

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
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 31 MARCH 2025

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KPMG Professional Services Company

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Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

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 31 March 2025 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 31 March 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2025;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2025; and
- the notes to the condensed consolidated interim financial statements.

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

Scope of Review

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



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 31 March 2025 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 Company

Mohammed Najeeb Alkhelaiwi
License no. 481



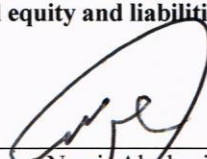
Al Khobar,
Date: 7 May 2025G
Corresponding to: 9 Dhul Qadah 1446H

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

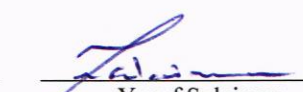
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

(Expressed in Saudi Riyals, unless otherwise stated)

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Property and equipment	3	3,554,048,505	3,509,651,696
Right-of-use asset	4.1	25,408,357	20,090,410
Goodwill		16,371,000	16,371,000
Intangible assets		20,214,503	20,184,315
Advances to contractors and suppliers		94,599,872	80,074,990
Total non-current assets		3,710,642,237	3,646,372,411
Current assets			
Inventories		253,801,756	232,064,997
Accounts receivable	5	859,503,788	925,047,643
Advances, prepayments and other current assets		120,139,711	87,739,936
Term deposit		111,500,000	85,000,000
Cash and cash equivalents		588,383,383	426,574,756
Total current assets		1,933,328,638	1,756,427,332
Total assets		5,643,970,875	5,402,799,743
EQUITY AND LIABILITIES			
Equity			
Share capital	6	2,000,000,000	2,000,000,000
Statutory reserve	16	430,344,695	430,344,695
Retained earnings		1,335,041,383	1,137,993,239
Equity attributable to shareholders of the Company		3,765,386,078	3,568,337,934
Non-controlling interest		152,749,169	145,232,079
Total equity		3,918,135,247	3,713,570,013
Liabilities			
Non-current liabilities			
Long-term borrowings	7	594,606,374	564,793,854
Employees' benefits		178,613,775	173,427,385
Lease liabilities	4.2	25,159,318	19,453,753
Retention payables		53,343,265	50,476,948
Total non-current liabilities		851,722,732	808,151,940
Current liabilities			
Accounts payable		294,691,550	276,850,508
Due to related parties	10	21,866,278	8,228,796
Accruals and other current liabilities		155,372,368	228,455,456
Refund liability	9	176,811,557	155,993,839
Current maturity of lease liabilities	4.2	4,474,141	3,842,154
Current portion of long-term borrowings	7	177,073,927	173,589,172
Provision for zakat	8	43,823,075	34,117,865
Total current liabilities		874,112,896	881,077,790
Total liabilities		1,725,835,628	1,689,229,730
Total equity and liabilities		5,643,970,875	5,402,799,743


Nassir Alsubaei
(Chief Executive Officer)


Khalid A. Saleem
(Authorized Board Representative)

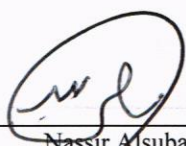

Yusuf Sulaiman
(Chief Financial Officer)

The accompanying notes 1 through 18 on pages 7 to 18 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 31 MARCH 2025**
(Expressed in Saudi Riyals, unless otherwise stated)

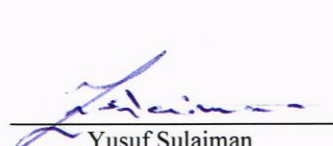
	Note	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Revenue			
Medical services revenue		652,242,385	606,412,974
Pharmaceutical sales		112,104,986	116,371,279
	9	764,347,371	722,784,253
Cost of revenue			
Cost of operations		(342,302,062)	(298,838,730)
Cost of sales		(74,843,973)	(78,118,341)
		(417,146,035)	(376,957,071)
Gross profit		347,201,336	345,827,182
Selling and marketing expenses		(33,020,937)	(29,901,969)
General and administration expenses		(104,265,319)	(95,722,373)
Impairment loss on accounts receivables		(3,756)	(27,704,415)
Other income		3,343,831	2,785,952
Operating profit		213,255,155	195,284,377
Finance income		6,737,209	2,645,341
Finance cost		(5,719,419)	(8,544,648)
Share of results of an associate		-	1,278,013
Profit before zakat		214,272,945	190,663,083
Zakat expense for the period	8	(9,707,711)	(13,810,082)
Profit for the period		204,565,234	176,853,001
Other comprehensive income			
<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		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		204,565,234	176,853,001



