise stated)

		For the six-month period ended 30 June	
	Notes	2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
Profit before zakat		178,204,854	139,475,881
<u>Adjustments for</u>			
Depreciation on property and equipment	4	35,277,658	25,288,690
Amortisation of right-of-use assets	5	12,946,642	8,051,382
Amortisation on intangibles		2,825,092	1,068,197
Gain on disposal of property and equipment		(100,441)	-
Income on termination of leases		(481,676)	-
Provision for slow moving and obsolete inventories		-	102,992
Expected credit loss allowance		7,597,105	11,384,539
Finance income		(11,002,119)	(11,943,078)
Finance cost		14,972,091	9,925,013
Employee benefit obligations		12,771,998	10,634,912
<u>Changes in operating assets and liabilities:</u>			
Increase in trade and other receivables		(124,424,904)	(130,442,540)
(Increase) decrease in inventories		(11,443,874)	770,571
Decrease in trade and other payables		(9,602,866)	(14,335,158)
Cash generated from operations		107,539,560	49,981,401
Employee benefit obligations paid		(4,310,417)	(6,862,824)
Finance income received		11,002,119	11,943,078
Finance cost paid		(15,030,685)	(8,529,034)
Zakat paid		(18,839,407)	(63,773,253)
Net cash inflow from operating activities		80,361,170	(17,240,632)
Cash flows from investing activities			
Payments for purchase of property and equipment	4	(45,660,271)	(192,492,893)
Payments for purchase of intangible assets		(2,429,831)	(376,113)
Redemption of term deposits		302,924,306	385,000,000
Proceeds from sale of property and equipment		105,060	3,052
Net cash inflow from investing activities		254,939,264	192,134,046
Cash flows from financing activities			
Repayment of long-term borrowings		(11,918,173)	-
Repayments of lease liabilities	10	(8,724,368)	(7,422,597)
Proceeds from long-term borrowings		(11,918,172)	-
Treasury shares purchase payment		-	(6,931,970)
Dividends paid	12	(89,380,000)	(89,700,000)
Cash outflow from financing activities		(121,940,713)	(104,054,567)
Net increase in cash and cash equivalents		213,359,721	70,838,847
Cash and cash equivalents at beginning of period		263,825,475	308,669,934
Cash and cash equivalents at end of period		477,185,196	379,508,781

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



Saad Abdulmohsen Alfadly
Chairman



Abdulaziz Alobaid
Chief Executive Officer



Jahanzeb Ahmed Khan
Chief Financial Officer

NATIONAL MEDICAL CARE COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed consolidated interim financial statements (Unaudited)****For the three-month and six-month periods ended 30 June 2025**

(All amounts in Saudi Riyals unless otherwise stated)

1 General information

National Medical Care Company (the “Company” or “Care”) and its subsidiaries (collectively the “Group”) consist of the Company and its following subsidiaries registered as limited liability companies in the Kingdom of Saudi Arabia:

	Effective ownership at 30 June	
	2025	2024
Chronic Care Specialized Medical Hospital Company (“Chronic”)	100%	100%
Jiwar Medical Services Company (“Jiwar”)	100%	100%
Al Salam Health Medical Hospital (“Al-Salam”)	100%	-

The Group is principally engaged in the business to establish, own, equip, manage, maintain and operate healthcare facilities and provide home health care services.

The Group is a Saudi Joint Stock Company, registered in Riyadh, Kingdom of Saudi Arabia under commercial registration (‘CR’) number 1010194785 dated 9 Muharram 1425 (H) (corresponding to 29 February 2004). The registered office of the Company is located at Ar-Rayyan District, P.O. Box 29393, Riyadh 11457, Kingdom of Saudi Arabia.

The Company carries out its activities through the following branches:

Name	CR number	Date
Care Medical Rawabi (formerly “Riyadh Care Hospital”)	1010195325	22 Muharram 1425H (corresponding to 14 March 2004)
Care Medical Malaz (formerly “National Hospital”)	1010195327	22 Muharram 1425H (corresponding to 14 March 2004)
Care Company for Pharmaceutical and Medical Distribution	1010301247	14 Safar 1432H (corresponding to 19 January 2011)
Braya Al-Taifi Center for Rehabilitation (formerly “Family Health Care Center”)	1010397064	29 Muharram 1435H (corresponding to 2 December 2013)

During June 2024, the Company entered into a share-purchase agreement (the “Salam SPA”) with its immediate parent, Saudi Medical Care Group (“SMG”) to acquire 100% share capital of Al-Salam for a consideration of Saudi Riyals 44.0 million, subject to customary purchase price adjustments made in light of the completion accounts under the Salam SPA. Al-Salam is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under CR number 1010222044 dated 16 Rajab 1427H (corresponding to 10 August 2006).

