



دلة الصحية
Dallah Health

DALLAH HEALTHCARE COMPANY
(A Saudi Joint Stock Company)
**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATMENTS (UNAUDITED)**
For the three-month period ended 31 March 2023
together with the
INDEPENDENT AUDITORS' REVIEW REPORT

DALLAH HEALTHCARE COMPANY

A Saudi Joint Stock Company

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

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كي بي إم جي للاستشارات المهنية

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

المركز الرئيسي في الرياض

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

To the Shareholders of Dallah Healthcare Company (Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 31 March 2023 condensed consolidated interim financial statements of **Dallah Healthcare Company** ("the Company") and its subsidiaries ("the Group") which comprise:

- the condensed consolidated statement of financial position as at 31 March 2023;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2023;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2023;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2023;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2023; 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 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 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.

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

To the Shareholders of Dallah Healthcare Company (Saudi Joint Stock Company) (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2023 condensed consolidated interim financial statements of **Dallah Healthcare Company** and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Fahad Mubark Aldossari
License No. 469



Riyadh on: 03 Dhul Qa'dah 1444H
Corresponding to: 23 May 2023

DALLAH HEALTHCARE COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

(All amounts in Saudi Riyals unless otherwise stated)

		31 March 2023 (Unaudited)	31 December 2022 (Audited)
	Notes		
ASSETS			
Non-current assets			
Property and equipment	5	2,863,565,158	2,847,131,297
Right-of-use assets	6	52,004,458	49,381,970
Intangible assets and goodwill	7	202,587,284	203,506,316
Equity-accounted investees	8	1,571,588,600	209,503,500
Financial assets at fair value through other comprehensive income		499,516	306,771,366
Non-current assets		4,690,245,016	3,616,294,449
Current assets			
Inventories	9	247,867,022	255,235,067
Unbilled revenue		9,694,991	12,777,015
Due from related parties	10	7,846,761	7,029,208
Prepayments and other current assets		140,231,780	114,012,203
Trade receivables	11	780,618,819	677,075,769
Cash and cash equivalents	12	178,390,744	237,944,913
Current assets		1,364,650,117	1,304,074,175
TOTAL ASSETS		6,054,895,133	4,920,368,624
EQUITY AND LIABILITIES			
Equity			
Share capital	1	976,811,660	900,000,000
Share premium		1,027,432,988	61,142,305
Statutory reserve		93,614,972	93,614,972
Retained earnings		1,031,289,163	921,067,917
Fair value reserve		(286,874)	14,026,152
Equity attributable to owners of the Company		3,128,861,909	1,989,851,346
Non-controlling interests		249,412,446	242,234,269
Total equity		3,378,274,355	2,232,085,615
LIABILITIES			
Non-current liabilities			
Long-term murabaha financing	13	1,467,676,001	1,529,290,588
Long-term lease liabilities	6	28,792,724	26,485,416
Employee benefits		255,602,682	244,431,963
Long-term payables		2,998,829	3,307,284
Non-current liabilities		1,755,070,236	1,803,515,251
Current liabilities			
Current portion of long-term murabaha financing	13	234,786,148	226,482,816
Short-term murabaha financing	13	196,349,177	179,408,781
Short-term lease liabilities	6	13,817,947	15,826,936
Short-term retentions		5,967,418	7,082,991
Trade payables		234,231,388	248,205,952
Due to related parties	10	919,482	1,421,841
Accrued expenses and other current liabilities		187,674,148	155,238,754
Dividends payable		—	7,755,000
Provision for zakat	14	47,804,834	43,344,687
Current liabilities		921,550,542	884,767,758
Total liabilities		2,676,620,778	2,688,283,009
Total equity and liabilities		6,054,895,133	4,920,368,624

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements.

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**For the three months period ended 31 March 2023**

(All amounts in Saudi Riyals unless otherwise stated)

		For the three-month period ended 31 March	
	<i>Notes</i>	2023	2022
		Unaudited	Unaudited
Revenue	15	716,640,958	609,399,224
Cost of revenue		(449,847,277)	(377,706,042)
Gross profit		266,793,681	231,693,182
Selling and marketing expenses		(14,934,559)	(11,683,674)
General and administrative expenses		(115,380,721)	(105,742,926)
Impairment loss on trade receivables and other current assets	11	(3,983,955)	(4,341,405)
Other income		5,583,312	5,211,653
Operating profit		138,077,758	115,136,830
Finance cost		(28,496,511)	(10,950,204)
Share of results from equity accounted investees	8	(2,008,580)	(10,455,383)
Profit before zakat		107,572,667	93,731,243
Zakat	14	(5,733,720)	(6,833,333)
Profit for the period		101,838,947	86,897,910
Profit attributable to:			
Owners of the Company		94,660,770	82,630,253
Non-controlling interests		7,178,177	4,267,657
		101,838,947	86,897,910
Earnings per share	16	0.98	0.92

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**(UNAUDITED)****For the three months period ended 31 March 2023**

(All amounts in Saudi Riyals unless otherwise stated)

	For the three-month period ended 31 March	
	2023	2022
	(unaudited)	(unaudited)
Profit for the period	101,838,947	86,897,910
Other comprehensive income:		
<u>Items that will not be reclassified to profit or loss</u>		
Investment at fair value through other comprehensive income – net change in fair value	1,247,450	3,631,493
Other comprehensive income for the period	1,247,450	3,631,493
Total comprehensive income for the period	103,086,397	90,529,403
Total comprehensive income attributable to:		
Owners of the Company	95,908,220	86,261,746
Non-controlling interests	7,178,177	4,267,657
	103,086,397	90,529,403