Nassir Alsubaei
(Chief Executive Officer)



Khalid Al Saleem
(Authorized Board Representative)



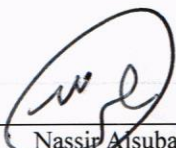
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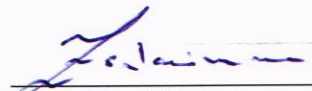
MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**
(Expressed in Saudi Riyals, unless otherwise stated)

	<u>Note</u>	<u>31 March 2025 (Unaudited)</u>	<u>31 March 2024 (Unaudited)</u>
Profit for the period attributable to:			
- Shareholders of the Company		197,048,144	171,581,422
- Non-controlling interests		<u>7,517,090</u>	<u>5,271,579</u>
		<u>204,565,234</u>	<u>176,853,001</u>
Total comprehensive income for the period attributable to:			
- Shareholders of the Company		197,048,144	171,581,422
- Non-controlling interests		<u>7,517,090</u>	<u>5,271,579</u>
		<u>204,565,234</u>	<u>176,853,001</u>
Earnings per share			
Basic and diluted earnings per share attributable to the shareholders of the Company	11	<u>0.99</u>	<u>0.86</u>


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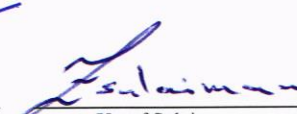
MOUWASAT MEDICAL SERVICES COMPANY
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(Expressed in Saudi Riyals, unless otherwise stated)

	Attributable to shareholders of the Company				Non-controlling interests	Total equity
	Share capital	Statutory reserve	Retained earnings	Total		
As at 1 January 2024 (Audited)	2,000,000,000	365,768,791	911,287,213	3,277,056,004	149,790,712	3,426,846,716
<i>Total comprehensive income for the period</i>						
Profit for the period	-	-	171,581,422	171,581,422	5,271,579	176,853,001
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	171,581,422	171,581,422	5,271,579	176,853,001
As at 31 March 2024 (Unaudited)	<u>2,000,000,000</u>	<u>365,768,791</u>	<u>1,082,868,635</u>	<u>3,448,637,426</u>	<u>155,062,291</u>	<u>3,603,699,717</u>
As at 1 January 2025 (Audited)	2,000,000,000	430,344,695	1,137,993,239	3,568,337,934	145,232,079	3,713,570,013
<i>Total comprehensive income for the period</i>						
Profit for the period	-	-	197,048,144	197,048,144	7,517,090	204,565,234
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	197,048,144	197,048,144	7,517,090	204,565,234
As at 31 March 2025 (Unaudited)	<u>2,000,000,000</u>	<u>430,344,695</u>	<u>1,335,041,383</u>	<u>3,765,386,078</u>	<u>152,749,169</u>	<u>3,918,135,247</u>


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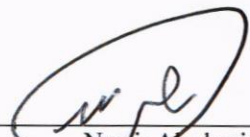

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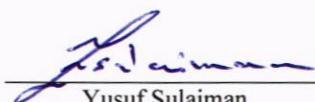
MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(Expressed in Saudi Riyals, unless otherwise stated)

