

**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**  
**WITH**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

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## KPMG Professional Services

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

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

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

المركز الرئيسي في الرياض

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

To the Shareholders of Mouwasat Medical Services Company

## Introduction

We have reviewed the accompanying March 31, 2023 condensed consolidated interim financial statements of **Mouwasat Medical Services Company** ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at March 31, 2023;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2023;
- the condensed consolidated statement of changes in equity for the three-month period ended March 31, 2023;
- the condensed consolidated statement of cash flows for the three-month period ended March 31, 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 Mouwasat Medical Services Company (Continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying March 31, 2023 condensed consolidated interim financial statements of **Mouwasat Medical Services 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.

For KPMG Professional Services



**Abdulaziz Abdullah Alnaim**  
License no. 394

Al Khobar,  
Date: Shawwal 21, 1444H  
Corresponding to: May 11, 2023G

**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2023**

(Expressed in Saudi Riyals, unless otherwise stated)

|   | Note | March 31,<br>2023<br>(Unaudited) | December 31,<br>2022<br>(Audited) |
|---|------|----------------------------------|-----------------------------------|
| <b>ASSETS</b>   |      |                                  |                                   |
| <b>Non-current assets</b>                                 |      |                                  |                                   |
| Property and equipment                                    | 3    | 2,757,310,056                    | 2,765,341,718                     |
| Right-of-use asset  |      | 26,733,098                       | 27,596,156                        |
| Goodwill  |      | 59,423,486                       | 59,423,486                        |
| Intangible assets   |      | 16,428,180                       | 16,389,300                        |
| Investment in an associate                                |      | 20,995,599                       | 18,788,375                        |
| Advances to contractors and suppliers                     |      | 199,631,800                      | 200,522,745                       |
| <b>Total non-current assets</b>                           |      | <b>3,080,522,219</b>             | <b>3,088,061,780</b>              |
| <b>Current assets</b>                                     |      |                                  |                                   |
| Inventories   |      | 191,978,804                      | 203,387,227                       |
| Accounts receivable                                       | 4    | 1,118,445,337                    | 1,038,752,135                     |
| Advances, prepayments and other current assets            |      | 100,275,663                      | 76,503,968                        |
| Term deposit  |      | 175,000,000                      | 111,000,000                       |
| Cash and cash equivalents                                 |      | 169,611,877                      | 143,876,493                       |
| <b>Total current assets</b>                               |      | <b>1,755,311,681</b>             | <b>1,573,519,823</b>              |
| <b>Total assets</b>                                       |      | <b>4,835,833,900</b>             | <b>4,661,581,603</b>              |
| <b>EQUITY AND LIABILITIES</b>                             |      |                                  |                                   |
| <b>Equity</b>   |      |                                  |                                   |
| Share capital   | 5    | 1,000,000,000                    | 1,000,000,000                     |
| Statutory reserve   | 6    | 300,000,000                      | 300,000,000                       |
| Retained earnings   |      | 1,789,453,896                    | 1,622,846,424                     |
| <b>Equity attributable to shareholders of the Company</b> |      | <b>3,089,453,896</b>             | <b>2,922,846,424</b>              |
| <b>Non-controlling interest</b>                           |      | <b>161,604,155</b>               | <b>153,486,781</b>                |
| <b>Total equity</b>                                       |      | <b>3,251,058,051</b>             | <b>3,076,333,205</b>              |
| <b>Liabilities</b>  |      |                                  |                                   |
| <b>Non-current liabilities</b>                            |      |                                  |                                   |
| Long-term borrowings                                      | 7    | 570,908,449                      | 627,750,414                       |
| Employees' benefits                                       |      | 138,319,294                      | 137,079,848                       |
| Lease liabilities   |      | 25,726,667                       | 25,394,954                        |
| <b>Total non-current liabilities</b>                      |      | <b>734,954,410</b>               | <b>790,225,216</b>                |
| <b>Current liabilities</b>                                |      |                                  |                                   |
| Accounts payable  |      | 243,701,466                      | 250,043,199                       |
| Accruals and other current liabilities                    |      | 201,442,695                      | 174,877,913                       |
| Refund liability  | 9    | 127,943,422                      | 105,108,775                       |
| Current maturity of lease liabilities                     |      | 4,300,000                        | 4,300,000                         |
| Current portion of long-term borrowings                   | 7    | 234,908,313                      | 234,716,005                       |
| Provision for zakat                                       | 8    | 37,525,543                       | 25,977,290                        |
| <b>Total current liabilities</b>                          |      | <b>849,821,439</b>               | <b>795,023,182</b>                |
| <b>Total liabilities</b>                                  |      | <b>1,584,775,849</b>             | <b>1,585,248,398</b>              |
| <b>Total equity and liabilities</b>                       |      | <b>4,835,833,900</b>             | <b>4,661,581,603</b>              |

Mohammed Al Saleem  
(Managing Director)

Mohammed Al Saleem  
(Authorized Board Representative)

Yusuf Sulaiman  
(Chief Financial Officer)

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


**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)


**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

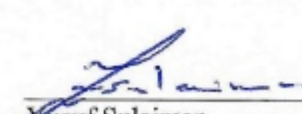
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