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months period ended 31 March 2023

(All amounts in Saudi Riyals unless otherwise stated)

	<u>Share capital</u>	<u>Share premium</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Fair value reserve</u>	<u>Total shareholders' equity</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
As at 1 January 2023 (Audited)	900,000,000	61,142,305	93,614,972	921,067,917	14,026,152	1,989,851,346	242,234,269	2,232,085,615
Profit for the period	--	--	--	94,660,770	--	94,660,770	7,178,177	101,838,947
Other comprehensive income for the period	--	--	--	--	1,247,450	1,247,450	-	1,247,450
Total comprehensive income for the period	--	--	--	94,660,770	1,247,450	95,908,220	7,178,177	103,086,397
<i>Transactions with owners of the Company</i>								
Capital increase (note 8)	76,811,660	--	--	--	--	76,811,660	--	76,811,660
Share premium increase (note 8)	--	966,290,683	--	--	--	966,290,683	--	966,290,683
Transfer from fair value reserve to retained earning	--	--	--	15,560,476	(15,560,476)	--	--	--
As at 31 March 2023 (Unaudited)	976,811,660	1,027,432,988	93,614,972	1,031,289,163	(286,874)	3,128,861,909	249,412,446	3,378,274,355
As at 1 January 2022 (Audited)	900,000,000	61,142,305	66,168,590	839,816,644	(336,969)	1,866,790,570	229,285,247	2,096,075,817
Profit for the period	--	--	--	82,630,253	--	82,630,253	4,267,657	86,897,910
Other comprehensive loss for the period	--	--	--	--	3,631,493	3,631,493	--	3,631,493
Total comprehensive income for the period	--	--	--	82,630,253	3,631,493	86,261,746	4,267,657	90,529,403
Transfer to statutory reserve	--	--	8,263,025	(8,263,025)	--	--	--	--
As at 31 March 2022 (Unaudited)	900,000,000	61,142,305	74,431,615	914,183,872	3,294,524	1,953,052,316	233,552,904	2,186,605,220

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**For the three months period ended 31 March 2023**

(All amounts in Saudi Riyals unless otherwise stated)

	<i>Notes</i>	For the three-month period ended 31 March	
		2023	2022
		(Unaudited)	(Unaudited)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before zakat		107,572,667	93,731,243
<i>Adjustments for</i>			
Depreciation on property and equipment	5	24,297,246	23,361,796
Depreciation on right-of-use assets	6	5,458,641	4,480,442
Amortization on intangible assets	7	919,032	815,647
Employee benefits charge		16,566,902	11,075,488
Provision on obsolete and slow-moving inventory	9	226,009	--
Impairment loss on trade receivables	11	3,983,955	4,341,405
Loss on sale of property and equipment		249,604	14,614
Share of results from equity accounted investees	8	2,008,580	10,455,383
Finance cost		28,496,511	10,950,204
<i>Changes in operating assets and liabilities:</i>			
Trade receivables		(107,527,005)	(155,440,612)
Unbilled revenue		3,082,024	(5,235,753)
Related parties, net		(1,319,912)	(1,042,705)
Prepayments and other current assets		(26,219,577)	(17,422,088)
Inventories		7,142,036	(6,927,118)
Trade payables		(13,974,564)	13,642,147
Accrued expenses and other current liabilities		32,435,394	16,172,696
Short term retentions		(1,115,573)	806,419
Cash generated from operating activities		82,281,970	3,779,208
Zakat paid		(1,273,573)	(19,356)
Employees' benefits paid		(5,396,183)	(4,612,631)
Net cash generated from /(used in) operating activities		75,612,214	(852,779)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property and equipment	5	(40,980,711)	(29,971,832)
Acquisition of intangible assets	7	--	(288,000)
Proceeds from the disposal of property and equipment		--	48,581
Acquisition related cost for investment in equity accounted investee	8.4	(13,757,452)	--
Change in fair value of investment previously held		(1,230,077)	--
Acquisition of investment at fair value through other comprehensive income		--	(314,270)
Dividends received from an associate company	8.2	850,000	--
Net cash used in investing activities		(55,118,240)	(30,525,521)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from Murabaha financing		39,389,512	10,000,000
Repayment of Murabaha financing		(75,760,371)	(50,202,205)
Payment of lease liabilities	6	(7,415,028)	(5,268,492)
Dividend paid		(7,755,000)	--
Long-term payable		(308,455)	399,415
Finance cost paid		(28,198,801)	(10,672,177)
Net cash used in financing activities		(80,048,143)	(55,743,459)
Net decrease in cash and cash equivalents		(59,554,169)	(87,121,759)
Cash and cash equivalents at beginning of the period		237,944,913	208,079,114
Cash and cash equivalents at end of the period	12	178,390,744	120,957,355
<u>Non-cash transactions:</u>			
Addition to right of use assets	6	9,688,165	--
Increase in share premium due to acquisition of equity accounted	8	966,290,683	--
Change in fair value of investment previously held		(1,230,077)	--
Increase in share capital	8	76,811,660	--

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(For the three months period ended 31 March 2023 unaudited)

All amounts are presented in Saudi riyals unless otherwise indicated

1. REPORTING ENTITY

Dallah Healthcare Company (the "Company") was established as a Limited Liability Company, registered in the Kingdom of Saudi Arabia under commercial registration number 1010128530 dated 13 Rabi Al-Akhar 1415H (corresponding to 18 September 1994).

