

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2021
AND INDEPENDENT AUDITORS' REVIEW REPORT

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
TABLE OF CONTENTS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021 (UNAUDITED)

	Page
Interim Financial Information review report	2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of profit or loss	4
Interim condensed consolidated statement of other comprehensive income	5
Interim condensed consolidated statement of changes in equity	6
Interim condensed consolidated statement of cash flows	7
Selected notes to the interim condensed consolidated financial statements	8 – 16

Interim financial information review report

To the shareholders of
Dallah Healthcare Company
"A Saudi Joint Stock Company"

Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Dallah Healthcare Company** ("the Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2021, the interim condensed consolidated statement of profit or loss , interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated financial statements of changes in equity and the interim condensed consolidated statement of cash flows for the three months period then ended, and a summary of significant accounting policies and other selected notes from .

Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial statement in accordance with International Accounting Standard 34 – ("IAS 34") "*Interim Financial Reporting*" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor*" endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

For Dr. Mohamed Al-Amri & Co.,



Dr. Mohamed A. Al-Amri
Certified Public Accountant
Registration No. 60



20 Ramadan 1442 (H)
02 May 2021 (G)

DALLAH HEALTHCARE COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2021 (Unaudited) SR	As at 31 December 2020 (Audited) SR
ASSETS		
Non-current assets		
Property, plant and equipment	2,415,069,737	2,417,079,224
Intangible assets	393,349,545	393,722,871
Investment in associates	4 145,473,545	157,011,659
Financial assets at fair value through other comprehensive income	131,375	111,204
Financial assets at fair value through profit or loss	38,319,354	38,319,354
	<u>2,992,343,556</u>	<u>3,006,244,312</u>
Current assets		
Inventory	184,161,663	165,692,843
Prepayments and other debit balances	88,496,779	81,799,628
Due from related parties	3,066,597	2,422,401
Contract assets with customers	2,130,059	4,838,932
Trade receivables	5 632,027,550	595,623,747
Cash and cash equivalents	121,488,048	130,644,422
	<u>1,031,370,696</u>	<u>981,021,973</u>
TOTAL ASSETS	<u>4,023,714,252</u>	<u>3,987,266,285</u>
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the company's shareholders		
Share capital	1 900,000,000	900,000,000
Statutory reserve - Share premium	61,142,305	61,142,305
Statutory reserve – Transferred from net profit	36,821,728	36,821,728
Retained earnings	792,245,059	762,136,326
Cumulative valuation effect of financial assets at fair value through other comprehensive income	(372,186)	(392,357)
Equity attributable to the company's shareholders	<u>1,789,836,906</u>	<u>1,759,708,002</u>
Non-controlling interest	92,071,734	90,030,147
Total shareholder equity	<u>1,881,908,640</u>	<u>1,849,738,149</u>
Non-current liabilities		
Long term Murabaha financing	6 1,166,221,485	1,197,890,340
Long term lease liabilities	7,788,974	5,593,191
Due to related parties – Non current	3,000,000	3,000,000
Employees benefit liability	211,754,987	203,532,666
	<u>1,388,765,446</u>	<u>1,410,016,197</u>
Current liabilities		
Trade payables	203,772,794	193,024,567
Accrued expenses and other credit balances	139,693,333	133,318,442
Contract liabilities with customer	23,009,282	15,555,185
Short term Murabaha financing	6 31,997,786	33,994,936
Current portion of long term Murabaha financing	6 274,936,814	282,908,990
Short term lease liabilities	7,560,239	9,245,751
Short term retentions	28,166,963	29,120,476
Due to related parties	3,146,806	6,764,816
Dividend payable	8 23,026,185	5,526,185
Zakat	17,729,964	18,052,591
	<u>753,040,166</u>	<u>727,511,939</u>
Total liabilities	<u>2,141,805,612</u>	<u>2,137,528,136</u>
Total equity and liabilities	<u>4,023,714,252</u>	<u>3,987,266,285</u>

The accompanying notes from 1 to 13 form an integral part of these interim condensed consolidated financial statements.

