

**NATIONAL MEDICAL CARE COMPANY  
(A Saudi Joint Stock Company)**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
30 JUNE 2022 AND REVIEW REPORT**

**NATIONAL MEDICAL CARE COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2022**

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## *Report on review of condensed interim financial statements*

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

### **Introduction**

We have reviewed the accompanying condensed statement of financial position of National Medical Care Company (the “Company”) as of 30 June 2022 and the related condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2022, and the condensed statements of changes in equity and cash flows for the six-month period ended 30 June 2022 and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial 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, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

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

### **PricewaterhouseCoopers**

A handwritten signature in blue ink, appearing to read 'Bader T. Benmohareb', is written over a faint, light blue circular stamp or watermark.

Bader T. Benmohareb  
License Number 471

11 August 2022

**NATIONAL MEDICAL CARE COMPANY**

**(A Saudi Joint Stock Company)**

**Condensed statement of profit or loss and other comprehensive income**

(All amounts in Saudi Riyals unless otherwise stated)

|  | For the three-month<br>period ended 30 June |                     | For the six-month<br>period ended 30 June |                     |
|--|---|---------------------|---|---------------------|
|  | 2022<br>(Unaudited)                         | 2021<br>(Unaudited) | 2022<br>(Unaudited)                       | 2021<br>(Unaudited) |
| Revenue  | 216,488,082                                 | 202,491,185         | 427,966,294                               | 416,681,551         |
| Cost of sales  | (149,687,046)                               | (144,726,379)       | (299,727,868)                             | (295,278,858)       |
| <b>Gross profit</b>                                  | <b>66,801,036</b>                           | <b>57,764,806</b>   | <b>128,238,426</b>                        | <b>121,402,693</b>  |
| Selling and distribution<br>expenses                 | (1,087,512)                                 | (205,842)           | (1,559,828)                               | (685,902)           |
| General and administrative<br>expenses               | (20,688,288)                                | (19,362,061)        | (42,887,776)                              | (39,495,331)        |
| Expected credit loss allowance                       | 928,896                                     | (605,618)           | (2,671,168)                               | (1,447,404)         |
| <b>Operating profit</b>                              | <b>45,954,132</b>                           | <b>37,591,285</b>   | <b>81,119,654</b>                         | <b>79,774,056</b>   |
| Other operating income - net                         | 4,065,365                                   | 1,323,861           | 5,910,220                                 | 3,054,713           |
| <b>Profit before zakat</b>                           | <b>50,019,497</b>                           | <b>38,915,146</b>   | <b>87,029,874</b>                         | <b>82,828,769</b>   |
| Zakat expense  | (8,013,376)                                 | (8,179,725)         | (15,024,625)                              | (16,359,449)        |
| <b>Profit for the period</b>                         | <b>42,006,121</b>                           | <b>30,735,421</b>   | <b>72,005,249</b>                         | <b>66,469,320</b>   |
| <b>Other comprehensive<br/>income for the period</b> | -   | -                   | -   | -                   |
| <b>Total comprehensive<br/>income for the period</b> | <b>42,006,121</b>                           | <b>30,735,421</b>   | <b>72,005,249</b>                         | <b>66,469,320</b>   |
| <b>Earnings per share (Saudi<br/>Riyals)</b>         |   |                     |   |                     |
| Basic and diluted (Note 12)                          | 0.94  | 0.69                | 1.61                                      | 1.48                |

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

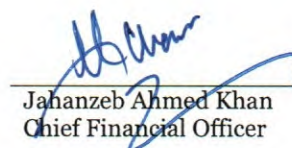
The condensed interim financial statements including notes were approved and authorized for issue by the Board of Directors on 11 August 2022 and were signed on their behalf by:



Saad Abdulmohsen Alfadly  
Chairman



Abdulaziz Alobaid  
Chief Executive Officer




Jahanzeb Ahmed Khan  
Chief Financial Officer

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

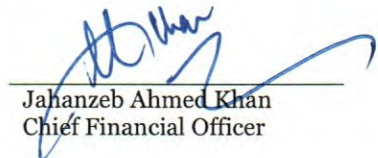
|   |      | As at 30<br>June     | As at 31<br>December |
|---|------|----------------------|----------------------|
|   | Note | 2022<br>(Unaudited)  | 2021<br>(Audited)    |
| <b>Assets</b>                           |      |                      |                      |
| <b>Non-current assets</b>               |      |                      |                      |
| Property and equipment                  | 4    | 657,415,299          | 483,162,527          |
| Intangible assets                       |      | 6,194,233            | 7,481,659            |
| <b>Total non-current assets</b>         |      | <b>663,609,532</b>   | 490,644,186          |
| <b>Current assets</b>                   |      |                      |                      |
| Inventories                             |      | 43,548,549           | 45,858,628           |
| Trade and other receivables             | 5    | 697,013,228          | 647,958,301          |
| Cash and cash equivalents               | 6    | 182,126,117          | 374,959,655          |
| <b>Total current assets</b>             |      | <b>922,687,894</b>   | 1,068,776,584        |
| <b>Total assets</b>                     |      | <b>1,586,297,426</b> | 1,559,420,770        |
| <b>Equity and liabilities</b>           |      |                      |                      |
| <b>Equity</b>                           |      |                      |                      |
| Share capital                           |      | 448,500,000          | 448,500,000          |
| Statutory reserve                       |      | 186,021,947          | 186,021,947          |
| Retained earnings                       |      | 516,907,880          | 489,752,631          |
| <b>Total equity</b>                     |      | <b>1,151,429,827</b> | 1,124,274,578        |
| <b>Liabilities</b>                      |      |                      |                      |
| <b>Non-current liabilities</b>          |      |                      |                      |
| Long-term borrowings                    | 10   | 83,190,440           | 83,190,440           |
| Employee benefit obligations            |      | 99,101,616           | 97,528,443           |
| <b>Total non-current liabilities</b>    |      | <b>182,292,056</b>   | 180,718,883          |
| <b>Current liabilities</b>              |      |                      |                      |
| Trade and other payables                | 7    | 169,606,293          | 175,147,200          |
| Current portion of long-term borrowings | 10   | 5,942,174            | 5,942,174            |
| Zakat payable                           | 11   | 77,027,076           | 73,337,935           |
| <b>Total current liabilities</b>        |      | <b>252,575,543</b>   | 254,427,309          |
| <b>Total liabilities</b>                |      | <b>434,867,599</b>   | 435,146,192          |
| <b>Total equity and liabilities</b>     |      | <b>1,586,297,426</b> | 1,559,420,770        |

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

The condensed interim financial statements including notes were approved and authorized for issue by the Board of Directors on 11 August 2022 and were signed on their behalf by:

  
Saad Abdulmohsen Alfadly  
Chairman

  
Abdulaziz Alobaid  
Chief Executive Officer

  
Jahanzeb Ahmed Khan  
Chief Financial Officer

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

|  | <b>Note</b> | <b>Share capital</b> | <b>Statutory reserve</b> | <b>Retained earnings</b> | <b>Total</b>  |
|--|-------------|----------------------|--------------------------|--------------------------|---------------|
| <b>At 1 January 2021 (Audited)</b>               |             | 448,500,000          | 186,021,947              | 402,426,984              | 1,036,948,931 |
| Profit for the period                            |             | -                    | -                        | 66,469,320               | 66,469,320    |
| Other comprehensive income for the period        |             | -                    | -                        | -                        | -             |
| <b>Total comprehensive income for the period</b> |             | -                    | -                        | 66,469,320               | 66,469,320    |
| Dividends  | 8           | -                    | -                        | (44,850,000)             | (44,850,000)  |
| <b>At 30 June 2021 (Unaudited)</b>               |             | 448,500,000          | 186,021,947              | 424,046,304              | 1,058,568,251 |
| <b>At 1 January 2022 (Audited)</b>               |             | 448,500,000          | 186,021,947              | 489,752,631              | 1,124,274,578 |
| Profit for the period                            |             | -                    | -                        | 72,005,249               | 72,005,249    |
| Other comprehensive income for the period        |             | -                    | -                        | -                        | -             |
| <b>Total comprehensive income for the period</b> |             | -                    | -                        | 72,005,249               | 72,005,249    |
| Dividends  | 8           | -                    | -                        | (44,850,000)             | (44,850,000)  |
| <b>At 30 June 2022 (Unaudited)</b>               |             | 448,500,000          | 186,021,947              | 516,907,880              | 1,151,429,827 |