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Cash flows from operating activities		
Profit for the period	204,565,234	176,853,001
<i>Adjustment for:</i>		
Depreciation on property and equipment	58,936,178	56,155,734
Depreciation on right-of-use asset	820,267	702,966
Impairment loss on accounts receivables	3,756	27,704,415
Amortization of intangible assets	1,705,712	1,537,942
Share of results of an associate	-	(1,278,013)
Provision for employees' benefits	9,650,531	7,899,699
Finance cost	5,719,419	8,544,648
Interest income on term deposit	(6,737,209)	(2,645,341)
Property and equipment written off, net	20	-
Gain on disposal of property and equipment	(144,160)	(247,833)
Zakat expense for the period	9,707,711	13,810,082
	284,227,459	289,037,300
<i>Changes in:</i>		
Accounts receivable	65,540,099	(142,425,492)
Due from a related party	-	(465,046)
Advances, prepayments, and other current assets	(29,770,736)	(15,692,880)
Inventories	(21,736,759)	(31,606,787)
Retention payables	2,866,317	2,785,380
Accounts payable	17,841,042	35,572,334
Due to related parties	13,637,482	7,840,870
Accruals and other current liabilities	(72,799,240)	68,873,135
Refund liability	20,817,718	45,247,040
Cash generated from operating activities	280,623,382	259,165,854
Employees' benefits paid	(4,464,141)	(4,479,014)
Finance cost paid	(11,643,356)	(11,997,889)
Net cash from operating activities	264,515,885	242,688,951
Cash flows from investing activities		
Purchase of property and equipment	(59,560,333)	(101,158,209)
Purchase of intangible assets	(1,735,900)	(1,003,757)
Proceeds from disposal of property and equipment	186,171	348,696
Advances to contractors and suppliers	(52,270,654)	(21,459,476)
Interest received on term deposit	4,108,170	1,705,092
Term deposits	(26,500,000)	(112,000,000)
Net cash used in investing activities	(135,772,546)	(233,567,654)


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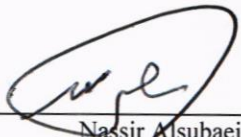

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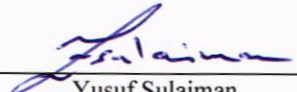
MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(Expressed in Saudi Riyals, unless otherwise stated)

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
Proceeds from long-term borrowings	75,000,000	195,000,000
Repayment of long-term borrowings	(41,702,725)	(127,017,406)
Payment of lease liability	(231,987)	(1,806,000)
Net cash generated from financing activities	33,065,288	66,176,594
Net increase in cash and cash equivalents	161,808,627	75,297,891
Cash and cash equivalents at the beginning of the period	426,574,756	49,049,506
Cash and cash equivalents at the end of the period	588,383,383	124,347,397
Significant non-cash transactions		
Transfer from advances to contractors and suppliers to property and equipment	37,745,772	206,194,898
Finance cost capitalized	6,068,913	3,926,506
Addition of right of use asset and lease liability	6,138,214	-


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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 31 MARCH 2025**

(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 12 Ramadan 1417H (corresponding to 21 January 1997). The Company was converted into a Saudi Joint Stock Company in accordance with Ministerial Resolution No. 1880 dated 4 Dhu-al-Hijja 1426H (corresponding to 4 January 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.

Branch	Commercial Registration Number	Date
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:

Name	Country of incorporation	Activities	Percentage %
Eastern Medical Services Company Limited	Saudi Arabia	Medical services	51%
Jeddah Doctors Company	Saudi Arabia	Medical services	51%
Modawaa and Rieaya Medical Company Limited	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 10 Ramadan 1420H (corresponding to 18 December 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 13 Muharram 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.

Mouwasat Medical Services Company in partnership with Al Dawaa Medical Services Company, has established Modawaa and Rieaya Medical Company Limited ("Modawaa") a limited liability company within Kingdom of Saudi Arabia under commercial registration number 2051256627 dated 29 Dhu'al Qadah 1445H (corresponding to 6 June 2024) for the purpose of medical clinics activities. Modawaa's capital has been set at SR 1 million, with contributions divided as 51% for Mouwasat Medical Services Company and 49% for Al Dawaa Medical Services Company. The Company has control over Modawaa and classified it as a subsidiary. The operation of Modawaa has not yet commenced.