(Expressed in Saudi Riyals, unless otherwise stated)

|   | Note | March 31,<br>2023<br>(Unaudited) | March 31,<br>2022<br>(Unaudited) |
|---|------|----------------------------------|----------------------------------|
| <b>Revenue</b>  |      |                                  |                                  |
| Operating revenues, net   |      | 569,923,384                      | 490,917,351                      |
| Sales   |      | 94,297,254                       | 76,049,839                       |
|   | 9    | 664,220,638                      | 566,967,190                      |
| <b>Direct cost</b>  |      |                                  |                                  |
| Cost of operations  |      | (268,118,174)                    | (243,199,928)                    |
| Cost of sales   |      | (68,056,772)                     | (55,987,682)                     |
|   |      | (336,174,946)                    | (299,187,610)                    |
| <b>Gross profit</b>   |      | 328,045,692                      | 267,779,580                      |
| Selling and distribution expenses   |      | (49,180,195)                     | (31,004,446)                     |
| General and administration expenses   |      | (86,224,217)                     | (77,093,101)                     |
| <b>Operating profit</b>   |      | 192,641,280                      | 159,682,033                      |
| Share of result of an associate   |      | 2,207,224                        | 2,745,906                        |
| Other income  |      | 2,948,217                        | 4,292,568                        |
| Finance cost  |      | (11,523,622)                     | (1,335,419)                      |
| <b>Profit before zakat</b>  |      | 186,273,099                      | 165,385,088                      |
| Zakat expense for the period  | 8    | (11,548,253)                     | (6,383,781)                      |
| <b>Profit for the period</b>  |      | 174,724,846                      | 159,001,307                      |
| <b>Other comprehensive income</b>   |      |                                  |                                  |
| <i>Items that will not be reclassified to the condensed consolidated statement of profit or loss in subsequent periods:</i> |      |                                  |                                  |
| Re-measurement of defined benefit obligations   |      | -                                | -                                |
| <b>Other comprehensive income for the period</b>  |      | -                                | -                                |
| <b>Total comprehensive income for the period</b>  |      | 174,724,846                      | 159,001,307                      |

  
Mohammed Al Saleem  
(Managing Director)

  
Mohammed Al Saleem  
(Authorized Board Representative)

  
Yusuf Sulaiman  
(Chief Financial Officer)

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

**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

(Expressed in Saudi Riyals, unless otherwise stated)

|  | Note | March 31,<br>2023<br>(Unaudited) | March 31,<br>2022<br>(Unaudited) |
|--|------|----------------------------------|----------------------------------|
| <b>Profit attributable to:</b>   |      |                                  |                                  |
| - Shareholders of the Company  |      | 166,607,472                      | 150,211,988                      |
| - Non-controlling interests  |      | 8,117,374                        | 8,789,319                        |
|  |      | <u>174,724,846</u>               | <u>159,001,307</u>               |
| <b>Total comprehensive income attributable to:</b>                                   |      |                                  |                                  |
| - Shareholders of the Company  |      | 166,607,472                      | 150,211,988                      |
| - Non-controlling interests  |      | 8,117,374                        | 8,789,319                        |
|  |      | <u>174,724,846</u>               | <u>159,001,307</u>               |
| <b>Earnings per share</b>  |      |                                  |                                  |
| Basic and diluted earnings per share attributable to the shareholders of the Company | 11   | <u>1.67</u>                      | <u>1.50</u>                      |



Mohammed Al Saleem  
(Managing Director)



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**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)


**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

(Expressed in Saudi Riyals, unless otherwise stated)

|  | Attributable to shareholders of the Company |                    |                      | Total                | Non-controlling interests | Total equity         |
|--|---|--------------------|----------------------|----------------------|---------------------------|----------------------|
|  | Share capital                               | Statutory reserve  | Retained earnings    |                      |                           |                      |
| As at January 1, 2022 (Audited)                  | 1,000,000,000                               | 300,000,000        | 1,304,190,031        | 2,604,190,031        | 97,881,293                | 2,702,071,324        |
| <i>Total comprehensive income for the period</i> |   |                    |                      |                      |                           |                      |
| Profit for the period                            | -   | -                  | 150,211,988          | 150,211,988          | 8,789,319                 | 159,001,307          |
| Other comprehensive income for the period        | -   | -                  | -                    | -                    | -                         | -                    |
| Total comprehensive income for the period        | -   | -                  | 150,211,988          | 150,211,988          | 8,789,319                 | 159,001,307          |
| As at March 31, 2022 (Unaudited)                 | <u>1,000,000,000</u>                        | <u>300,000,000</u> | <u>1,454,402,019</u> | <u>2,754,402,019</u> | <u>106,670,612</u>        | <u>2,861,072,631</u> |
| As at January 1, 2023 (Audited)                  | 1,000,000,000                               | 300,000,000        | 1,622,846,424        | 2,922,846,424        | 153,486,781               | 3,076,333,205        |
| <i>Total comprehensive income for the period</i> |   |                    |                      |                      |                           |                      |
| Profit for the period                            | -   | -                  | 166,607,472          | 166,607,472          | 8,117,374                 | 174,724,846          |
| Other comprehensive income for the period        | -   | -                  | -                    | -                    | -                         | -                    |
| Total comprehensive income for the period        | -   | -                  | 166,607,472          | 166,607,472          | 8,117,374                 | 174,724,846          |
| As at March 31, 2023 (Unaudited)                 | <u>1,000,000,000</u>                        | <u>300,000,000</u> | <u>1,789,453,896</u> | <u>3,089,453,896</u> | <u>161,604,155</u>        | <u>3,251,058,051</u> |