On 14 Jumada Al-Awwal 1429H (corresponding to 20 May 2008), the Company's Board of Directors converted Dallah Healthcare Company as a Saudi Closed Joint Stock Company. The Company became a listed Company in the Saudi Capital Market Authority on 04 Safar 1434H (corresponding to 17 December 2012). The name of the Company was changed from "Dallah Healthcare Holding Company" to "Dallah Healthcare Company" based on the approval of Extraordinary General Assembly held on 16 Safar 1438H (corresponding to 16 November 2016) after completion of all legal formalities.

The objectives of the Company represent in operate, manage and maintain the healthcare entities, wholesale medicines and retail of medical and surgical equipment, prosthetics and devices for the disabled, hospital equipment and manufacturing medicines, pharmaceuticals, herbals, health, cosmetics, detergents, disinfectants and packaging in the Kingdom of Saudi Arabia.

Share Capital

The authorized, issued and paid-up share capital of the Company is SR 976,811,660 (31 December 2022: SR 900,000,000) consisting of 97,681,166 shares (31 December 2022: 90,000,000) of SR 10 each.

On 03 Jumada II, 1444H) corresponding to 27 December 2022), the Extraordinary General Assembly meeting approved to increase the Company's capital from SR 900 million to SR 976.81 million (90 million shares to 97.6 million shares). On 23 Jumada II, 1444H (corresponding to 16 January 2023), the Company issued 7,681,166 new shares in favor of Kun Investment Holding Company in exchange of acquiring additional 14,232,690 shares in International Medical Center Company as disclosed in note 8. The Company is still in the process of amending its Articles of association and Commercial registration accordingly.

Branches

The Company has following branches:

Description	Commercial Registration No.	City
Dallah Hospital Al-Nakheel	1010132622	Riyadh
Dallah Pharma Factory (Dallah Pharma Branch)	4030278471	Jeddah
Medicine Warehouse (Dallah Pharma Branch)	2050071905	Dammam
Medicine Warehouse (Dallah Pharma Branch)	1010128997	Riyadh
Medicine Warehouse (Dallah Pharma Branch)	4030140769	Jeddah
Medicine Warehouse (Dallah Pharma Branch)	4030265250	Jeddah

The Company's registered office is located at King Fahad Road, Riyadh, Kingdom of Saudi Arabia.

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(For the three months period ended 31 March 2023 unaudited)

All amounts are presented in Saudi riyals unless otherwise indicated

2. BASIS OF ACCOUNTING

a) *Statement of compliance*

These condensed consolidated interim financial statements comprise the interim financial statements of the Company and its subsidiaries (together referred to as the 'Group').

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

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

b) *Basis of preparation*

These condensed consolidated interim financial statements have been prepared on a going concern basis under accrual basis of accounting and the historical cost convention except for:

- the employees' end of service benefit obligations which are measured using the projected unit credit method;
- financial assets at fair value through other comprehensive income which are measured at fair value; and
- Acquisitions of equity accounted investee are measured at fair value of the consideration transferred while fair value of assets acquired, and liabilities assumed are measured on provisional basis

c) *Functional and presentation currency*

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

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(For the three months period ended 31 March 2023 unaudited)**

All amounts are presented in Saudi riyals unless otherwise indicated

2. BASIS OF ACCOUNTING (CONTINUED)**d) Basis of consolidation**

The subsidiary companies (referred to as the “Subsidiaries”) incorporated into these condensed consolidated interim financial statements are as follows:

Name of subsidiaries	Share in equity %		Country of operation and commercial register	Principal activity as per commercial registration	Capital (SR)
	31 March 2023	31 December 2022			
Dallah Pharma Company LLC	100%	100%	Kingdom of Saudi Arabia, commercial registration No.1010410613	Pharmaceutical, herbal & cosmetic distribution & manufacturing.	4,000,000
Afyaa Al-Nakheel for Supporting Services Company LLC	100%	100%	Kingdom of Saudi Arabia, commercial registration No.1010404576	Provide manpower & Support services to hospitals and medical centres.	50,000
Dallah Namar Hospital Health Company LLC	100%	100%	Kingdom of Saudi Arabia, commercial registration No.1010495218	Operating, managing, equipping and developing hospitals and healthcare facilities, medical polyclinics.	5,000,000
Dallah Medical Care Company LLC	100%	100%	Kingdom of Saudi Arabia, Commercial Registration No. 1010189420	Providing of medical services – Medical Clinic	100,000
Care Shield Holding Company (Closed Joint Stock Company) *	58.64%	58.64%	Kingdom of Saudi Arabia, commercial registration No.1010379441	Managing private hospitals, medical and diagnostic centers, and an analytical laboratory, providing medical services, purchasing lands to build buildings on, and investing these buildings by sale or rent for the benefit of the Company.	125,000,000
Makkah Medical Canter Company (Closed Joint Stock Company)	90.87%	90.87%	Kingdom of Saudi Arabia, commercial registration No. 4031021286	Practicing the activity of public hospitals	120,080,000

* Care Shield Holding Company consolidated financial statements include the Company and the following subsidiaries:

Subsidiaries**Care Shield Holding Company ownership %**

1. Medical Services Projects Company (“MSPC”)	100%
2. Consulting Clinics Center Company Limited (“CC”)	100%
3. Modern Clinics Pharmacy Company Limited (“MCP”)	100%

The basis of accounting in respect of business combination and goodwill, subsidiaries, non-controlling interests, loss of control, interests in equity-accounted investees and transactions eliminated on consolidation are consistent with those used and disclosed in detail in annual consolidated financial statements for the year ended 31 December 2022.