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<u>Note</u>	For the period ended 31 March	
		2021	2020
		(unaudited)	(unaudited)
		<u>SR</u>	<u>SR</u>
Revenue	7	494,669,024	314,605,098
Cost of revenue		(317,844,531)	(208,846,924)
Gross profit		176,824,493	105,758,174
Selling and marketing expenses		(9,353,593)	(6,606,584)
General and administrative expenses		(88,854,161)	(69,482,090)
Expected credit loss provision	5	(5,702,273)	(3,252,969)
Operating income		72,914,466	26,416,531
Other income		5,531,382	3,425,064
Finance charges		(8,986,891)	(6,074,773)
Group share of loss of associates	4	(10,858,116)	(2,589,618)
Net profit before Zakat		58,600,841	21,177,204
Zakat		(3,989,879)	(1,935,136)
Net profit		54,610,962	19,242,068
Net profit attributable to:			
Shareholders of the company		52,608,733	19,242,068
Non-controlling interest		2,002,229	-
		54,610,962	19,242,068
Basic and diluted earnings per share attributable to the company's shareholders	9	0.58	0.23

The accompanying notes from 1 to 13 form an integral part of these interim condensed consolidated financial statements.

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	For the period ended 31 March	
	2021	2020
	(unaudited)	(unaudited)
Note	SR	SR
Net Profit	54,610,962	19,242,068
Other comprehensive income		
<u>Items that will not be reclassified to profit or loss</u>		
Change in financial instruments at fair value through other comprehensive income	20,171	(14,865)
Other comprehensive income	20,171	(14,865)
Attributable to:		
Shareholders of the company	20,171	(14,865)
Non-controlling interest	-	-
	20,171	(14,865)
Comprehensive income	54,631,133	19,227,203
Comprehensive income attributable to:		
Shareholders of the company	52,628,904	19,227,203
Non-controlling interest	2,002,229	-
	54,631,133	19,227,203

The accompanying notes from 1 to 13 form an integral part of these interim condensed consolidated financial statements.

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Share capital	Statutory Reserve "Share premium"	Statutory reserve "Transfer from net income"	Treasury Shares	Retained earnings	The cumulative effect of valuation of financial assets at fair value through other comprehensive income	Equity attributable to the company's shareholders	Non-controlling interests	Total equity
	Note	SR	SR	SR	SR	SR	SR	SR	SR	SR
for the three months period ended 31 March 2021 (Unaudited)										
Balance at 1 January 2021		900,000,000	61,142,305	36,821,728	-	762,136,326	(392,357)	1,759,708,002	90,030,147	1,849,738,149
Net profit		-	-	-	-	52,608,733	-	52,608,733	2,002,229	54,610,962
Other comprehensive income		-	-	-	-	-	20,171	20,171	-	20,171
Comprehensive income		-	-	-	-	52,608,733	20,171	52,628,904	2,002,229	54,631,133
Dividends		-	-	-	-	(22,500,000)	-	(22,500,000)	-	(22,500,000)
Net movement in non-controlling interests		-	-	-	-	-	-	-	39,358	39,358
Balance at 31 March 2021		900,000,000	61,142,305	36,821,728	-	792,245,059	(372,186)	1,789,836,906	92,071,734	1,881,908,640
for the three months period ended 31 March 2020 (Unaudited)										
Balance at 1 January 2020		750,000,000	211,142,305	27,109,010	(190,452,878)	724,696,633	(367,096)	1,522,127,974	-	1,522,127,974
Net profit		-	-	-	-	19,242,068	-	19,242,068	-	19,242,068
Other comprehensive income		-	-	-	-	-	(14,865)	(14,865)	-	(14,865)
Comprehensive income		-	-	-	-	19,242,068	(14,865)	19,227,203	-	19,227,203
Dividends		-	-	-	-	(49,882,000)	-	(49,882,000)	-	(49,882,000)
Balance at 31 March 2020		750,000,000	211,142,305	27,109,010	(190,452,878)	694,056,701	(381,961)	1,491,473,177	-	1,491,473,177

The accompanying notes from 1 to 13 form an integral part of these interim condensed consolidated financial statements.