  
Mohammed Al Saleem  
(Managing Director)

  
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Yusuf Sulaiman  
(Chief Financial Officer)

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**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

(Expressed in Saudi Riyals, unless otherwise stated)

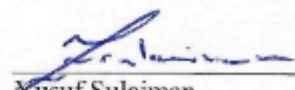
|   | Note | March 31,<br>2023<br>(Unaudited) | March 31,<br>2022<br>(Unaudited) |
|---|------|----------------------------------|----------------------------------|
| <b>Cash flows from operating activities</b>         |      |                                  |                                  |
| Profit for the year                                 |      | 174,724,846                      | 159,001,307                      |
| <i>Adjustment for:</i>                              |      |                                  |                                  |
| Depreciation of property and equipment              | 3    | 52,533,052                       | 39,047,499                       |
| Depreciation of right-of-use asset                  |      | 863,058                          | 863,059                          |
| Provision for allowance for expected credit losses  | 4    | 22,572,909                       | 3,641,202                        |
| Amortization of intangible assets                   |      | 1,165,403                        | 1,168,008                        |
| Share of result of an associate                     |      | (2,207,224)                      | (2,745,906)                      |
| Provision for employees' benefits                   |      | 7,430,462                        | 7,837,115                        |
| Finance cost  |      | 11,523,622                       | 1,335,419                        |
| Interest income on term deposit                     |      | (1,382,500)                      | (180,017)                        |
| Gain on disposal of property and equipment          |      | (24,616)                         | (45,854)                         |
| Zakat expense for the period                        |      | 11,548,253                       | 6,383,781                        |
|   |      | <u>278,747,265</u>               | <u>216,305,613</u>               |
| <i>Changes in:</i>                                  |      |                                  |                                  |
| Accounts receivable                                 |      | (102,266,111)                    | (193,315,277)                    |
| Advances, prepayments, and other current assets     |      | (23,807,231)                     | (3,692,505)                      |
| Inventories   |      | 11,408,423                       | (3,797,243)                      |
| Accounts payable                                    |      | (6,341,733)                      | 54,552,415                       |
| Accruals and other current liabilities              |      | 27,249,395                       | 39,970,660                       |
| Refund liability                                    |      | 22,834,647                       | 16,261,246                       |
| <b>Cash generated from operating activities</b>     |      | <u>207,824,655</u>               | <u>126,284,909</u>               |
| Employees' benefits paid                            |      | (6,191,016)                      | (4,866,748)                      |
| Finance cost paid                                   |      | (12,283,864)                     | (3,472,267)                      |
| <b>Net cash generated from operating activities</b> |      | <u>189,349,775</u>               | <u>117,945,894</u>               |
| <b>Cash flows from investing activities</b>         |      |                                  |                                  |
| Purchase of property and equipment                  |      | (19,586,664)                     | (44,631,909)                     |
| Addition to capital work in progress                |      | (22,116,070)                     | (33,924,888)                     |
| Purchase of intangible assets                       |      | (1,204,283)                      | (1,555,537)                      |
| Proceeds from disposal of property and equipment    |      | 84,958                           | 118,676                          |
| Advances to contractors and suppliers               |      | (1,560,711)                      | (30,743,321)                     |
| Interest received on term deposit                   |      | 1,418,036                        | 109,250                          |
| Term deposit  |      | (64,000,000)                     | (55,000,000)                     |
| <b>Net cash used in investing activities</b>        |      | <u>(106,964,734)</u>             | <u>(165,627,729)</u>             |



Mohammed Al Saleem  
(Managing Director)



Mohammed Al Saleem  
(Authorized Board Representative)



Yusuf Sulaiman  
(Chief Financial Officer)

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**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

(Expressed in Saudi Riyals, unless otherwise stated)

|  | Note | March 31,<br>2023<br>(Unaudited) | March 31, 2022<br>(Unaudited) |
|--|------|----------------------------------|-------------------------------|
| <b>Cash flows from financing activities</b>                                  |      |                                  |                               |
| Proceeds from long-term borrowings   |      | -                                | 85,000,000                    |
| Repayment of long-term borrowings  |      | <u>(56,649,657)</u>              | <u>(46,487,817)</u>           |
| <b>Net cash (used in) / generated from financing activities</b>              |      | <u>(56,649,657)</u>              | <u>38,512,183</u>             |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                |      |                                  |                               |
| Cash and cash equivalents at the beginning of the period                     |      | <u>143,876,493</u>               | <u>156,868,788</u>            |
| <b>Cash and cash equivalents at the end of the period</b>                    |      | <u>169,611,877</u>               | <u>147,699,136</u>            |
| <b>Significant non-cash transactions</b>                                     |      |                                  |                               |
| Transfer from advances to contractors and supplier to property and equipment |      | <u>2,451,656</u>                 | <u>11,897,077</u>             |
| Finance cost capitalized   |      | <u>407,342</u>                   | <u>2,787,555</u>              |



Mohammed Al Saleem  
(Managing Director)



Mohammed Al Saleem  
(Authorized Board Representative)



Yusuf Sulaiman  
(Chief Financial Officer)

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**MOUWASAT MEDICAL SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

(Expressed in Saudi Riyals, unless otherwise stated)

**1. ORGANIZATION AND ACTIVITIES**

Mouwasat Medical Services Company ("the Company") is registered in Saudi Arabia under Commercial Registration number 2050032029 dated Ramadan 12, 1417H (corresponding to January 21, 1997). The Company was converted into a Saudi Joint Stock Company in accordance with Ministerial Resolution No. 1880 dated Dhu-al-Hijja 4, 1426H (corresponding to January 4, 2006).