2 Basis of preparation**2.1 Statement of compliance**

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

These condensed consolidated interim financial statements should be read in conjunction with the Group’s annual audited financial statements as at and for the year ended 31 December 2024. Also, these condensed consolidated interim financial statements do not include all of the information required for a complete set of consolidated financial statements under International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual audited financial statements.

The impact of seasonality or cyclicity on operations is not regarded as significant to the unaudited condensed consolidated interim financial statements.

The interim results may not be an indicator of the annual results of the Group.

NATIONAL MEDICAL CARE COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed consolidated interim financial statements (Unaudited)****For the three-month and six-month periods ended 30 June 2025**

(All amounts in Saudi Riyals unless otherwise stated)

2.2 Basis of measurement

These condensed consolidated interim financial statements of the Group have been prepared under the historical cost convention using the accrual basis of accounting, except for the employee's benefit obligations that have been actuarially evaluated and measured at their present value using the projected unit credit method.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals which is the functional and presentation currency of the Group.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the annual financial statements for the year ended 31 December 2024.

3 Material accounting policies

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

New IFRS standards, amendments to standards and interpretations not yet adopted

The International Accounting Standard Board (IASB) has issued certain accounting standards and / or amendments, which will become effective from periods beginning on or after 1 January 2026. The Group has opted not to early adopt these pronouncements and is in the process of assessing the impact on the interim condensed consolidated financial information of the Group.

4 Property and equipment

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cost			
At the beginning of the period / year		1,940,888,353	1,612,919,115
Additions during the period / year*		45,660,271	249,702,735
Acquired as part of acquisitions	17	-	91,887,902
Disposals during the period / year		(13,625,191)	(13,621,399)
At the end of the period / year		1,972,923,433	1,940,888,353
Accumulated depreciation			
At the beginning of the period / year		(1,000,251,951)	(882,211,276)
Charge for the period / year		(35,277,658)	(55,758,084)
Acquired as part of acquisitions	17	-	(75,868,176)
Disposals during the period / year		13,620,572	13,585,585
At the end of the period / year		(1,021,909,037)	(1,000,251,951)
Net book value			
At the end of the period / year		951,014,396	940,636,402

*During February 2024, the Group purchased parcels of land in Jeddah with an area of 32,938.34 square meters for a consideration of Saudi Riyals 141.7 million to construct new healthcare facility.

The Group has land and buildings, with net book value of Saudi Riyals 276.9 million as at 30 June 2025 (31 December 2024: Saudi Riyals 282.3 million) pledged to the Ministry of Finance against loan granted to the Group.

NATIONAL MEDICAL CARE COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (Unaudited)
For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

5 Right-of-use assets

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cost			
At the beginning of the period / year		251,888,005	112,941,577
Addition during the period / year*		-	14,635,697
Acquired as part of acquisitions	17	-	125,888,995
Termination		(1,613,336)	(1,578,264)
At the end of the period / year		250,274,669	251,888,005
Accumulated amortisation			
At the beginning of the period / year		(84,879,852)	(22,090,963)
Charge for the period / year		(12,946,642)	(18,429,560)
Acquired as part of acquisitions	17	-	(44,603,793)
Termination		684,992	244,464
At the end of the period / year		(97,141,502)	(84,879,852)
Net book value			
At the end of the period / year		153,133,167	167,008,153

*During 2024, the Group entered into a lease agreement for an office building with a third-party lessor. The lease agreement is for a period of five years. The Group has used incremental borrowing rate of 7.0% for calculating the present value of the lease.

The right-of-use (RoU) assets comprise of building premises of Jiwar, Chronic and Al-Salam which are on lease and have lease terms of 5 to 15 years. The RoU asset is being amortised over the remaining lease term.