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period ended 31 March	
	2021	2020
	(unaudited)	(unaudited)
	SR	SR
Not		
<u>OPERATING ACTIVITIES</u>		
Net profit before zakat	58,600,841	21,177,204
<i>Adjustments</i>		
Depreciation of property, plant and equipment	27,811,549	23,502,494
Amortization of intangible assets	42,780	42,780
Provision for employees' end of service benefits	12,512,875	16,829,436
Provision for inventory	137,324	19,821
Provision for expected credit losses	5,702,273	3,252,969
Loss on sale of property, plant, and equipment	-	3,260
Share of net loss of associates	10,858,116	2,589,618
Finance charges	8,986,891	6,074,773
<i>Changes in</i>		
Trade receivables	(42,106,076)	(55,614,148)
Contract assets with customers	2,708,873	865,420
Related parties	(4,262,206)	(1,678,577)
Prepayments and other debit balances	(6,697,153)	(1,876,014)
Inventory	(18,606,144)	(9,646,593)
Accounts payables	10,748,227	19,706,544
Contract liabilities with customers	7,454,097	12,907,914
Accrued expenses and other credit balances	6,374,891	(4,974,461)
Retentions	(953,513)	8,684,814
Cash flows from operations	79,313,645	41,867,254
Zakat paid	(3,942,602)	-
Employees' end of service benefits paid	(4,290,554)	(2,013,739)
Net cash generated from operating	71,080,489	39,853,515
<u>INVESTING ACTIVITIES</u>		
Paid for additions to property, plant and equipment	(22,242,727)	(47,799,892)
Dividends received from an associate company	680,000	-
Paid for acquire financial instruments at fair value through profit or loss	-	(20,740,000)
Net cash used in investing activities	(21,562,727)	(68,539,892)
<u>FINANCING ACTIVITIES</u>		
Change in murabaha and loans	(41,638,181)	80,267,967
Lease payment	(3,244,308)	(3,865,006)
Dividends paid	(5,000,000)	-
Finance cost paid	(8,791,647)	(5,924,770)
Net cash (used in)/ generated from financing activities	(58,674,136)	70,478,191
Net changes in cash and cash equivalents	(9,156,374)	41,791,814
Cash and cash equivalents at beginning of the period	130,644,422	88,326,259
Cash and cash equivalents at end of the period	121,488,048	130,118,073
Non-cash transactions		
Dividends payable	8 22,500,000	49,882,000
Record asset and liability of financing leases	3,559,335	-

The accompanying notes from 1 to 13 form an integral part of these interim condensed consolidated financial statements.

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
All amounts are presented in Saudi Riyals unless otherwise indicated

1. Overview

Dallah Healthcare Company (the “Company”) was established in the Kingdom of Saudi Arabia as a limited liability company under commercial registration No. 1010128530 dated 13 Rabi Al thani 1415H (corresponding to 18 September 1994) in Riyadh City.

Activity

The group is engaged in the operation, management and maintenance of health facilities and centers, wholesale and retail trade in medicines, machinery, medical and surgical devices and prosthetics, devices for the disabled, hospital equipment, manufacturing of medicines, pharmaceuticals, herbal and health products, cosmetics, detergents, disinfectants, and packaging in the Kingdom of Saudi Arabia.

Capital

The share capital of the Company as of 31 March 2021 amounted to SR 900 million comprising 90 million shares stated at SR 10 per share (31 December 2020: SR 900 million comprising 90 million shares stated at SR 10 per share).

On 21 Jamada Al-Thani 1440H (corresponding 26 February 2019), the Extraordinary General Assembly meeting has approved the increase of the Company’s capital from SR 590 million to SR 750 million (59 million shares to 75 million shares) through bonus shares, one share for every 3.69 shares. As a result, the capital has increased by transferring SR 160 million from statutory reserve (share premium) to the capital. On 25 April 2019, The Company has amended the Company's Article of Association accordingly.

On 25 Muharram 1442H (corresponding 13 September 2020), the Extraordinary General Assembly meeting has approved on the Board of Directors’ recommendation regarding the increase of the Company’s capital from SR 750 million to SR 900 million (75 million shares to 90 million shares) through bonus shares. As a result, the capital has increased by transferring SR 150 million from statutory reserve (share premium) to the capital. Accordingly, modification of Company's Article Association is under process.