The Company through its multiple branches is engaged in the acquisition, management, operation and maintenance of hospitals, medical centers, drug stores, pharmacies and wholesale of medical equipment and drugs.

| <b>Branch</b> | <b>Commercial Registration Number</b> | <b>Date</b> |
|---------------|---------------------------------------|-------------|
| Dammam        | 2050046891                            | 18/09/1425H |
| Dammam        | 2050111494                            | 20/04/1438H |
| Dammam        | 2050111780                            | 25/05/1438H |
| Dammam        | 2050086573                            | 27/11/1433H |
| Khobar        | 2051064380                            | 12/09/1438H |
| Jubail        | 2055004626                            | 09/03/1421H |
| Jubail        | 2055006727                            | 19/09/1425H |
| Madinah       | 4650029967                            | 06/05/1421H |
| Madinah       | 4650030759                            | 11/11/1421H |
| Madinah       | 4650083001                            | 18/01/1438H |
| Madinah       | 4650252425                            | 19/05/1444H |
| Riyadh        | 1010295838                            | 09/11/1431H |
| Yanbu         | 4700118283                            | 04/06/1444H |

Details regarding the Company's subsidiaries are as follows:

| <b>Name</b>                              | <b>Country of incorporation</b> | <b>Activities</b> | <b>Percentage %</b> |
|--|---------------------------------|-------------------|---------------------|
| Eastern Medical Services Company Limited | Saudi Arabia                    | Medical services  | 51%                 |
| Jeddah Doctor Company                    | Saudi Arabia                    | Medical services  | 51%                 |

Eastern Medical Services Company Limited is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 2051023824 dated Ramadan 10, 1420H (corresponding to December 18, 1999). This subsidiary is engaged in construction and operation of hospitals, dispensaries and special clinics.

Jeddah Doctors Company Limited ("JDC") (Saudi Closed Joint Stock Company) is registered in Kingdom of Saudi Arabia under commercial registration number 4030278617 dated Muharram 13, 1436H (corresponding to 6 November 2014). The subsidiary is engaged in general construction of non-residential buildings including (schools, hospitals, hotels etc.), demolition of buildings; purchase, sale and division of land and real estate, and off-plan sales activities; colleges and university institutes, hospitals, medical operation of hospitals.

These condensed consolidated interim financial statements as at and for the three-month period ended March 31, 2023 include all financial information of the branches of the Company and above mentioned subsidiaries (together referred to as 'the Group').

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

**2.1 Statement of compliance**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

(Expressed in Saudi Riyals, unless otherwise stated)

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**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.1 Statement of compliance (continued)**

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2022 ("Last Annual Financial Statements"). However, changes in accounting policies, if any and 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 financial statements.

**2.2 Basis of preparation**

These condensed consolidated interim financial statements are prepared using historical cost convention using the accrual basis of accounting except for employees benefit obligation which is measured at present value of the defined benefit obligation.

**2.3 Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyals ("SR") which is also the functional and presentation currency of the Group. All values are rounded to the nearest one Riyal except where otherwise indicated.

**2.4 Use of judgements and estimates**

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

**2.5 Significant accounting policies**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2022. A number of amendments to existing standards, as detailed in note 2.6 below, became effective from January 1, 2023 but they do not have a material effect on the condensed consolidated interim financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**2.6 New standards and amendments to existing standards**

*New and amended standards adopted by the Group*

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

- IFRS 17 Insurance contracts (Amendments to IFRS 17), effective for annual periods beginning on or after 1 January 2023.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), effective for annual periods beginning on or after 1 January 2023.
- Definition of Accounting Estimate (Amendments to IAS 8), effective for annual periods beginning on or after 1 January 2023.
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes, effective for annual periods beginning on or after 1 January 2023.
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17), effective for annual periods beginning on or after 1 January 2023.

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**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.6 New standards and amendments to existing standards (continued)**

*Amendments to existing standards issued but not yet effective*

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

- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16) effective for annual periods beginning on or after 1 January 2024.
- Non-current Liabilities with Covenants (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The forthcoming amendments listed above are not expected to have a significant or material impact on the Group's financial statements when they become effective.