6 Trade and other receivables

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade and related party receivables (note 13)	827,288,537	707,457,926
Expected credit loss allowance	(142,813,077)	(135,223,688)
	684,475,460	572,234,238
Advances to suppliers	10,974,420	11,628,082
Prepaid expenses	9,390,702	10,137,560
Letters of guarantee margin	8,349,363	3,497,477
Others	8,611,568	7,476,357
	721,801,513	604,973,714

7 Term deposits

This represents deposits placed with local commercial banks and have a maturity date of more than three months but less than a year from the date of deposit. Such deposits earn financial income at prevailing market interest rates.

8 Cash and cash equivalents

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Unrestricted		
Cash in hand	329,087	377,186
Cash at banks	109,123,168	110,372,595
Time deposits	367,732,941	153,075,694
	477,185,196	263,825,475

NATIONAL MEDICAL CARE COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed consolidated interim financial statements (Unaudited)****For the three-month and six-month periods ended 30 June 2025**

(All amounts in Saudi Riyals unless otherwise stated)

9 Treasury shares

Treasury shares are shares bought back by the Company in advance for the purpose of issuing shares under the proposed employee share option program, which was announced by the Company on 4 April 2024, and subsequently approved in the extraordinary general assembly meeting held on 14 Dhul-Qi'adah 1445H (corresponding to 22 May 2024). The Company completed the purchase of 160,000 shares at prevailing market rates during 2024.

10 Lease liabilities

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year		185,603,146	60,483,117
Acquired as part of acquisitions		-	116,368,654
Additions during the period / year		-	14,635,697
Disposal and adjustments		(1,410,019)	(759,450)
Finance cost		7,635,250	8,137,897
Payments		(16,359,620)	(13,262,769)
At the end of the period / year		175,468,757	185,603,146

Lease liabilities are presented as follows in the condensed consolidated interim statement of financial position:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	17,477,454	16,962,006
Non-current portion	157,991,303	168,641,140
	175,468,757	185,603,146

11 Trade and other payables

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade payables	75,410,480	75,664,156
Accrued expenses	94,598,281	80,296,041
Employees' related accruals	46,710,924	69,322,972
VAT payable	14,419,703	14,906,531
Others	6,897,855	7,450,409
	238,037,243	247,640,109

12 Dividends

On 21 Dhu al-Qidah 1446 H (19 May 2025), the shareholders of the Company in their General Assembly Meeting approved dividends of Saudi Riyals 89.38 million (Saudi Riyal 2.00 per share) for the year ended 31 December 2024 which was paid during the three-month period ended 30 June 2025 (2024: Saudi Riyals 89.70 million approved and paid).

13 Related parties

Related parties are key shareholders, directors and key management personnel of the Group. The terms of these transactions have been approved by the Group's management. The following are the most significant transactions with related parties and the resulting balances:

NATIONAL MEDICAL CARE COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (Unaudited)
For the three-month and six-month periods ended 30 June 2025

(All amounts in Saudi Riyals unless otherwise stated)

Related party transactions

Name of related party and relationship	Nature of transactions	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
General Organization for Social Insurance ("GOSI") (Ultimate controlling party)	Revenues from medical services	144,074,695	117,199,242	291,098,992	223,366,423
Drager Arabian Company Limited (Owned by a shareholder and director)	Purchases	563,126	31,802	589,681	31,802

Related party balances

Name of related party	Relationship	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Due from a related party</u> GOSI	Ultimate controlling party	242,041,313	228,122,792
<u>Due to a related party</u> Drager Arabian Company Limited	Owned by a shareholder and director	113,076	9,200

Key management personnel compensation

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Salaries and other short-term employee benefits	2,028,993	1,947,690	11,325,392	9,699,996
Attendance allowance and committee's remuneration	1,406,000	713,000	2,803,000	2,585,000
Employee benefit obligations	85,752	105,477	329,271	306,315
	3,520,745	2,766,167	14,457,663	12,591,311

The amounts disclosed in the above table are the amounts recognised as an expense during the period related to key management personnel.

Terms and conditions of transactions with related parties

The transactions with related parties are at mutually agreed terms. Outstanding balances as at 30 June 2025 and 31 December 2024 are unsecured, interest free and are to be settled in cash. There have been no guarantees provided or received for any related party receivables or payables during the current period and prior year.