Treasury Shares

On 21 Jamada Al-Thani 1440H (corresponding 26 February 2019), the Extraordinary General Assembly meeting has approved the purchasing of 3,750,000 of the Company’s shares as treasury shares. To be financed from the Company's own resources. The Board of directors has been delegated to complete the purchasing transaction in one or several phases in a period of 12 months as maximum from the resolution date of the Extraordinary General Assembly meeting. the number of shares purchased is 3,740,000 shares at cost of SR 190,452,878. The Company has completed the purchase of treasury shares as authorized by the Extraordinary General Assembly.

According to the resolution of the Extraordinary General Assembly held on 25 Muharram 1442 H corresponding to 13 September 2020 G and the aforementioned, which includes the approval of granting bonus shares to the shareholders, and since the company owns 3,740,000 treasury shares, it obtained an additional 748,000 shares as a share of the bonus shares to be as On 30 September 2020 the total treasury shares held by the company were 4,488,000 shares, amounting to 190,452,878 SR.

On 29 Rabi Al-Awwal 1442 (corresponding to 15 November 2020) the treasury shares were fully derecognized as part of a share swap to acquire the Care Shield Holding Company.

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
All amounts are presented in Saudi Riyals unless otherwise indicated

Subsidiaries

These interim condensed consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”). The following is an overview of subsidiaries.

Name of subsidiary	Share in equity %		Country of operation and commercial register	Capital	Principal activity
	As at 31 March 2021	As at 31 December 2020			
Dallah Pharma LLC	100%	100%	Kingdom of Saudi Arabia commercial registration No.1010410613	4,000,000	Pharmaceutical, herbal & cosmetic distribution & manufactory.
Afyaa Al-Nakheel for Supporting Services LLC	100%	100%	Kingdom of Saudi Arabia commercial registration No.1010404576	50,000	Provide manpower & Support services to hospitals and medical centres.
Dallah Namar Hospital Health LLC	100%	100%	Kingdom of Saudi Arabia commercial registration No.1010495218	5,000,000	Operating, managing, equipping and developing hospitals and healthcare facilities, medical polyclinics, and compounds, owning lands.
Care Shield Holding Company (closed joint stock company) (1)	58.64%	-	Saudi Arabia Commercial Registry No. 1010379441	125,000,000	Managing private hospitals, medical and diagnostic centers, and an analytical laboratory, providing medical services, purchasing lands to build buildings on, and investing these buildings by sale or rent for the benefit of the company
Makkah Medical Center Company (a closed joint stock company) (2)	89.36%	-	Saudi Arabia Commercial Registry No. 4031021286	152,000,000	Practicing the activity of public hospitals

(1) As on 29 Rabi` Al-Awwal 1442 (corresponding to 15 November 2020) the Group completed the acquisition of Care Shield Holding Company as subsidiary by acquiring 58.64% of the Company's shares, and the agreed consideration was transferred

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

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
All amounts are presented in Saudi Riyals unless otherwise indicated

The company	Activity	Directly owned percentage	Indirectly owned percentage
Medical Services Projects Company	Establishing and developing private hospitals, medical centers, laboratories, medical services and diagnostic centers. The company's objective includes providing medical services and acquiring investment properties for its development	100%	-
Consulting clinic centre company	Provide medical services, organize, manage and operate medical centers and hospitals	100%	-
Modern Clinics Pharmacy Company Ltd.	Wholesale and retail trade in medicines and medical preparations.	99%	1%

(2) On 07 Jumada Al Awwal 1442 (corresponding to 22 December 2020), the Group completed the acquisition of Makkah Medical Centre Company by purchasing shares equivalent to 78.59% at a value of SR 161 million in addition to purchasing shares equivalent to 3.26% at a value of SR 6.7 million. The Company had a previous held interest equivalent to 7.5% of the company's shares, to become the ownership of Dallah HealthCare Company, after the completion of the acquisition, of 89.36% of the shares of Makkah Medical Centre Company. The agreed consideration has been transferred

The management is currently completing the purchase price allocation study for the acquired companies during the year 2020.

2. Basis of accounting

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS 34”) “Interim Financial Reporting” endorsed in the Kingdom of Saudi Arabia. The accompanying interim condensed consolidated financial statements should be read in conjunction with the previous year group's consolidated financial statements for the year ended 31 December 2020.