**3. PROPERTY AND EQUIPMENT**

**3.1 The movement of property and equipment is as follows:**

|  | <b>March 31,<br/>2023</b>   | <b>December 31,<br/>2022</b> |
|--|-----------------------------|------------------------------|
|  | <b>(Unaudited)</b>          | <b>(Audited)</b>             |
| Carrying value at the beginning of the period / year | <b>2,765,341,718</b>        | 2,418,632,215                |
| Acquisition of a subsidiary                          | -                           | 114,470,014                  |
| Additions  | <b>44,561,732</b>           | 412,388,420                  |
| Disposals, net of accumulated depreciation           | <b>(60,342)</b>             | (239,369)                    |
| Depreciation for the period / year                   | <b>(52,533,052)</b>         | (179,909,562)                |
| Carrying value at the end of the period / year       | <b><u>2,757,310,056</u></b> | <u>2,765,341,718</u>         |

As of March 31, 2023, plots of land amounting to SR 56.1 million (December 31, 2022: SR 56.1 million) have been pledged as security against term loans from Ministry of Finance. During 2021, the Group has fully paid the outstanding loan amount related to a subsidiary and applied for release of mortgage against land (having carrying amount of SR 3.18 million).

Finance costs capitalized during the three-month period ended March 31, 2023 amounted to SR 0.41 million (December 31, 2022: SR 9.47 million).

**3.2 Construction work-in-progress**

The carrying value in note 3.1 includes construction work-in-progress amounting to SR 169.85 million (December 31, 2022: SR 148.5 million). It represents costs incurred to construct new hospitals and expansion of existing hospitals, which is currently in work-in-progress.

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**4. ACCOUNTS RECEIVABLE**

|  | <b>March 31,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|--|---------------------------|------------------------------|
|  | <b>(Unaudited)</b>        | <b>(Audited)</b>             |
| Accounts receivable – trade                | <b>1,208,148,632</b>      | 1,108,264,420                |
| Less: allowance for expected credit losses | <b>(92,082,827)</b>       | (72,501,282)                 |
|  | <b>1,116,065,805</b>      | 1,035,763,138                |
| Due from related parties (note 10b)        | <b>2,379,532</b>          | 2,988,997                    |
|  | <b>1,118,445,337</b>      | 1,038,752,135                |

Movement in the allowance for expected credit losses is as follows:

|   | <b>March 31,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|---|---------------------------|------------------------------|
|   | <b>(Unaudited)</b>        | <b>(Audited)</b>             |
| Balance at the beginning of the period / year                 | <b>72,501,282</b>         | 57,510,112                   |
| Allowance for expected credit losses during the period / year | <b>22,572,909</b>         | 18,270,433                   |
| Written off   | <b>(2,991,364)</b>        | (3,279,263)                  |
| Balance at the end of the period / year                       | <b>92,082,827</b>         | 72,501,282                   |

**5. SHARE CAPITAL**

The authorized, issued and fully paid share capital of the Company is divided into 100 million shares (December 31, 2022: 100 million shares) of SR 10 each.

During the year 2022, the Company's Board of Directors recommended in its meeting held on 22 December 2022 for capital increase by granting free shares to the Company's shareholders, with one share for each of the shares owned on the day of the extra ordinary general meeting and registered in the Company's shareholder register. The grant is subject to the approval of the relevant authorities and the Extraordinary General Assembly on the capital increase and the number of shares to be granted.

**6. STATUTORY RESERVE**

In accordance with the Saudi Arabian Regulations for Companies, 10% of the profit for the year is required to be transferred to the legal reserve until the balance in the reserve equals 30% of the capital. This reserve is not normally available for distribution except in circumstances specified in the Saudi Arabian Companies Regulations.

**7. BORROWINGS**

**7.1 Long term loan**

|                                | <b>March 31,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|--------------------------------|---------------------------|------------------------------|
|                                | <b>(Unaudited)</b>        | <b>(Audited)</b>             |
| <b>Current</b>                 |                           |                              |
| Loans from commercial banks    | <b>228,961,373</b>        | 228,769,065                  |
| Loans from Ministry of Finance | <b>5,946,940</b>          | 5,946,940                    |
|                                | <b>234,908,313</b>        | 234,716,005                  |
| <b>Non- current</b>            |                           |                              |
| Loans from commercial banks    | <b>495,370,771</b>        | 551,569,446                  |
| Loans from Ministry of Finance | <b>75,537,678</b>         | 76,180,968                   |
|                                | <b>570,908,449</b>        | 627,750,414                  |

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**7. BORROWINGS (Continued)**

**7.1 Long term loan (continued)**

**Loans from Commercial Banks**

The Group obtained Islamic loan facilities from various local commercial banks. These loans are secured by promissory notes and assignment of insurance and contract proceeds. These facilities are subject to commission rates based on Saudi Arabia Interbank Offered Rate "SIBOR" plus an agreed margin.

**Loans from Ministry of Finance**

The Group obtained loan facilities of SR 147.3 million from Ministry of Finance for expansions and building of new hospitals and purchase of medical equipment. The loans are secured by mortgage on the Group's plots of land and are repayable on equal annual installments. These loans do not carry any financial charges.