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

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Chairman



Abdulaziz Alobaid  
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Jahanzeb Ahmed Khan  
Chief Financial Officer

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

|   | Note | For the six-month period ended 30 June |                     |
|---|------|--|---------------------|
|   |      | 2022<br>(Unaudited)                    | 2021<br>(Unaudited) |
| <b>Cash flows from operating activities</b>         |      |  |                     |
| Profit before zakat                                 |      | 87,029,874                             | 82,828,769          |
| <u>Adjustments for</u>                              |      |  |                     |
| Depreciation  | 4    | 21,118,244                             | 23,770,879          |
| Amortization  |      | 1,944,084                              | 1,215,773           |
| Gain on disposal of property and equipment          |      | (14,958)                               | (20,614)            |
| Expected credit loss allowance                      |      | 2,671,168                              | 1,447,404           |
| Employee benefit obligations                        |      | 9,059,395                              | 10,439,529          |
| <u>Changes in operating assets and liabilities:</u> |      |  |                     |
| Increase in trade and other receivables             |      | (51,726,095)                           | (58,534,175)        |
| Decrease in inventories                             |      | 2,310,079                              | 795,501             |
| (Decrease) / increase in trade and other payables   |      | (5,540,907)                            | 11,617,462          |
| Cash generated from operations                      |      | 66,850,884                             | 73,560,528          |
| Employee benefit obligations paid                   |      | (7,486,222)                            | (5,878,909)         |
| Zakat paid  | 11   | (11,335,484)                           | (11,681,689)        |
| <b>Net cash inflow from operating activities</b>    |      | <b>48,029,178</b>                      | <b>55,999,930</b>   |
| <b>Cash flows from investing activities</b>         |      |  |                     |
| Payments for purchase of property and equipment     | 4    | (195,378,469)                          | (16,671,093)        |
| Payments for purchase of intangible assets          |      | (656,658)                              | (5,234,338)         |
| Proceeds from sale of property and equipment        |      | 22,411                                 | 56,522              |
| <b>Net cash outflow from investing activities</b>   |      | <b>(196,012,716)</b>                   | <b>(21,848,909)</b> |
| <b>Cash flows from financing activities</b>         |      |  |                     |
| Dividends paid                                      | 8    | (44,850,000)                           | (44,850,000)        |
| <b>Net decrease in cash and cash equivalents</b>    |      | <b>(192,833,538)</b>                   | <b>(10,698,979)</b> |
| Cash and cash equivalents at beginning of period    |      | 374,959,655                            | 372,672,212         |
| <b>Cash and cash equivalents at end of period</b>   |      | <b>182,126,117</b>                     | <b>361,973,233</b>  |

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

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Chairman



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Chief Executive Officer



Jaharzeb Ahmed Khan  
Chief Financial Officer

**NATIONAL MEDICAL CARE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed interim financial statements (Unaudited)**  
**For the three-month and six-month periods ended 30 June 2022**  
(All amounts in Saudi Riyals unless otherwise stated)

**1 General information**

National Medical Care Company (the “Company” or “NMC”) is a Saudi Joint Stock Company, registered in Riyadh, Kingdom of Saudi Arabia under commercial registration (“CR”) number 1010194785 dated 9 Muharram 1425 (H) (corresponding to 29 February 2004). The registered office of the Company is located at Arrayyan District, P.O. Box 29393, Riyadh 11457, Kingdom of Saudi Arabia.

The Company carries out its activities through the following branches:

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

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

**2 Basis of preparation**

**2.1 Statement of compliance**

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

These condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements as at and for the year ended 31 December 2021 and do not include all of the information required for a complete set of financial statements under International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual audited financial statements.