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(For the three months period ended 31 March 2023 unaudited)

All amounts are presented in Saudi riyals unless otherwise indicated

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

During the preparation of these condensed consolidated interim financial statements, there have been no changes in the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty from those which were applied to the annual audited consolidated financial statements of the Group for the year ended 31 December 2022.

The Group's financial risk management objectives and policies and the methods to determine the fair values are consistent with those disclosed in the most recent annual consolidated financial statements for the year ended 31 December 2022.

The Group follows the practice of performing actuarial valuations of the provision for employees' end-of-service benefits annually at the year end.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(For the three months period ended 31 March 2023 unaudited)

All amounts are presented in Saudi riyals unless otherwise indicated

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied and method of computation adopted for preparation of these interim condensed consolidated financial statements are consistent with those that were applied in the Group's last annual consolidated financial statements as at and for the year ended 31 December 2022.

Some amendments to the IFRS and other new standards become effective starting from 1 January 2023, which have been explained in the Group's last annual consolidated financial statements. These amendments and standards have no material impact on these condensed consolidated interim financial statements.

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(For the three months period ended 31 March 2023 unaudited)

All amounts are presented in Saudi riyals unless otherwise indicated

5. PROPERTY AND EQUIPMENT

	Land	Buildings	Leasehold Improvements	Machinery and Equipment	Medical Equipment	Furniture and Fixtures	Vehicles	Construction Work in Progress	Total
Cost:									
As at 1 January 2023 (Audited)	833,502,199	1,726,075,465	88,710,416	191,188,452	688,829,288	52,215,369	12,210,485	209,418,794	3,802,150,468
Additions	--	2,663,292	33,675	878,871	11,027,690	1,212,389	553,974	24,610,820	40,980,711
Disposals	--	--	--	--	(2,485,018)	--	--	--	(2,485,018)
As at 31 March 2023 (Unaudited)	833,502,199	1,728,738,757	88,744,091	192,067,323	697,371,960	53,427,758	12,764,459	234,029,614	3,840,646,161
Accumulated Depreciation:									
As at 1 January 2023 (Audited)	--	330,203,450	73,252,063	98,505,307	415,526,301	28,474,424	9,057,626	--	955,019,171
Charge for the period	--	8,023,896	527,253	2,561,296	11,926,603	1,068,803	189,395	--	24,297,246
Disposals	--	--	--	--	(2,235,414)	--	--	--	(2,235,414)
As at 31 March 2023 (Unaudited)	--	338,227,346	73,779,316	101,066,603	425,217,490	29,543,227	9,247,021	--	977,081,003
Net book value:									
As at 31 March 2023 (Unaudited)	833,502,199	1,390,511,411	14,964,775	91,000,720	272,154,470	23,884,531	3,517,438	234,029,614	2,863,565,158
As at 31 December 2022 (Audited)	833,502,199	1,395,872,015	15,458,353	92,683,145	273,302,987	23,740,945	3,152,859	209,418,794	2,847,131,297

5.1 Asset under construction

As at 31 March 2023, Capital work in process includes construction related to the expansion of Dallah Hospital Al-Nakheel amounting to SR 100.2 million, Dallah Namar Hospital Health Company amounting to SR 86.8 million and SR 33.5 million related to Care-shield Holding Company (31 December 2022: SR 209.4 million).

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6. RIGHT-OF-USE ASSETS

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
<i>Cost:</i>		
Balance at the beginning of the	85,672,739	63,982,850
Additions during the period / year	9,688,165	40,492,935
De-recognition	(8,059,660)	(18,803,046)
Balance at end of the period/year	87,301,244	85,672,739
<i>Accumulated Depreciation:</i>		
Balance at the beginning of the	36,290,769	33,983,093
Depreciation	5,458,641	18,263,466
De-recognition	(6,452,624)	(15,955,790)
Balance at end of the period/year	35,296,786	36,290,769
Net book value:		
As at the end of the period / year	52,004,458	49,381,970

LEASES AS LESSEE

	31 March 2023	31 December 2022
	(Unaudited)	(Audited)
Lease liabilities		
Balance at beginning of the period / year	42,312,352	21,921,107
Acquisition of a subsidiary company	--	13,692,661
Additions during the period / year	9,408,021	23,259,119
Interest on lease liability	377,343	2,015,564
Lease modification	(2,072,017)	501,279
Lease payments made during the period/ year	(7,415,028)	(19,077,378)
Balance at end of the period / year	42,610,671	42,312,352
Divided into		
Long-term lease liability	28,792,724	26,485,416
Short-term lease liability	13,817,947	15,826,936
	42,610,671	42,312,352

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7. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	Manufacturing licenses	Product licenses	Brand	License	Programs	Total
<u>Cost:</u>							
At 1 January 2023 (Audited)	114,272,835	10,648,000	11,505,000	30,900,000	49,100,000	2,706,727	219,132,562
Additions	--	--	--	--	--	--	--
As at 31 March 2023 (Unaudited)	114,272,835	10,648,000	11,505,000	30,900,000	49,100,000	2,706,727	219,132,562
<u>Amortization and Impairment:</u>							
At 1 January 2023 (Audited)	--	4,784,532	4,984,500	2,162,079	3,522,560	172,575	15,626,246
Charge for the period	--	63,734	78,775	257,499	452,975	66,049	919,032
As at 31 March 2023 (Unaudited)	--	4,848,266	5,063,275	2,419,578	3,975,535	238,624	16,545,278
Net book value:							
As at 31 March 2023 (Unaudited)	114,272,835	5,799,734	6,441,725	28,480,422	45,124,465	2,468,103	202,587,284
As at 31 December 2022 (Audited)	114,272,835	5,863,468	6,520,500	28,737,921	45,577,440	2,534,152	203,506,316

Amortization of intangible assets is allocated to general and administrative expenses.