These condensed consolidated interim financial statements as at and for the three-month period ended 31 March 2025 include all financial information of the branches of the Company and above-mentioned subsidiaries (together referred to as 'the Group').

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

(Expressed in Saudi Riyals, unless otherwise stated)

2. BASIS OF PREPARATION AND MATERIAL 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”).

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 31 December 2024 (“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, financial assets at fair value through profit or loss which are measured at fair value and financial assets at fair value through other comprehensive income which are measured at fair value.

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 Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2024. A number of amendments to existing standards, as detailed in note 2.6 below, became effective from 1 January 2025 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.

- Lack of Exchangeability – Amendments to IAS 21, effective for annual periods beginning on or after 1 January 2025;

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:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2026;

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**
(Expressed in Saudi Riyals, unless otherwise stated)

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

2.6 New standards and amendments to existing standards (continued)

Amendments to existing standards issued but not yet effective (continued)

- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027;
- IFRS 19 Subsidiaries with Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28, effective date deferred indefinitely.

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 Property and equipment comprise of the following:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Land	726,120,054	725,609,814
Buildings	1,190,120,234	1,188,935,882
Building system and improvements	454,167,866	459,502,872
Medical equipment and tools	441,968,846	454,920,141
Furniture and fixture	90,975,954	93,552,997
Motor vehicle	15,396,929	16,139,008
Construction work in progress	635,298,622	570,990,982
	3,554,048,505	3,509,651,696

3.2 The movement of property and equipment is as follows:

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Carrying value at the beginning of the period	3,509,651,696	3,046,129,447
Additions	103,375,018	311,279,613
Property and equipment written off, net	(20)	-
Disposals, net of accumulated depreciation	(42,011)	(100,863)
Depreciation for the period	(58,936,178)	(56,155,734)
Carrying value at the end of the period	3,554,048,505	3,301,152,463

As of 31 March 2025, plots of land amounting to SR 52.92 million (31 December 2024: SR 52.92 million) have been pledged as security against term loans from Ministry of Finance.

Finance costs capitalized during the three-month period ended 31 March 2025 amounted to SR 6.07 million (31 March 2024: SR 3.93 million).

3.3 Construction work-in-progress

The carrying value in note 3.1 includes construction work-in-progress amounting to SR 635.30 million (31 December 2024: SR 570.99 million). It represents the costs incurred to construct new hospitals and expansion of existing hospitals, which is currently in work-in-progress.

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4. RIGHT-OF-USE-ASSET & LEASE LIABILITIES

The Group has contracted for lease of building in Madinah having a lease period of 11 years from the date of the agreement with an option to renew thereafter on mutual consent. Lease payments agreed at the time of inception of lease may change during the tenure of agreement based on mutual consent of both parties.

During 2024, Group recognised lease of land for the construction of hospital in Yanbu for 43 years for the agreement entered during 2022, with an option to renew thereafter on mutual consent. Group recognised the impact on the opening balances during 2024 as the impact was immaterial. Lease payments are agreed at the time of inception and are fixed during the tenure of the agreement.

During the period ending 31 March 2025, Group has recognised leases of land for the construction of hospital in Jubail for 30 years and a building in Khobar to operate a clinic for 10 years with an option to renew the leases thereafter on mutual consent.