**2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention using the accrual basis of accounting. For employee’s and other post-employment benefits, actuarial present value calculations are used.

**2.3 Functional and presentation currency**

These condensed interim financial statements are presented in Saudi Riyals which is the functional currency of the Company.



**NATIONAL MEDICAL CARE COMPANY**  
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**Notes to the condensed interim financial statements (Unaudited)**  
**For the three-month and six-month periods ended 30 June 2022**  
(All amounts in Saudi Riyals unless otherwise stated)

**2.4 Significant accounting judgements, estimates and assumptions**

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

The significant judgments made by management in applying the Company's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the annual financial statements for the year ended 31 December 2021.

**3 Significant accounting policies**

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2021.

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

There are no new standards issued, however, there are number of amendments to existing standards which are effective from 1 January 2022 and have been explained in Company's annual financial statements, but they do not have a material effect on these condensed interim financial statements.

**4 Property and equipment**

|                                       | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|---------------------------------------|---|---|
| <b>Cost</b>                           |   |   |
| At the beginning of the period / year | <b>1,257,767,185</b>                    | 1,243,364,547                             |
| Additions during the period / year    | <b>195,378,469</b>                      | 35,688,875                                |
| Disposals during the period / year    | <b>(5,322,976)</b>                      | (21,286,237)                              |
| At the end of the period / year       | <b>1,447,822,678</b>                    | 1,257,767,185                             |
| <b>Accumulated depreciation</b>       |   |   |
| At the beginning of the period / year | <b>(774,604,658)</b>                    | (748,834,738)                             |
| Additions during the period / year    | <b>(21,118,244)</b>                     | (47,005,683)                              |
| Disposals during the period / year    | <b>5,315,523</b>                        | 21,235,763                                |
| At the end of the period / year       | <b>(790,407,379)</b>                    | (774,604,658)                             |
| <b>Net book value</b>                 |   |   |
| At the end of the period / year       | <b>657,415,299</b>                      | 483,162,527                               |

During the six-month period ended 30 June 2022, the Company has purchased a parcel of land in Riyadh for a consideration of Saudi Riyals 180.1 million to construct new healthcare facility.

The Company has land and buildings, with net book value of Saudi Riyals 309.9 million as at 30 June 2022 (31 December 2021: Saudi Riyals 315.4 million) pledged to the Ministry of Finance against loan granted to the Company. Also see note 10.

**NATIONAL MEDICAL CARE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed interim financial statements (Unaudited)**  
**For the three-month and six-month periods ended 30 June 2022**  
(All amounts in Saudi Riyals unless otherwise stated)

**5 Trade and other receivables**

|                                      |             | <b>30 June<br/>2022</b> | <b>31 December<br/>2021</b> |
|--------------------------------------|-------------|-------------------------|-----------------------------|
|                                      | <b>Note</b> | <b>(Unaudited)</b>      | <b>(Audited)</b>            |
| Trade and related party receivables  | 9           | <b>760,482,982</b>      | 687,787,134                 |
| Allowance for expected credit losses |             | <b>(80,681,305)</b>     | (81,260,957)                |
|                                      |             | <b>679,801,677</b>      | 606,526,177                 |
| Letters of guarantee margin          |             | <b>100,194</b>          | 27,121,670                  |
| Advances to suppliers                |             | <b>3,474,382</b>        | 4,244,414                   |
| Prepaid expenses                     |             | <b>5,426,005</b>        | 4,963,598                   |
| Others                               |             | <b>8,210,970</b>        | 5,102,442                   |
|                                      |             | <b>697,013,228</b>      | 647,958,301                 |

**6 Cash and cash equivalents**

|               |  | <b>30 June<br/>2022</b> | <b>31 December<br/>2021</b> |
|---------------|--|-------------------------|-----------------------------|
|               |  | <b>(Unaudited)</b>      | <b>(Audited)</b>            |
| Cash in hand  |  | <b>2,351,292</b>        | 443,425                     |
| Cash at banks |  | <b>179,774,825</b>      | 374,516,230                 |
|               |  | <b>182,126,117</b>      | 374,959,655                 |