- 7.1** The Group separately tests goodwill for impairment. The recoverable amount has been determined based on value-in-use, using discounted cash flows. The cash flow projections are based on approved budget. Goodwill includes the recoverable amount of the Cash Generating Unit ("CGU") as at 31 December 2022 has been determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five years period, using a weighted average cost of capital rate of 7.9% for Care-Shield Holding Company and 11.2% for Dallah Medical Care Company and a terminal value growth rate of 2% for each entity. The recoverable amount was estimated to be higher than its carrying amount therefore, no impairment loss was recognized.

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8. EQUITY ACCOUNTED INVESTEEES

Equity accounted investees are as follows:

		Ownership interest in equity as at 31 March 2023	Ownership interest in equity as at 31 December 2022	Country of operation and principal place of business	31 March 2023 (Unaudited)	31 December 2022 (Audited)
	Classification					
Dr. Mohammed Rashid Al-Faqih Company	Associate	31.21%	31.21%	Kingdom of Saudi Arabia	98,968,907	106,694,806
Meraas Arabia Medical Holding Company	Associate	17%	17%	Kingdom of Saudi Arabia	43,757,685	42,967,100
MEFIC Private Equity Opportunities Fund 3	Associate	41.6%	41.6%	Kingdom of Saudi Arabia	59,841,594	59,841,594
International Medical Centre Company	Associate	27.18%	8.20%	Kingdom of Saudi Arabia	1,369,020,414	-
					1,571,588,600	209,503,500

8.1 Dr. Mohammed Rashid Al-Faqih Company

The principal activity of Dr. Mohammed Rashid Al-Faqih Company is to own, operate and maintain the hospitals and health centres. Dr. Mohammed Rashid Al-Faqih Company owns a hospital in eastern Riyadh City under the name of Dr. Muhammad Al-Faqih Hospital.

On 13 Muharram 1442H (corresponding to 1 September 2020), the operation of the first phase of the hospital began. The hospital has a capacity of 308 beds. Management expects losses during the first three years as a result of the start-up costs.

The movement in the investment is as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	106,694,806	95,403,018
Group's share of loss	(7,725,899)	(35,681,464)
Additional capital contribution	--	46,815,000
Group's share of other comprehensive income	--	158,252
Balance at the end of the period / year	98,968,907	106,694,806

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8. EQUITY ACCOUNTED INVESTEEES (CONTINUED)**8.1 Dr. Mohammed Rashid Al-Faqih Company (continued)**

The financial information of the associate is summarized as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Current assets	177,366,751	202,371,960
Non-current assets	754,444,728	758,635,294
Current liabilities	89,323,760	99,180,402
Non-current liabilities	569,757,931	564,342,501
Loss for the period / year	(24,754,563)	(114,323,659)
Other comprehensive income	--	507,055
Equity	272,729,788	297,484,351
	31 March 2023	31 December 2022
Net assets	272,729,788	297,484,351
Percentage ownership with the group	31.21%	31.21%
Ownership of net assets with the group	85,118,967	92,844,866
Goodwill	13,849,940	13,849,940
Carrying amount of interest in associate	98,968,907	106,694,806

8.2 Meraas Arabia Medical Holding Company

The Company holds 17% in Meraas Arabia Medical Holding Company (Meraas) and has significant influence because of the meaningful presentation on the board of the investee.

The movement in the investment is as follows:

	31 March 2023	31 December 2022
Balance at the beginning of the period / year	42,967,100	39,903,721
Group's share of profit	1,076,006	3,626,654
Group share of result from comprehensive income	564,579	286,725
Dividends received	(850,000)	(850,000)
Balance at the end of the period / year	43,757,685	42,967,100

The financial information of the associate is summarized as follows:

	31 March 2023	31 December 2022
Current assets	43,963,815	45,473,534
Non-current assets	130,318,656	128,510,994
Current liabilities	43,569,154	45,877,694
Non-current liabilities	45,173,731	46,407,674
Profit for the period / year	6,329,446	20,300,375
Other comprehensive income	3,321,050	2,132,231
Equity	85,539,586	80,889,090

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8. EQUITY ACCOUNTED INVESTEEES (CONTINUED)**8.2 Meraas Arabia Medical Holding Company (continued)**

	31 March 2023	31 December 2022
Net assets	85,539,586	80,889,090
Percentage ownership with the group	17%	17%
Ownership of net assets with the group	14,541,730	13,751,145
Goodwill	29,215,955	29,215,955
Carrying amount of interest in associate	43,757,685	42,967,100

8.3 MEFIC Private Equity Opportunities Fund 3

The movement in the investment is as follows:

	31 March 2023	31 December 2022
Balance at the beginning of the period / year	59,841,594	50,602,847
Group's share of profit	--	9,238,747
Balance at the end of the period / year	59,841,594	59,841,594

8.4 International Medical Centre Company (IMC)

On 21 Dhul Qa'dah 1443H (corresponding to 20 June 2022), a share swap agreement was signed between Dallah Healthcare Company and Kun Investment Holding Company (KIHC) related to the process of exchanging shares owned by KIHC in the International Medical Center (IMC) for shares swap of 7,681,166 shares of Dallah Healthcare Company against 14,232,690 shares in IMC.