4.1 Right-of-use-assets

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Carrying value at the beginning of the period	20,090,410	19,683,031
Additions	6,138,214	-
Depreciation expense	(820,267)	(702,966)
Carrying value at the end of the period	25,408,357	18,980,065

4.2 Lease liabilities

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Carrying value at the beginning of the period	23,295,907	22,395,185
Additions	6,138,214	-
Interest expense	431,325	317,905
Payments	(231,987)	(1,806,000)
Carrying value at the end of the period	29,633,459	20,907,090

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Current portion	4,474,141	3,842,154
Non-current portion	25,159,318	19,453,753
	29,633,459	23,295,907

5. ACCOUNTS RECEIVABLE

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Accounts receivable – trade	951,922,228	1,017,462,327
Less: allowance for expected credit losses	(92,418,440)	(92,414,684)
	859,503,788	925,047,643

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5. ACCOUNTS RECEIVABLE (CONTINUED)

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

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Balance at the beginning of the period	92,414,684	163,486,121
Allowance for expected credit losses during the period	3,756	27,704,415
Written off	-	(5,279,337)
Balance at the end of the period	92,418,440	185,911,199

6. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company is divided into 200 million shares (31 December 2024: 200 million shares) of SR 10 each.

7. BORROWINGS

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Current		
Loans from commercial banks	171,126,987	167,642,232
Loans from Ministry of Finance	5,946,940	5,946,940
	177,073,927	173,589,172
Non- current		
Loans from commercial banks	530,962,582	501,150,062
Loans from Ministry of Finance	63,643,792	63,643,792
	594,606,374	564,793,854

During the period, the Group obtained loan amounting to SR 75 million (31 March 2024: SR 195 million) and repaid loan amounting to SR 41.7 million (31 March 2024: SR 127.02 million).

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 the Ministry of Finance for expansion and building of new hospitals and the purchase of medical equipment. The loans are secured by mortgage on the Group's plots of land and are repayable on equal annual instalments. These loans do not carry any financial charges.

As at 31 March 2025, the Group had SR 1,665 million of unutilized facilities available for drawdown from total facilities of SR 2,990 million (31 December 2024: SR 1,665 million of unutilized facilities available for drawdown from total facilities of SR 2,990 million).

The Group is required to comply with certain covenants 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 31 March 2025. Aggregate maturities are as follows:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Within one year	177,073,927	173,589,174
Later than one year but not later than five years	502,177,174	471,114,652
Later than five years	92,429,200	93,679,200
	771,680,301	738,383,026

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8. ZAKAT

The movement in Zakat provision is:

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Balance at the beginning of the period	34,117,865	33,754,078
Charge for the period	9,707,711	13,810,082
Balance at the end of the period	43,825,576	47,564,160

Mouwasat Medical Services Company

Subsequent to the period end, the Company submitted its zakat returns up to the year ended 31 December 2024, settled zakat as per the return and obtained the required certificates and official receipts. The assessments for the years up 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 was closed and ZATCA did not raise any Zakat differences. ZATCA raised assessments for the 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 subsequent to the objection, ZATCA issued a revised assessment with a total liability of SR 5.2 million, on which the Company filed an appeal against the rejection with the Committee for Resolution of Tax Violations and Disputes "CRTVD" through the General Secretariat of Tax Committees "GSTC" portal. The CRTVD has issued its decision where it has rejected the Company appeal. Subsequently, the Company appealed the CRTVD's decision with the Appellate Committee of Tax Violations and Dispute Resolution (ACTVDR). During 2024, the decision was issued in favor of ZATCA. However, the Company submitted a reconsideration against the ACRTVD decision, and the reconsideration request is still under study by the ACTVDR. The Company received an assessment for the years 2021 and 2022 amounting to SR 2.4 million which has been finalized and paid. Subsequent to the period end, the Company has received an initial assessment for the year 2023 for additional liability of SR 2.57 million and is under review by the management.

Eastern Medical Services Company Limited

Subsequent to the period end, the subsidiary has submitted its zakat returns up to the year ended 31 December 2024, 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 Company has submitted an objection against ZATCA's assessment for the year 2019. ZATCA issued a revised assessment rejecting the Company appeal. The Company filed an appeal against the rejection with the Committee for Resolution of Tax Violations and Disputes "CRTVD" through the General Secretariat of Tax Committees "GSTC" portal. During the period, CRTVD issued its decision regarding the Company's appeal and partially accepted certain contentions of the Company. Subsequently, the Company appealed the CRTVD's decision with the Appellate Committee of Tax Violations and Dispute Resolution (ACTVDR). During the period ending 31 March 2025, the decision was issued in favor of ZATCA. The assessments for the years 2020 to 2023 are still under review by the ZATCA.