The accompanying interim condensed financial statements do not include all the information that is required to prepare a complete set of financial statements in accordance with International Financial Reporting Standards.

The interim condensed consolidated financial statements have been prepared at historical cost, except for:

- The employee benefit obligation, which measured in accordance with an actuarial valuation.
- Financial assets at fair value through profit of loss which are measured at fair value.
- Financial assets at fair value through other comprehensive income which are measured at fair value.

Function and presentation currency

Saudi Riyal is the functional and presentation currency of the Group.

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
All amounts are presented in Saudi Riyals unless otherwise indicated

3. Summary of significant accounting policies, judgments and estimates

The accounting policies, judgments and estimates applied to the interim condensed consolidated financial statements are the same as those accounting policies applied in the group financial statements as of 31 December 2020.

4. Investment in associates

Investment in an associate comprises as follows:

Name of Associate	Ownership Interest as at 31 March 2021	Ownership Interest as at 31 December 2020	Country of operation and incorporation	Principal activity	As at 31 March 2021	As at 31 December 2020
Dr. Mohammed Rashed Al-Faqeh Company	31.21%	31.21%	Kingdom of Saudi Arabia	Owning, operating and maintaining the hospital and health centers	108,355,473	119,447,616
Meraas Arabia Holding Company	17%	17%	Kingdom of Saudi Arabia	Managing subsidiary companies and providing them with the necessary support	37,118,072	37,564,043
					<u>145,473,545</u>	<u>157,011,659</u>

Dr. Mohammed Rashid Al-Faqih Company

Dr. Mohammed Rashid Al-Faqih Company owns a hospital in eastern Riyadh City under the name of Dr. Muhammad Al-Faqih Hospital.

On the date of 13 Muharram 1442 H, (corresponding to 1 September 2020), the operation of the first phase of the hospital began. The hospital has a capacity of 308 beds. The management expects that the positive impact of the operation process will begin in 2022, and the management expects a negative impact during the first two years as a result of the start-up costs.

In light of the foregoing, an investment movement in associate companies can be summarized as follows:

	For the period ended 31 March 2021	For the year ended 31 December 2020
Opening balance	119,447,616	140,951,919
Group's share of loss from associate	(11,092,143)	(21,759,811)
Group's share of other comprehensive income from associate	-	255,508
Closing balance	<u>108,355,473</u>	<u>119,447,616</u>

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
All amounts are presented in Saudi Riyals unless otherwise indicated

The aggregate amounts of certain financial information of the associate can be summarized as follows:

	As at 31 March 2021	As at 31 December 2020
Current assets	18,427,015	22,206,605
Non-current assets	799,474,753	815,652,911
Current liabilities	139,657,030	66,008,639
Non-current liabilities	375,441,008	432,960,723
Profit or loss from continuing operation	(35,540,354)	(69,720,638)
Other comprehensive income	-	818,673
Comprehensive income	(35,540,354)	(68,901,965)
Equity	302,803,730	338,890,154

MERAS Arabia Medical Holding Company

During February 2020, Dallah Healthcare Company purchased 17% of the ownership of MERAS Arabia Medical Holding Company, and the investment recorded as a financial instrument at fair value through profit and loss.

As at 31 August 2020 Dallah Health Company achieved the significant influence over Meraas Al Arabia Holding Company, therefore the investment classified as an associate and the investment is recoded at fair value at that date amounting to SAR 37,103,731.

As at 31 March 2021 the purchase price allocation study was not completed.