**7 Trade and other payables**

|                             |  | <b>30 June<br/>2022</b> | <b>31 December<br/>2021</b> |
|-----------------------------|--|-------------------------|-----------------------------|
|                             |  | <b>(Unaudited)</b>      | <b>(Audited)</b>            |
| Trade payables              |  | <b>43,235,598</b>       | 46,845,201                  |
| Accrued expenses            |  | <b>72,559,805</b>       | 69,254,124                  |
| Employees' related accruals |  | <b>38,377,520</b>       | 45,216,675                  |
| VAT payable                 |  | <b>11,607,032</b>       | 9,766,751                   |
| Others                      |  | <b>3,826,338</b>        | 4,064,449                   |
|                             |  | <b>169,606,293</b>      | 175,147,200                 |

**8 Dividends**

On 16 Shawwal 1443 H (17 May 2022) the shareholders in their Extraordinary General Assembly Meeting approved dividends of Saudi Riyals 44.9 million (Saudi Riyal 1.00 per share) for the year ended 31 December 2021 which was paid during the six-month period ended 30 June 2022 (2021: Saudi Riyals 44.9 million approved and paid).

**NATIONAL MEDICAL CARE COMPANY**  
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**Notes to the condensed interim financial statements (Unaudited)**  
**For the three-month and six-month periods ended 30 June 2022**  
(All amounts in Saudi Riyals unless otherwise stated)

**9 Related parties**

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

(a) Related party transactions

| Name of related party and relationship  | Nature of transaction          | For the three-month period ended 30 June |                     | For the six-month period ended 30 June |                     |
|---|--------------------------------|--|---------------------|--|---------------------|
|   |                                | 2022<br>(Unaudited)                      | 2021<br>(Unaudited) | 2022<br>(Unaudited)                    | 2021<br>(Unaudited) |
| General Organization for Social Insurance (“GOSI”) (Ultimate controlling party) | Revenues from medical services | 77,143,998                               | 65,013,851          | 148,853,719                            | 140,458,472         |
| Drager Arabian Company Limited (Owned by a shareholder and director)            | Purchases                      | 43,761                                   | 31,612              | 53,750                                 | 1,006,998           |

**Related party balances**

| Name of related party           | Relationship                        | 30 June 2022<br>(Unaudited) | 31 December 2021<br>(Audited) |
|---------------------------------|-------------------------------------|-----------------------------|-------------------------------|
| <i>Due from a related party</i> |                                     |                             |                               |
| GOSI                            | Ultimate controlling party          | 436,806,568                 | 464,542,297                   |
| <i>Due to a related party</i>   |                                     |                             |                               |
| Drager Arabian Company Limited  | Owned by a shareholder and director | 50,823                      | 19,464                        |

**NATIONAL MEDICAL CARE COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed interim financial statements (Unaudited)**  
**For the three-month and six-month periods ended 30 June 2022**  
(All amounts in Saudi Riyals unless otherwise stated)

**Key management personnel compensation**

|  | <b>For the three-month period<br/>ended 30 June</b> |                             | <b>For the six-month period<br/>ended 30 June</b> |                             |
|--|---|-----------------------------|---|-----------------------------|
|  | <b>2022<br/>(Unaudited)</b>                         | <b>2021<br/>(Unaudited)</b> | <b>2022<br/>(Unaudited)</b>                       | <b>2021<br/>(Unaudited)</b> |
| Salaries and other short-term<br>employee benefits   | <b>2,026,431</b>                                    | 1,818,138                   | <b>9,031,707</b>                                  | 7,295,694                   |
| Attendance allowance and<br>committee's remuneration | <b>801,333</b>                                      | 147,000                     | <b>2,227,000</b>                                  | 2,648,000                   |
| Employee benefit obligations                         | <b>89,875</b>                                       | 67,681                      | <b>180,175</b>                                    | 154,159                     |
|  | <b>2,917,639</b>                                    | 2,032,819                   | <b>11,438,882</b>                                 | 10,097,853                  |

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

**Terms and conditions of transactions with related parties**

The transactions with related parties are at mutually agreed terms. Outstanding balances as at 30 June 2022 and 31 December 2021 are unsecured, interest free and are to be settled in cash. There have been no guarantees provided or received for any related party receivables or payables during the current period and prior year.