Jeddah Doctor Company

Subsequent to the period end, the subsidiary submitted the zakat return up to year ended 31 December 2024, settled zakat as per the returns and obtained the required certificates and official receipts. The subsidiary has not received any assessments from Zakat, Tax and Customs Authority ("ZATCA") since inception.

Modawaa and Rieaya Medical Company Limited

Subsequent to the period end, the subsidiary has submitted the zakat return for the period from 6 June 2024 to 31 December 2024, 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.

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Revenue by service lines		
Medical services	652,242,385	606,412,974
Pharmaceuticals	112,104,986	116,371,279
	764,347,371	722,784,253
Timing of revenue recognition		
Medical services and pharmaceuticals sales transferred at a point in time	429,237,961	442,199,812
Medical services transferred over time	335,109,410	280,584,441
	764,347,371	722,784,253

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

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Refund liability (note 9.1)	176,811,557	155,993,839
Contract assets (note 9.2)	4,563,058	7,087,682

9.1 Refund liability

Certain contracts provide discounts comprise retrospective volume discounts granted to third-party payers (insurance and other companies) on attainment of certain admission levels / certain levels of patient visits. The retrospective volume discounts give rise to variable consideration. Variable consideration is recognized as 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 the 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 with services during the reporting period but were not discharged or billed as of the reporting date. Contract assets are included as part of Advances, prepayments and other current assets.

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	Relationship
Al-Mouwasat International Company	Owned by shareholder
AdVision Media Solution	Entity with significant influence

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10. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Related Party	Nature of transaction	For the three-month period ended 31 March	
		2025	2024
Advance Medical Project Company ("AMPC") – note 10.1	- Revenue	-	(460,008)
	- Share in result	-	(1,278,013)
	- Purchase of services	-	1,438
	- Other services	-	(6,476)
Al-Mouwasat International Company	- Purchases	7,564,830	9,812,894
	- Rent	2,978,300	2,172,000
	- Other services	(7,000)	(215,979)
AdVision Media Solution	- Advertisement services	20,644,025	9,013,072

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

a) Due to related parties

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Al-Mouwasat International Company	4,706,339	4,373,873
AdVision Media Solution	17,159,939	3,854,923
	21,866,278	8,228,796

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

b) Compensation to key management personnel

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

	Three-month period ended 31 March 2025 (Unaudited)	Three-month period ended 31 March 2024 (Unaudited)
Salary and allowances	5,537,500	7,300,000
Incentives and other benefits	4,198,234	4,913,894
	9,735,734	12,213,894

The remuneration of directors and key executives is determined by the remuneration committee considering the performance of individuals and market trends. The Board of Directors' fee of SR 1.9 million (31 March 2024: SR 2.14 million) has been included as part of key management personnel remuneration.

10.1 During 2024, the Group formally announced its decision to exit its investment in Advanced Medical Projects Co ("AMPC"). In November 2024, a final settlement was agreed upon with AMPC, Pursuant to exit, Group does not have significant influence over AMPC.

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11. EARNINGS PER SHARE

Basic and diluted earnings per share are 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 are the same as basic earnings per share.

	Three-month period ended 31 March 2025 (Unaudited)	Three-month period ended 31 March 2024 (Unaudited)
Profit for the period attributable to the shareholders of the Company	197,048,144	171,581,422
Weighted average number of outstanding shares during the period	200,000,000	200,000,000
Basic and diluted earnings per share attributable to the shareholders of the Company	0.99	0.86

12. CONTINGENCIES AND COMMITMENTS

12.1 As at 31 March 2025, the Group's bankers have given guarantees, on behalf of the Group, amounting to SR 10.61 million (31 December 2024: SR 8.56 million) mainly in respect of performance guarantees to customers.