In light of the foregoing, an investment movement in associate companies can be summarized as follows:

	For the period ended 31 March 2021	For the year ended 31 December 2020
Opening balance	37,564,043	-
Transferred from financial assets at fair value through profit or loss	-	37,103,731
Group share of result from gain from associates	234,029	472,731
Group share of result from other comprehensive income from associate	-	(12,419)
Dividends received	(680,000)	-
Ending balance	37,118,072	37,564,043

The aggregate amounts of certain financial information of the associate can be summarized as follows:

	As at 31 March 2021	As at 31 December 2020
Current assets	54,372,667	26,259,368
Non-current assets	80,597,635	92,440,449
Current liabilities	49,302,524	19,153,242
Non-current liabilities	54,452,253	26,828,375
Profit or loss from continuing operation	1,376,641	9,657,601
Other comprehensive income	-	(221,375)
Comprehensive income	1,376,641	9,436,226
Equity	54,452,253	46,458,832

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
All amounts are presented in Saudi Riyals unless otherwise indicated

5. Trade receivables

	As at 31 March 2021	As at 31 December 2020
Trade receivables	699,963,598	657,857,522
Less: Provision for expected credit losses	(67,936,048)	(62,233,775)
	632,027,550	595,623,747

The summary of movement for the provision of expected credit losses is as follows:

	for the period ended 31 March 2021	for the year ended 31 December 2020
Balance as at 1 January	62,233,775	30,842,609
Resulting from the acquisition of subsidiaries	-	33,524,567
Charged	5,723,913	11,283,825
Reversal	(21,640)	(4,987,188)
Write-off	-	(8,430,038)
Ending balance	67,936,048	62,233,775

Indicators of impairment have been reviewed for all trade receivables. In the opinion of management, there are no impairment in the carrying value of trade receivable other than the recorded provision of expected credit losses.

6. Murabaha financing

	As at 31 March 2021	As at 31 December 2020
Non-current		
Long -term Murabaha finance	1,166,221,485	1,197,890,340
Current		
Short-term Murabaha finance	31,997,786	33,994,936
Current portion of long-term Murabaha	274,936,814	282,908,990
Total current Murabaha	306,934,600	316,903,926
Total Murabaha	1,473,156,085	1,514,794,266

The Group has Murabaha finance contracts with local banks. Murabaha contracts are denominated in Saudi Riyals and bear financial charges based on prevailing finance cost in the market. Murabaha contracts for the purpose of finance the construction of medical facilities and hospitals under construction and with working capital financing, Murabaha contracts are secured by promissory notes.

Dallah Healthcare Company and its 100% owned subsidiaries as at 31 March 2021 have Murabahah available for use at an amount of SR 2,120 million (31 December 2020: SR 2,160 million), which is used about SR 1,387,8 million as at 31 March 2021 (31 December 2020: SR 1,429.4 million), and secured by promissory notes as at 31 March 2021, with a total of SR 2,208 million (31 December 2020: SR 2,208 million).

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
All amounts are presented in Saudi Riyals unless otherwise indicated

The loan balance as at 31 March 2021 includes a loan for the Care Shield Holding Company, a "subsidiary company", amounting to SAR 79.5 million, (31 December 2020: SR 79.5 million), The loan is due to Kingdom Holding Company.

The balance of the loans as of 31 March 2021 includes a loan with the Makkah Medical Centre Company, a "subsidiary company", amounting to about SR 5.9 million, which the company obtained from the Ministry of Finance (31 December 2020: SR 5,9 million), the loan is secured by a mortgage over the hospital's land, buildings on which it is built, medical and non-medical equipment and furniture and furnishings.

The capitalized financing costs related to the Murabaha during the three months ended on 31 March 2021 amounted to SR None (31 December 2020: SR 10 million).

The financing costs related to the murabaha fixed in the consolidated profit or loss during the three months ended 31 March 2021 amounted to SAR 8,8 million (during the three months ended 31 March 2020: SR 5.92 million).

7. Revenue

	For the period ended 31 March 2021	For the year ended 31 December 2020
Revenues classification		
Revenue from services	378,704,014	227,830,631
Revenue from sale of medicine	115,965,010	86,774,467
	494,669,024	314,605,098
Timing of revenue recognition		
Over time	136,480,682	121,270,020
At point in time	358,188,342	193,335,078
	494,669,024	314,605,098
Contracts balances		
Trade receivables (Note 5)	632,027,550	595,623,747
Contract assets with customers	2,130,059	4,838,932
Contract liabilities with customers	23,009,282	15,555,185

DALLAH HEALTHCARE COMPANY
A SAUDI JOINT STOCK COMPANY
SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
All amounts are presented in Saudi Riyals unless otherwise indicated