The Group is required to comply with certain covenant under the loan facility agreements. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. The Group was in compliance with financial covenants as of March 31, 2023. Aggregate maturities are as follows:

|   | <b>March 31,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|---|---------------------------|------------------------------|
|   | <b>(Unaudited)</b>        | <b>(Audited)</b>             |
| Within one year                                   | <b>234,908,313</b>        | 234,716,005                  |
| Later than one year but not later than five years | <b>485,681,777</b>        | 530,568,615                  |
| Later than five years                             | <b>85,226,672</b>         | 97,181,799                   |
|   | <b><u>805,816,762</u></b> | <u>862,466,419</u>           |

**8. ZAKAT**

The movement in zakat provision is:

|   | <b>March 31,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|---|---------------------------|------------------------------|
|   | <b>(Unaudited)</b>        | <b>(Audited)</b>             |
| Balance at the beginning of the period / year | <b>25,977,290</b>         | 23,723,450                   |
| Charge for the period / year                  | <b>11,548,253</b>         | 27,583,650                   |
| Paid during the period / year                 | -                         | (25,329,810)                 |
| Balance at the end of the period / year       | <b><u>37,525,543</u></b>  | <u>25,977,290</u>            |

**Mouwasat Medical Services Company**

The Company has submitted its zakat returns up to year ended December 31, 2022, settled zakat as per the return and obtained the required certificates and official receipts. The assessments for the years from 2013 to 2016 were finalized and settled in 2018. Zakat, Tax and Custom Authority ("ZATCA") raised queries for years 2017 and 2018 and the Company has provided the relevant information. According to ZATCA portal, the inquiry case for these years were closed and ZATCA did not raise any Zakat differences. ZATCA raised assessments for years 2019 and 2020 with a total liability of SR 7.3 million. Company has submitted an objection against ZATCA's assessment for the year 2019 and 2020 and the objection is currently under review by the ZATCA. The assessment for the year 2021 is still under review by the ZATCA.

**Eastern Medical Services Company Limited**

The subsidiary has submitted its zakat returns up to year ended 31 December 2022, settled zakat as per the returns and obtained the required certificates and official receipts. The assessments for the years from 2013 to 2016 and for the year 2018 were finalized and settled in 2018. ZATCA raised an assessment for the year 2019 amounting to SR 0.663 million and the assessment is currently under review by the management, who is currently preparing to file an objection on such an assessment to ZATCA. The assessment for the years 2020 and 2021 are still under review by the ZATCA.

**Jeddah Doctor Company**

The subsidiary has submitted the zakat return up to year ended 31 December 2022, settled zakat as per the returns and obtained the required certificates and official receipts.

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**9. REVENUE**

The Group generates revenue primarily from:

- Services relating to inpatient and outpatient; and
- Sale of pharmaceutical goods.

**Disaggregation of revenue**

In the following table, revenue from contracts with customers is disaggregated by service lines and timing of revenue recognition. All revenues are generated within Kingdom of Saudi Arabia.

|   | <b>March 31,<br/>2023</b> | March 31,           |
|---|---------------------------|---------------------|
|   | <b>(Unaudited)</b>        | 2022<br>(Unaudited) |
| <b>Revenue by service lines</b>   |                           |                     |
| Rendering of medical services   | <b>569,923,384</b>        | 490,917,351         |
| Pharmaceuticals   | <b>94,297,254</b>         | 76,049,839          |
|   | <b>664,220,638</b>        | 566,967,190         |
| <b>Timing of revenue recognition</b>                                      |                           |                     |
| Medical services and pharmaceuticals sales transferred at a point in time | <b>390,513,701</b>        | 325,750,710         |
| Medical services transferred over time                                    | <b>273,706,937</b>        | 241,216,480         |
|   | <b>664,220,638</b>        | 566,967,190         |

The following table provides information about contract assets and refund liability from contracts with customers:

|                             | <b>March 31,<br/>2023</b> | December 31,      |
|-----------------------------|---------------------------|-------------------|
|                             | <b>(Unaudited)</b>        | 2022<br>(Audited) |
| Refund liability (note 9.1) | <b>127,943,422</b>        | 105,108,775       |
| Contract assets (note 9.2)  | <b>7,712,361</b>          | 4,212,160         |

**9.1 Refund liability**

Certain contracts provide for discounts comprise retrospective volume discounts granted to insurance companies on attainment of certain admission levels / certain levels of patient visits. The retrospective volume discounts give rise to variable consideration. Variable consideration is recognised as a revenue to the extent that it is highly probable that it will not reverse. Discounts are accrued over the course of the period based on the estimated level of business using single most likely amount method. This is adjusted at the end of the period to reflect actual volumes. Volume discounts are recorded as a reduction in revenue and liabilities are created based on these estimates.

**9.2 Contract assets**

Contract assets are related to in-patients who were provided services during the reporting period but were not discharged or billed as of the reporting date.



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**10. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties include Company's shareholders, associated companies and their shareholders, key management personnel, Board of Directors and entities controlled, jointly controlled or significantly influenced by such parties. Terms and conditions of these transactions are approved by the Group's management. During the period, the Group transacted with the following related parties:

| Related Party   | Nature of transaction           | For the three-month period ended<br>March 31, |           |
|---|---------------------------------|---|-----------|
|   |                                 | 2023  | 2022      |
| Advance Medical Project Company<br>("AMPC") – Associate | - Revenue                       | (483,107)                                     | (803,884) |
|   | - Purchase of services          | 1,656,651                                     | 1,733,424 |
|   | - Other services                | (68,368)                                      | (94,335)  |
| Al-Mouwasat International<br>Company – Affiliate        | - Purchases                     | 6,143,384                                     | 6,321,204 |
|   | - Rent                          | 1,236,000                                     | -         |
|   | - Expense                       | 3,900   | -         |
|   | - Other services                | (215,236)                                     | (141,860) |
| AdVision Media Solution – Affiliate                     | - Advertisement services        | 13,137,160                                    | 3,669,781 |
| Magrabi Hospitals & Centers<br>Company Ltd. – Affiliate | - Revenue                       | 538,169                                       | 615,838   |
|   | - Expenses                      | 20,000  | 3,850     |
|   | - Interest on lease liabilities | 331,712                                       | 366,680   |