12.2 As at 31 March 2025, the Group's capital commitments amounted to SR 352.38 million (31 December 2024: SR 342.68 million) relating to certain expansion projects.

12.3 As at 31 March 2025, the Group has outstanding letter of credits amounting to SR 13.67 million (31 December 2024: SR 8.69 million).

13. DIVIDENDS

The Board of Directors at their meeting held on 22 Jumada Al-Akhirah 1446H (corresponding to 23 December 2024) proposed a cash dividend of SR 2 per share amounting to SR 400 million for the year ended 31 December 2024G. The approval of the shareholders of the Group for the dividend shall be obtained in their forthcoming Annual General Meeting.

14. SEGMENT INFORMATION

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and gross profit 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: Inpatient and outpatient services.
- Pharmaceuticals'.

No operating segments have been aggregated to form the above reportable operating segments.

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14. SEGMENT INFORMATION (CONTINUED)

	<u>Medical Services</u>	<u>Pharmaceuticals</u>	<u>Total</u>
For the three-month period ended			
31 March 2025 (unaudited)			
Revenue	<u>652,242,385</u>	<u>112,104,986</u>	<u>764,347,371</u>
Gross profit	<u>309,940,323</u>	<u>37,261,013</u>	<u>347,201,336</u>
For the three-month period ended			
31 March 2024 (unaudited)			
Revenue	<u>606,412,974</u>	<u>116,371,279</u>	<u>722,784,253</u>
Gross profit	<u>307,574,244</u>	<u>38,252,938</u>	<u>345,827,182</u>
As at 31 March 2025 (unaudited)			
Total assets	<u>5,361,772,331</u>	<u>282,198,544</u>	<u>5,643,970,875</u>
Total liabilities	<u>1,561,881,243</u>	<u>163,954,385</u>	<u>1,725,835,628</u>
As at 31 December 2024 (audited)			
Total assets	<u>5,132,659,756</u>	<u>270,139,987</u>	<u>5,402,799,743</u>
Total liabilities	<u>1,528,752,905</u>	<u>160,476,825</u>	<u>1,689,229,730</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.

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

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 input 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. All financial assets and financial liabilities of the Group are categorized as being held at amortized cost. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

	31 March 2025	31 December 2024
Particulars	Carrying value (Amortized cost) (Unaudited)	Carrying value (Amortized cost) (Audited)
Financial assets not measured at fair value		
Accounts receivable	859,503,788	925,047,643
Contract asset	4,563,058	7,087,682
Cash and cash equivalents	588,383,383	426,574,756
Other current assets	27,834,685	12,389,227
Term deposit	111,500,000	85,000,000
Total	1,591,784,914	1,456,099,308

	31 March 2025	31 December 2024
Particulars	Carrying value (Amortized cost) (Unaudited)	Carrying value (Amortized cost) (Audited)
Financial liabilities not measured at fair value		
Long-term borrowings	771,680,301	738,383,026
Lease liabilities	29,633,459	23,295,907
Accounts payable	294,691,550	276,850,508
Due to related parties	21,866,278	8,228,796
Retention payable	53,343,265	50,476,948
Refund liability	176,811,557	155,993,839
Other current liabilities	91,999,012	144,831,473
Total	1,440,025,422	1,398,060,497

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 31 December 2024.

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16. STATUTORY RESERVE

In accordance with the By-laws of the Company, 10% of the profit for the year is required to be transferred to the statutory reserve until the balance in the reserve equals 30% of the capital.

17. SUBSEQUENT EVENTS

There were no significant events that occurred subsequent to 31 March 2025, 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.

18. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved on behalf of Board of Directors on 4 Dhul Qadah1446H, corresponding to 6 May 2025G.