NATIONAL MEDICAL CARE COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed consolidated interim financial statements (Unaudited)****For the three-month and six-month periods ended 30 June 2025**

(All amounts in Saudi Riyals unless otherwise stated)

14 Long-term borrowings

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Non-current liabilities		
Islamic Murabaha	153,121,145	178,953,927
Ministry of Finance	65,363,917	65,363,917
	218,485,062	244,317,844
Current liabilities		
Islamic Murabaha	53,805,337	51,867,493
Ministry of Finance	5,942,174	5,942,174
	59,747,511	57,809,667
Total long-term borrowings	278,232,573	302,127,511

Maturity of long-term borrowings is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Less than one year - current	59,747,511	57,809,667
Two to five years	158,921,915	182,758,261
More than five years	59,563,147	61,559,583
	278,232,573	302,127,511

During 2024 the Group obtained long-term loan from a commercial bank (Islamic Murabaha Contract), amounting to Saudi Riyals 37.9 million to finance an acquisition. The loan is repayable in 19 equal semi-annual installments starting from September 2025 and carries finance charge at SAIBOR + 1.25%. The loan is unsecured.

During 2023, the Group obtained long-term loan from a commercial bank (Islamic Murabaha Contract), amounting to Saudi Riyals 190.7 million to finance an acquisition. The loan is repayable in 16 equal quarterly installments starting from February 2025 and carries finance charge at SAIBOR + 1.15%. The loan is unsecured.

During 2012, the Group signed a loan agreement with the Ministry of Finance amounting to Saudi Riyals 154.1 million to fund the construction of a hospital building. The Group was able to utilise Saudi Riyals 118.8 million during 2013 and 2015. The loan is payable in twenty equal annual instalments with the first instalment due in 2017. The loan is interest free and is secured by the Group's collateralised land and buildings. Also see note 12.

On transition (effective from 1 January 2018) from Generally Accepted Accounting Standards issued by SOCPA to IFRS, management opted for the exemption provided under IFRS 1 'First-time Adoption of International Financial Reporting Standards' to keep the similar classification of interest free loan obtained from Ministry of Finance till 31 December 2017 and to adopt application of IAS – 20 "Accounting for Government Grants and Disclosure of Government Assistance" for new loans (within the scope of IAS – 20) obtained on and after the date of adoption of IFRS for its statutory financials statements.

15 Zakat

The movement in the zakat provision during the period / year is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	25,817,088	104,482,437
Provided during the period / year	12,899,019	24,474,186
Reversal relating to prior years	-	(29,010,450)
Acquired on acquisition	-	18,277
Paid during the period / year	(18,839,407)	(74,147,362)
	19,876,700	25,817,088

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During 2021, Zakat, Tax and Customs Authority ("ZATCA") issued additional zakat assessments for the Company relating to the years 2015 to 2018 amounting to Saudi Riyals 29.0 million. The Company filed appeals against such assessments with the Preliminary Objection Committee ("POC") but the appeal was rejected. The Company had proceeded to file an appeal against such decision by POC with Higher Appeal Committee ("HAC"). During 2023, the Company received summary judgement with regard to the years 2015 to 2018 by the HAC, whereby HAC accepted some items and expressed disagreement with regard to other items in the appeal. As a result, the Company paid additional zakat in respect of years 2015 to 2018 amounting to Saudi Riyals 15.2 million

During later part of 2021, ZATCA issued additional zakat assessments for the years 2019 and 2020 amounting to Saudi Riyals 25.0 million. The Company filed appeals against such assessments with POC. During 2022, the Company received summary judgement in its favour, consequent to which ZATCA filed an appeal before the HAC.

During the three-month period ended 31 March 2024, ZATCA finalized the assessments relating to years 2021 and 2022. The Company maintained provision for these years based on the independent assessment from zakat consultant. Consequently, the Company paid an additional amount of Saudi Riyals 17.4 million and reversed excess provision carried amounting to Saudi Riyals 15.8 million. Further, during the three-month period ended 30 June 2024, the Company received summary judgement with regards to the years 2019 to 2020 in its favor by the HAC. As a result, the Company paid an additional amount of Saudi Riyals 10.4 million and reversed excess provision carried amounting to Saudi Riyals 13.2 million.

During April 2025, the Company and its subsidiaries have filed zakat returns for the year 2024 with ZATCA. No assessments have yet been raised for the years 2023 and 2024.