On 3 Jumada II 1444H (corresponding to 16 January 2023) being acquisition date, the shares agreed between the parties were transferred. As a result, Dallah Healthcare Company obtained significant influence. Accordingly, the previous holding of 8.2% (revised shareholding being 27.18%) shareholding which was classified as financial asset at fair value through other comprehensive income has been classified as equity accounted investee.

The transaction to acquire shares in IMC results in the following:

a) Share capital

	As at 31 March 2023
Acquisition of shares owned by KIHC in IMC	14,232,690
Exchange ratio as agreed under share swap agreement	0.539
Number of the Company's shares issued to KIHC	7,681,166
Number of shares of the Group prior to acquisition	90,000,000
Number of shares of the Group post acquisition	97,681,166
Share capital of the Group at par value - SR 10 per share	976,811,660

b) Share premium

	As at 31 March 2023
Number of shares issued by the Group	7,681,166
Share price of the holding company as on 16 January 2023	135.8
Total consideration paid	1,043,102,343
Less: par value of share issued by the Group	(76,811,660)
Share premium of the Group	966,290,683

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8. EQUITY ACCOUNTED INVESTEEES (CONTINUED)**8.4 International Medical Centre Company (IMC) (continued)****c) Goodwill in equity accounted investees (continued)**

At acquisition date, the Company performed a preliminary assessment of the assets and liabilities of IMC. As a result, a preliminary goodwill amounting to SR 1,138 million was recognized according to the provisional amount of assets and liabilities of the Company acquired on the date of acquisition due to the incomplete study of the allocation of the purchase price. The Company is in the process of conducting a detailed assessment of the fair values of the assets acquired and liabilities assumed.

	As on 16 January 2023
Fair value of investment in financial assets – previously classified as FVOCI	307,519,306
Additional consideration	<u>1,056,859,801</u>
Total investment in equity accounted investee	1,364,379,107
Provisional value of net assets acquired at acquisition date (<i>refer below</i>)	<u>(225,668,171)</u>
Goodwill	<u>1,138,710,936</u>

Provisional assets acquired and liabilities assumed:

The following table summarises the recognised provisional amounts of assets acquired, and liabilities assumed at the date of acquisition.

	As on 16 January 2023
Property and equipment (net book value)	739,295,322
Right of use assets	126,305,580
Other non-current assets	131,608,471
Current assets	873,963,760
Total non-current liabilities	482,575,592
Trade current liabilities	558,324,669
Total provisional net assets acquired at acquisition date	<u>830,272,866</u>
Share of provisional value of net assets acquired at acquisition date - 27.18%	<u>225,668,171</u>

d) Movement in the investment and financial information:

The movement in the investment is as follows:

	31 March 2023 (Unaudited)
Balance at the beginning of the period	--
Transfer from FVOCI to equity accounted investee	307,519,306
Acquisition through Share premium (<i>refer note "b" above</i>)	966,290,683
Acquisition during the period through increase in share capital (<i>refer note "b" above</i>)	76,811,660
Acquisition related cost	13,757,452
Group's share of profit post acquisition	4,641,313
Balance at the end of the period	<u>1,369,020,414</u>

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8. EQUITY ACCOUNTED INVESTEEES (CONTINUED)**8.4 International Medical Centre Company (IMC) (continued)****d) Movement in the investment and financial information (continued)**

The financial information of the associate is summarized as follows:

	31 March 2023 (Unaudited)
Current assets	965,248,737
Non-current assets	1,010,135,699
Current liabilities	543,849,856
Non-current liabilities	584,185,510
Profit for the period	20,491,447
Equity	847,349,071
	31 March 2023
Net assets	847,349,071
Percentage ownership with the Group	27.18%
Ownership of net assets with the Group	230,309,478
Goodwill	1,138,710,936
Carrying amount of interest in associate	1,369,020,414

9 INVENTORIES

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Medical supplies and pharmaceutical items	251,689,376	258,831,412
Provision for obsolete and slow-moving inventory	(3,822,354)	(3,596,345)
	247,867,022	255,235,067

Movement in the provision of obsolete and slow-moving inventory during the period / year is as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the period / year	3,596,345	936,085
Charge	226,009	2,660,260
Balance at the end of the period / year	3,822,354	3,596,345

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10 RELATED PARTIES

Related parties of the Group comprise of key management personnel and associates where shareholders or the Group have control or significant influence. The Group and its related parties transact with each other as per mutually agreed terms. The related party transactions which are not disclosed in below note are disclosed elsewhere in these consolidated financial statements.

<u>Name of related parties:</u>	<u>Relationship:</u>	<u>Nature of transactions</u>
Dallah Al-Barakah Holding	Ultimate Parent Company	Medical services
Dr Mohammed Rashid Al-Faqih Company	Associate	Technical Support and Medicines sales
Meraas Arabia Medical Holding Company	Associate	Dividend received
Al-Mashfa Medical	Close family member	Medical services
Adaptive TechSoft	Owned partially by shareholder	Technical Support
Jazira Capital	Other / common Directorship	Consultation
Growth Path Investment Company – Mahara	Owned by a Shareholder of one subsidiary	Recruitment services
Joud Al Hala	Other / common Directorship	Rent payments
MEFIC Private Equity Opportunities Fund 3	Associate	Dividend received
Jarir Marketing Company	Other / common Directorship	Office supplies and stationary
Iqraa Media	Other / common Directorship	Media and advertising services
Dallah Trading Company	Other / common Directorship	Air conditioning and spare parts
Dareen Travel Agency	Owned partially by shareholder	Travel tickets
Eng. Tarek Alkasabi	Chairman of Board	Management consulting
Eng. Khalid Al-Faqih	Close family member	Engineering consulting