8. Significant events

- On 10 Sha'ban 1442 AH, (corresponding to 23 March 2021), and in accordance with the mandate of the Ordinary General Assembly of the Board of Directors to distribute interim dividends, the Board of Directors of the company decided to distribute cash dividends to shareholders for the second half of the fiscal year 2020, in the amount SR 22,500,000 at SR 0.25 per share, till 31 March 2021, these profits have not been distributed and have been recorded as dividends Payable.
- On 29 Rabi` Thani 1442 (corresponding to 14 December 2020) and in accordance with the mandate of the Ordinary General Assembly of the Board of Directors to distribute interim dividends, the Board of Directors of the company decided to distribute cash dividends to shareholders for the first half of the fiscal year 2020 in the amount of SR 45,000,000 at SR 0.5 per share. Profits were distributed in the fourth quarter of 2020.
- On 2 Rajab 1441 (corresponding to 26 February 2020) and in accordance with the mandate of the Ordinary General Assembly of the Board of Directors to distribute interim dividends, the Company's Board of Directors decided to distribute cash dividends to shareholders for the second half of the fiscal year 2019, amounting to SR 52,500,000 at SR 0.7 per share. Profits were distributed in the second quarter of 2020 in the amount of SAR 49,882,000 after deducting treasury shares' portion.

9. Basic and diluted earnings per share from net profit

Earnings per share are calculated based on the weighted average number of shares outstanding. The diluted earnings per share are the same as the basic earnings per share because the Group does not have any issued diluted instruments.

	As of 31 March 2021	As of 31 March 2020
Net profit attributable to the shareholders of the company	52,608,733	19,242,068
Weighted average of outstanding shares	90,000,000	85,512,000
Basic and diluted earnings per share	0.58	0.23

The number of shares outstanding is 90 million shares, and for the purposes of calculating earnings per share, the weighted average number of shares has been adjusted retrospectively to reflect the effect of the bonus shares issued by the company and the treasury shares that were excluded during the year 2020.

It should be noted that the business results for the first quarter of 2021 include the Group's share of the business results of the companies acquired during the last quarter of the year 2020.

10. Contingencies and commitments

Capital commitments

As of 31 March 2021 the Group has capital commitments mainly related to the construction contracts for the expansion of Dallah Al-Nakheel Hospital, and the construction of Dallah Namar Hospital, amounting to SR 22.4 million (31 December 2020: SR 24,6 million).

Contingent liabilities

As of 31 March 2021, the Group has potential liabilities in the form of bank guarantees amounting to SR 53.5 million issued on behalf of the Group in the ordinary course of business (31 December 2020: SR 42,4 million). The bank guarantees include a bank guarantee issued during the year 2018 to a third party on behalf of Dr. Muhammad Al-Faqih Company "an associate company" amounting to SR 17.5 million, expiring on 29 October 2021.

There are Letter of credits issued by the group amounting to SR 39,7 million as on 31 March 2021 (December 31, 2020: SR 58.2 million).

There are some legal issues, in the normal course of business, that are currently being settled, but the final outcome of these cases is not certain. Management does not expect that the results of these cases will be material to the group's interim condensed consolidated financial statements.

11. Segmental information

The Group's operations principally consist of one main operating segment, which is hospital services. Accordingly, presenting different segmental information is not considered necessary. Furthermore, the vast majority of the Group's operations are conducted in the Kingdom of Saudi Arabia.

12. The effect of Corona virus (COVID-19) on the interim condensed consolidated financial statements

At the beginning of the year 2020, the presence of the Corona virus (Covid 19) was confirmed. Since then, the virus has spread throughout the world including Saudi Arabia and has greatly affected business and commercial activities due to the suspension of activities deemed unnecessary, including restrictions on the movement of the general public. The healthcare sector has been designated as an essential or essential sector by the government and as a result, the government of Kingdom of Saudi Arabia has not imposed restrictions on the company's operations or its supply chain.

The group continues to monitor the impact of the pandemic on the group's activities. The group did not find any new important indicators that should be monitored that could lead to changing the assumptions and estimates that were disclosed in the group's consolidated financial statements as on 31 December 2020

13. Approval of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements have been approved by the company's Board of Directors on 19 Ramadan 1442 H corresponding 01 May 2021 G.