The breakdown of the amounts due to / due from related parties are as follows:

*a) Due to related parties*

|                                     | March 31,<br>2023<br>(Unaudited) | December 31,<br>2022<br>(Audited) |
|-------------------------------------|----------------------------------|-----------------------------------|
| Al-Mouwasat International Company   | 4,659,319                        | 5,881,147                         |
| Doctors Company For Health Projects | 3,761,603                        | 3,761,603                         |
| AdVision Media Solution             | -                                | 791,515                           |
|                                     | <b>8,420,922</b>                 | <b>10,434,265</b>                 |

*b) Due from related parties*

|  | March 31,<br>2023<br>(Unaudited) | December 31,<br>2022<br>(Audited) |
|--|----------------------------------|-----------------------------------|
| Advance Medical Project Company ("AMPC") | 1,218,032                        | 2,323,208                         |
| AdVision Media Solution                  | 603,331                          | -                                 |
| Magrabi Hospitals & Centers Company Ltd. | 558,169                          | 665,789                           |
|  | <b>2,379,532</b>                 | <b>2,988,997</b>                  |

Amounts due to and due from related parties principally include balances related to above mentioned transactions and are included within accounts payable and accounts receivable, respectively in the statement of financial position. Outstanding balances at the reporting date are unsecured, interest free and payable within 12 months in ordinary course of business. Prices and terms of payment of the above transactions are approved by the Group's management.

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**10. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

*c) Compensation to key management personnel*

The remuneration of directors and other key management personnel during the period was as follows:

|                               | <b>Three-month<br/>period ended<br/>March 31, 2023</b> | <b>Three-month<br/>period ended<br/>March 31, 2022</b> |
|-------------------------------|--|--|
|                               | <b>(Unaudited)</b>                                     | <b>(Unaudited)</b>                                     |
| Salary and allowances         | 4,935,000  | 4,710,000  |
| Incentives and other benefits | 4,891,936  | 4,292,947  |
|                               | <b>9,826,936</b>                                       | <b>9,002,947</b>                                       |

The remuneration of directors and key executives is determined by the remuneration committee considering the performance of individuals and market trends. Board of Directors' fee of SR 0.99 million (March 31, 2022: SR 1.04 million) have been included as part of key management personnel remuneration.

**11. EARNINGS PER SHARE**

Basic and diluted earnings per share is calculated by dividing the net income for the period attributable to the shareholders of the Company by the weighted average number of outstanding shares during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as basic earnings per share.

|  | <b>Three-month<br/>period ended<br/>March 31, 2023</b> | <b>Three-month<br/>period ended<br/>March 31, 2022</b> |
|--|--|--|
|  | <b>(Unaudited)</b>                                     | <b>(Unaudited)</b>                                     |
| Profit for the period attributable to the shareholders of the Company                | 166,607,472  | 150,211,988  |
| Weighted average number of outstanding shares during the period                      | 100,000,000  | 100,000,000  |
| Basic and diluted earnings per share attributable to the shareholders of the Company | <b>1.67</b>  | <b>1.50</b>  |

**12. CONTINGENCIES AND COMMITMENTS**

- 12.1** The Group's bankers have given guarantees, on behalf of the Group, amounting to SR 16.85 million as of March 31, 2023, (December 31, 2022: SR 17.8 million) mainly in respect of performance guarantees to customers.
- 12.2** The capital expenditure contracted by the Group but not yet incurred until March 31, 2023 was approximately SR 350.3 million (December 31, 2022: SR 364.15 million) relating to certain expansion projects.
- 12.3** The Group has outstanding letter of credits amounting to SR 18.16 million as of March 31, 2023 (December 31, 2022: SR 18.16 million).

**13. DIVIDENDS**

The Board of Directors at their meeting held on 28 Jumada Al-Awwal1444H (corresponding to 22 December 2022G) proposed a cash dividend of SR 3 per share amounting to SR 300 million for the year ended 31 December 2022G which was subsequently approved by shareholders in General Assembly Meeting held on Shawwal 17, 1444H (corresponding to May 7, 2023G).

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**14. SEGMENT INFORMATION**

The Board of Directors monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income and is measured consistently in the interim condensed consolidated financial statements.