i) Due from related parties

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Dr Mohammed Rashid Al-Faqih Company	6,496,874	5,750,770
Al-Mashfa Medical	719,860	707,455
Dallah Al-Barakah Holding	293,258	299,221
Meraas Arabia Medical Holding Company	251,874	186,867
Joud Al Hala	84,895	84,895
	<u>7,846,761</u>	<u>7,029,208</u>

ii) Due to related parties

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Growth Path Investment Company - Mahara	569,173	988,053
Dareen Travel Agency	287,812	220,279
Adaptive TechSoft	62,497	209,094
Others	--	4,415
	<u>919,482</u>	<u>1,421,841</u>

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11 TRADE RECEIVABLES

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Trade receivables	969,315,362	846,792,527
Refund liability	(114,996,697)	(98,094,564)
Net trade receivables	854,318,665	748,697,963
Impairment loss allowance (<i>note 11.1</i>)	(73,699,846)	(71,622,194)
	<u>780,618,819</u>	<u>677,075,769</u>

11.1 Movement in the allowance for impairment in respect of trade receivables during the period/year is as follows.

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	71,622,194	75,623,078
Charge for the period / year	3,983,955	6,047,668
Written-off during the period / year	(1,906,303)	(10,048,552)
Balance at the end of the period / year	<u>73,699,846</u>	<u>71,622,194</u>

All of the above Group's trade receivables have been reviewed for indicators of impairment.

12 CASH AND CASH EQUIVALENTS

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Cash at banks – current accounts (<i>note 12.1</i>)	176,514,294	236,453,723
Cash in hand	1,876,450	1,491,190
	<u>178,390,744</u>	<u>237,944,913</u>

12.1 This represents cash held in current accounts with banks operating in the Kingdom of Saudi Arabia.

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13 MURABAHA FINANCING

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Non-current:		
Long -term Murabaha finance and loans	1,467,676,001	1,529,290,588
Current:		
Short-term Murabaha finance	196,349,177	179,408,781
Current portion of long-term Murabaha finance and loan	234,786,148	226,482,816
Total current Murabaha finance	431,135,325	405,891,597
Total Murabaha financing and loans	1,898,811,326	1,935,182,185

- i) The Group has Murabaha finance contracts with local banks at a markup rate of SAIBOR + agreed margin on facilities obtained. Murabaha contracts are denominated in Saudi Riyals and bear financial cost based on prevailing market price. Murabaha contracts are obtained to finance the construction of new medical facilities and hospitals under construction. Murabaha contracts are secured by promissory bonds.

As at 31 March 2023, Dallah Healthcare Company and its 100% owned subsidiaries, have Murabaha facility of SR 2,671 million (31 December 2022: SR 2,795 million), out of which an amount of SR 1,555 million was utilized as at 31 March 2023 (31 December 2022: SR 1,612 million), and secured by promissory notes as at 31 March 2023, with a total of SR 2,854 million (31 December 2022: SR 2,854 million).

On 25 Muharram 1443H (corresponding to 02 September 2021), the Group signed an agreement with Ministry of Finance to obtain long term loan amounting to SR 357 million for the period of 10 years (16 semi-annual installments) to support the Group's strategy in completing the construction of Dallah Namar Hospital. The long-term loan has been secured by two promissory notes and mortgage deed of land for Dallah Namar Hospital. Out of these loans, SR 223 million has been received till 31 March 2023 (31 December 2022: SR 223 million).

- ii) The Murabaha financing balance as at 31 March 2023, includes a loan pertaining to Care Shield Holding Company, a "subsidiary company", amounting to SR 118 million, (31 December 2022: SR 97.8 million).
- iii) The balance of the loans as of 31 March 2023 includes a loan in the books of Makkah Medical Centre Company, a "subsidiary company", amounting to SR 1.95 million, which the company obtained from the Ministry of Finance (31 December 2022: SR 1.95 million), the loan is secured by a mortgage over the hospital's land, buildings on which it is built, medical and non-medical equipment and furniture and furnishings.

The financing costs recognized which relates to the Murabaha in the condensed consolidated interim statement of profit or loss during the period ended 31 March 2023 amounted to SR 28.1 million (31 December 2022: SR 68.5 million).

Reconciliation of movements of liabilities to cash flows arising from financing activities are not presented separately since these movements are included in the respective notes to the condensed consolidated interim financial statements

Movement summary of loans and borrowings during the period / year is as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the period / year	1,935,182,185	1,867,361,251
Proceeds during the period / year	39,389,512	724,508,764
Payments made during the period / year	(75,760,371)	(656,687,830)
Balance at end of the period / year	1,898,811,326	1,935,182,185

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14 ZAKAT

The following table shows the details of zakat provision as at the reporting date:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / year	43,344,687	23,834,863
Charge for prior year open items	--	18,541,911
Charge for the period / year	5,733,720	15,149,367
Payments	(1,273,573)	(14,181,454)
Balance at the end of the period / year	47,804,834	43,344,687

The Group received zakat assessments for the years from 2014 until 2018, whereby additional demand of SR 19.7 million was made. The Group filed an appeal within the due date. ZATCA has raised certain additional queries for the years 2019 to 2020 in respect of additional zakat exposure of SR 26.6 million. These have been responded by the Group and ZATCA's review is awaited. Management, in consultation with Zakat advisor has recognized a provision of SR 27.8 million in respect of open items in the financial statement for year ended 31 December 2022.