16 Basic and diluted earnings per share

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

The following table reflects the income for the period attributable to ordinary equity holders and weighted average number of ordinary shares outstanding during the period used in the basic and diluted EPS computations:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Profit for the period	79,940,562	69,495,897	165,305,835	150,783,342
Weighted average number of ordinary shares	44,850,000	44,850,000	44,850,000	44,850,000
Weighted average number of treasury shares purchased	(160,000)	(32,000)	(160,000)	(32,000)
	44,690,000	44,818,000	44,690,000	44,818,000
Basic and diluted earnings per share	1.79	1.55	3.70	3.36

17 Acquisition of Al-Salam

As stated in the note 1, in June 2024, Care signed the "Salam SPA" with its parent SMG, to acquire 100% shares of Al-Salam for an initial consideration of Saudi Riyals 44.0 million, subject to certain adjustments as identified in the Salam SPA. The acquisition was part of Care's growth strategy to expand its services and network in Riyadh. The acquisition was subject to the completion of certain conditions/approvals which were considered substantive in nature. Such conditions/approvals were completed/received on 2 October 2024. The payable consideration was adjusted, including but not limited to working capital adjustments, estimated cash and debt adjustments. The adjusted purchase consideration determined as per the terms of Salam SPA is Saudi Riyals 27.6 million.

Purchase of Al-Salam from SMG is a business combination under common control which was accounted for in accordance with the acquisition method of accounting, because it was set at the arms' length price and was considered to be driven by 'market forces'. Despite the common control relationship, SMG solicited third party bids and the acquisition was subject to bidding process. As the transaction was demonstrably subject to a normal market process, Care has determined that the application of IFRS 3 is permissible and appropriate in the circumstances.

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The Group is currently in the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. The purchase price allocation has not been completed at the issuance of these condensed consolidated interim financial statements as the Group is seeking independent identification (if they exist) and valuation of intangible assets, such as brand name, customer relationships and other licenses acquired in the business combination. Accordingly, the Group has provisionally accounted for the business combination based on the carrying values of the assets and liabilities as of the acquisition date, which are summarized below. The provisional value for goodwill amounted to Saudi Riyals 55.2 million is attributable to the Group's position after the Al-Salam's acquisition. None of the goodwill is expected to be deductible for zakat purposes.

The provisionally determined fair values for the assets and liabilities of Al-Salam as at the date of acquisition are as follows:

	Saudi Riyals
Assets acquired	
Non-current assets	
Property and equipment	16,019,726
Intangibles	380,892
RoU assets	81,285,202
	97,685,820
Current assets	
Inventories	3,841,280
Trade and other receivables	35,283,850
Cash and cash equivalents	4,071,766
	43,196,896
	140,882,716
Liabilities assumed	
Non-current liabilities	
Lease liabilities	108,945,397
Employee benefit obligations	6,993,973
	115,939,370
Current liabilities	
Trade and other payables	45,149,700
Current portion of lease liabilities	7,423,257
Zakat payable	18,277
	52,591,234
	168,530,604
 Total acquisition cost	 27,555,824
Total identifiable assets	27,647,888
Goodwill	55,203,712
 Cash outflow on acquisition	
Net cash acquired with Al-Salam	4,071,766
Cash paid	(27,555,824)
Net cash outflow	(23,484,058)

18 Segment reporting

The Group's operations principally represent hospital services segment only. Accordingly, presenting different segmental information is not considered necessary. Furthermore, the Group's operations are conducted in the Kingdom of Saudi Arabia only.

19 Fair value of assets and liabilities

As at 30 June 2025 and 31 December 2024, the fair values of the Group's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature and are expected to be realised at their current carrying values within twelve months from the date of condensed consolidated interim statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values except for the interest free loan from Ministry of Finance. Also see Note 14.

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20 Contingencies and commitments

- (i) At 30 June 2025, the Group was contingently liable for bank guarantees issued in the normal course of business amounting to Saudi Riyals 67.9 million (31 December 2024: Saudi Riyals 61.8 million).
- (ii) There are various ongoing legal cases filed against the Group by former employees and third parties. The management of the Group has recorded appropriate provisions based on the expected outcomes of such cases and believes that such cases would be resolved without any material impact on the condensed consolidated interim financial statements of the Group.
- (iii) The capital expenditure contracted by the Group at 30 June 2025 was approximately Saudi Riyals 57.8 million (31 December 2024: Saudi Riyals 61.1 million).

21 Subsequent events

No events have occurred up to and including the date of signing the independent auditor's review report that could have a significant effect on the condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2025.