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

**Operating segments:**

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

- Medical Services segment: Fees for inpatient and outpatient services.
- Pharmaceuticals products segment.

|  | <u>Medical Services</u> | <u>Pharmaceuticals</u> | <u>Total</u>        |
|--|-------------------------|------------------------|---------------------|
| <b>For the three-month period ended<br/>March 31, 2023 (unaudited)</b> |                         |                        |                     |
| Revenues   | <u>569,923,384</u>      | <u>94,297,254</u>      | <u>664,220,638</u>  |
| <b>Gross profit</b>  | <b>301,805,210</b>      | <b>26,240,482</b>      | <b>328,045,692</b>  |
| <b>Unallocated income / (expenses)</b>                                 |                         |                        |                     |
| Selling and distribution expenses                                      |                         |                        | (49,180,195)        |
| General and administration expenses                                    |                         |                        | (86,224,217)        |
| Share of profit of an associate  |                         |                        | 2,207,224           |
| Other income   |                         |                        | 2,948,217           |
| Finance cost   |                         |                        | <u>(11,523,622)</u> |
| <b>Profit before zakat</b>   |                         |                        | <b>186,273,099</b>  |
| Zakat expense for the period   |                         |                        | <u>(11,548,253)</u> |
| <b>Profit for the period</b>   |                         |                        | <b>174,724,846</b>  |
| <br>   |                         |                        |                     |
| <b>For the three-month period ended<br/>March 31, 2022 (unaudited)</b> |                         |                        |                     |
| Revenues   | <u>490,917,351</u>      | <u>76,049,839</u>      | <u>566,967,190</u>  |
| <b>Gross profit</b>  | <b>247,717,423</b>      | <b>20,062,157</b>      | <b>267,779,580</b>  |
| <b>Unallocated income / (expenses)</b>                                 |                         |                        |                     |
| Selling and distribution expenses                                      |                         |                        | (31,004,446)        |
| General and administration expenses                                    |                         |                        | (77,093,101)        |
| Share of profit of an associate  |                         |                        | 2,745,906           |
| Other income   |                         |                        | 4,292,568           |
| Finance cost   |                         |                        | <u>(1,335,419)</u>  |
| <b>Profit before zakat</b>   |                         |                        | <b>165,385,088</b>  |
| Zakat expense for the period   |                         |                        | <u>(6,383,781)</u>  |
| <b>Profit for the period</b>   |                         |                        | <b>159,001,307</b>  |

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**14. SEGMENT INFORMATION (Continued)**

|                                   | <u>Medical Services</u> | <u>Pharmaceuticals</u> | <u>Total</u>         |
|-----------------------------------|-------------------------|------------------------|----------------------|
| As at March 31, 2023 (unaudited)  |                         |                        |                      |
| Total assets                      | <u>4,594,042,205</u>    | <u>241,791,695</u>     | <u>4,835,833,900</u> |
| Total liabilities                 | <u>1,434,222,143</u>    | <u>150,553,706</u>     | <u>1,584,775,849</u> |
| As at December 31, 2022 (audited) |                         |                        |                      |
| Total assets                      | <u>4,428,502,523</u>    | <u>233,079,080</u>     | <u>4,661,581,603</u> |
| Total liabilities                 | <u>1,434,649,800</u>    | <u>150,598,598</u>     | <u>1,585,248,398</u> |

**Geographical segments:**

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

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of the share of profits of associates, central administration costs including directors' salaries, profit from term deposit, non-operating gains and losses in respect of financial instruments and finance costs. This is the measure reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance.

**15. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT**

The Group's principal financial assets include cash and cash equivalents, accounts receivable and certain other receivables that arise directly from its operations. The Group's principal financial liabilities comprise long-term borrowings and accounts payable, due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

**Fair values hierarchy**

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

**Accounting classifications and fair values**

The following table shows the carrying value of financial assets and financial liabilities. It does not include the fair value information for financial assets and financial liabilities not measured at fair value as their carrying amount is a reasonable approximation of fair value.

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**15. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT (Continued)**

| <b>Particulars</b>                                      | <b>March 31,<br/>2023</b>                                  | <b>December 31,<br/>2022</b>                             |
|---|--|--|
|   | <b>Carrying value<br/>(Amortized cost)<br/>(Unaudited)</b> | <b>Carrying value<br/>(Amortized cost)<br/>(Audited)</b> |
| <b>Financial assets not measured at fair value</b>      |  |  |
| Accounts receivable                                     | 1,118,445,337  | 1,038,752,135  |
| Contract asset  | 7,712,361  | 4,212,160  |
| Cash and cash equivalents                               | 169,611,877  | 143,876,493  |
| Other current assets                                    | 9,444,396  | 7,176,259  |
| Term deposit  | 175,000,000  | 111,000,000  |
| <b>Total</b>  | <b>1,480,213,971</b>                                       | <b>1,305,017,047</b>                                     |
| <b>Financial liabilities not measured at fair value</b> |  |  |
| Long-term borrowings                                    | 805,816,762  | 862,466,419  |
| Lease liabilities                                       | 30,026,667   | 29,694,954   |
| Accounts payable  | 243,701,466  | 250,043,199  |
| Refund liability  | 127,943,422  | 105,108,775  |
| Other current liabilities                               | 109,370,568  | 100,623,885  |
| <b>Total</b>  | <b>1,316,858,885</b>                                       | <b>1,347,937,232</b>                                     |

As at the reporting date all financial assets and financial liabilities are measured at amortized cost. The carrying value of the financial assets and financial liabilities of the Group approximate their fair value.

**Risk management activities**

The Group's financial risk management objectives and policies are consistent with those disclosed in the last annual consolidated financial statements as at and for the year ended December 31, 2022.

**16. SUBSEQUENT EVENTS**

There were no significant events occurred subsequent to March 31, 2023, except as mentioned otherwise in these condensed interim consolidated financial statements, that would have a material impact on the financial position and financial performance of the Group.

**17. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements have been approved on behalf of Board of Directors on Shawwal 21, 1444H, corresponding to May 11, 2023G.