15 REVENUE

	For the three-month period ended	
	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Revenue from contracts with customers		
Revenue from services	530,587,976	470,528,720
Revenue from sale of medicines	186,052,982	138,870,504
	716,640,958	609,399,224
Timing of revenue recognition		
Over time	281,599,892	212,085,725
At a point in time	435,041,066	397,313,499
	716,640,958	609,399,224

The revenues recorded during the period are after deducting medical rejections. All revenue earned by the Group are within Kingdom of Saudi Arabia region.

Contract balances

The following table provides information about receivables and unbilled revenue from contracts with customers.

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Trade receivables (note 11)	780,618,819	677,075,769
Unbilled revenue	9,694,991	12,777,015

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16 BASIC AND DILUTED EARNINGS PER SHARE

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

The diluted earnings per share is same as the basic earnings per share as the Group does not have any dilutive equity instruments and as a result diluted EPS is equal to the basic EPS for the three-month period ended 31 March 2023 and 31 March 2022.

	For the three-month period ended	
	31 March	31 March
	2023	2022
	(Unaudited)	(Unaudited)
Profit for the period, attributable to the ordinary shareholder	94,660,770	82,630,253
Weighted average number of ordinary shares	96,315,625	90,000,000
Basic and diluted earnings per share	0.98	0.92

The number of shares outstanding as of 31 March 2023 is 97,681,166 shares (March 31, 2022: 90,000,000 shares).

17 CONTINGENCIES AND COMMITMENTS**Capital commitments**

As at 31 March 2023, the Group had capital commitments that mainly relate to the construction contracts of the expansion of Dallah Hospital Al-Nakheel and the construction of Dallah Namar Hospital amounting to SR 220 million (31 December 2022: SR 85.12 million).

Contingent liabilities

- i) As at 31 March 2023, the Group has potential liabilities in the form of bank guarantees amounting to SR 55.6 million issued on behalf of the Group in the ordinary course of business (31 December 2022: SR 40 million). The bank guarantees include a bank guarantee issued during the year 2018 to a third party on behalf of Dr. Mohammad Al-Faqih Company "an associate company" amounting to SR 17.5 million expiring on 29 October 2023.
- ii) There are Letter of credits issued by the Group amounting to SR 32 million as at 31 March 2023 (31 December 2022: SR 40 million).

18 OPERATING SEGMENTS

As the operations of the Group are conducted in the Kingdom of Saudi Arabia, accordingly, for management purposes, the Group is organized into business units based on its products and services and has two reportable segments.

Operating segments is determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Chief Executive Officer as he is primarily responsible for the allocation of resources to segments and the assessment of the performance of each of the segments.

The CODM uses underlying income as reviewed at monthly Executive Committee and Performance meetings as the key measure of the segments' results as it reflects the segments' performance for the period under evaluation. Revenue and segment profit is a consistent measure within the Group.

The identified key segments are Medical Services/ Medicine and Pharmaceutical Products. Information regarding the Group's reportable segments is presented below:

DALLAH HEALTHCARE COMPANY

(A Saudi Joint Stock Company)

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(For the three months period ended 31 March 2023 unaudited)

All amounts are presented in Saudi riyals unless otherwise indicated

18. OPERATING SEGMENTS (CONTINUED)**Based on nature of services:**

31 March 2023	Medical Services	Medicine and Pharmaceutical Products	Total (Unaudited)
Revenue	675,118,604	41,522,354	716,640,958
Cost of revenue	(422,925,402)	(26,921,875)	(449,847,277)
Gross profit	252,193,202	14,600,479	266,793,681
Operating expenses	(121,709,323)	(12,589,912)	(134,299,235)
Other income, net	5,265,813	317,499	5,583,312
Operating profit	135,749,692	2,328,066	138,077,758
Finance cost	(28,217,497)	(279,014)	(28,496,511)
Share of results from equity accounted investees	(2,008,580)	-	(2,008,580)
Zakat	(5,654,558)	(79,162)	(5,733,720)
Net Profit	99,869,057	1,969,890	101,838,947
As at 31 March 2023			
Total assets	5,871,960,963	182,934,170	6,054,895,133
Total liabilities	2,373,655,252	302,965,526	2,676,620,778

31 March 2022	Medical Services	Medicine and Pharmaceutical Products	Total (Unaudited)
Revenue	572,617,059	36,782,165	609,399,224
Cost of revenue	(354,577,604)	(23,128,438)	(377,706,042)
Gross profit	218,039,455	13,653,727	231,693,182
Operating expenses	(110,255,554)	(11,512,451)	(121,768,005)
Other income, net	4,970,050	241,603	5,211,653
Operating profit	112,753,951	2,382,879	115,136,830
Finance cost	(10,881,265)	(68,939)	(10,950,204)
Share of results from equity accounted investees	(10,455,383)	--	(10,455,383)
Zakat	(6,755,267)	(78,066)	(6,833,333)
Net Profit	84,662,036	2,235,874	86,897,910
As at 31 March 2022			
Total assets	4,554,677,341	184,227,044	4,738,904,385
Total liabilities	2,262,515,238	289,783,927	2,552,299,165

Geographical segments:

All of the Group's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia.

DALLAH HEALTHCARE COMPANY

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19. FINANCIAL RISK MANAGEMENT

The risk management framework and policies of the Group are consistent with those used and disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2022.

20. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on 01 Dhul Qa'dah 1444H (Corresponding to 21 May 2023).