**10 Long-term borrowings**

|                           | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|---------------------------|---|---|
| Within one year – current | <b>5,942,174</b>                        | 5,942,174                                 |
| One to five years         | <b>23,768,696</b>                       | 23,768,696                                |
| More than five years      | <b>59,421,744</b>                       | 59,421,744                                |
|                           | <b>89,132,614</b>                       | 89,132,614                                |

Long-term borrowings are presented as follows:

|  | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|--|---|---|
| Current maturity under current liabilities | <b>5,942,174</b>                        | 5,942,174                                 |
| Non-current portion                        | <b>83,190,440</b>                       | 83,190,440                                |
|  | <b>89,132,614</b>                       | 89,132,614                                |

During 2012, the Company signed a loan agreement with the Ministry of Finance to fund the construction work under progress amounting to Saudi Riyals 154.1 million. The Company was able to utilize Saudi Riyals 118.8 million during 2013 and 2015.

The loan is payable in twenty equal annual instalments with the first instalment due in 2017. The loan is interest free and is secured by the Company's collateralized land and buildings. Also see note 4.

**NATIONAL MEDICAL CARE COMPANY**  
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**11 Zakat**

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

|                                       | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|---------------------------------------|---|---|
| At the beginning of the period / year | <b>73,337,935</b>                       | 57,216,626                                |
| Provided during the period / year     | <b>15,024,625</b>                       | 28,044,998                                |
| Paid during the period / year         | <b>(11,335,484)</b>                     | (11,923,689)                              |
|                                       | <b><u>77,027,076</u></b>                | <u>73,337,935</u>                         |

During 2021, Zakat, Tax and Customs Authority ("ZATCA") issued additional zakat assessments for the years from 2015 to 2018 amounting to Saudi Riyals 29.0 million. The Company had filed appeals against such assessments with the Preliminary Objection Committee ('POC') but the appeal was rejected. The Company has filed an appeal against such decision by POC with Higher Appeal Committee ('HAC') and is yet to hear back from HAC.

During later part of 2021, ZATCA issued additional zakat assessments for the years 2019 and 2020 amounting to Saudi Riyals 25.0 million. The Company has filed appeals with POC, and the decision is awaited from POC.

The Company is maintaining adequate provision against such additional assessments.

During April 2022, the Company has filed the Zakat return with ZATCA and received the zakat certificate up to 31 December 2021.

**12 Basic and diluted loss per share**

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

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

|  | <b>For the three-month period<br/>ended 30 June</b> |                             | <b>For the six-month<br/>period ended 30 June</b> |                             |
|--|---|-----------------------------|---|-----------------------------|
|  | <b>2022<br/>(Unaudited)</b>                         | <b>2021<br/>(Unaudited)</b> | <b>2022<br/>(Unaudited)</b>                       | <b>2021<br/>(Unaudited)</b> |
| Profit for the period                      | <b>42,006,121</b>                                   | 30,735,421                  | <b>72,005,249</b>                                 | 66,469,320                  |
| Weighted average number of ordinary shares | <b>44,850,000</b>                                   | 44,850,000                  | <b>44,850,000</b>                                 | 44,850,000                  |
| Basic and diluted loss per share           | <b>0.94</b>   | 0.69                        | <b>1.61</b>                                       | 1.48                        |

**NATIONAL MEDICAL CARE COMPANY**  
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**13 Segment reporting**

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

**14 Fair value of assets and liabilities**

As at 30 June 2022 and 31 December 2021, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature and are expected to be realized at their current carrying values within twelve months from the date of condensed statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values except for the interest free loan from Ministry of Finance. Also see note 10.

**15 Contingencies and commitments**

- (i) At 30 June 2022, the Company was contingently liable for bank guarantees issued in the normal course of business amounting to Saudi Riyals 45.2 million (31 December 2021: Saudi Riyals 16.3 million).
- (ii) There are various ongoing legal cases filed against the Company by former employees and third parties. The management of the Company has recorded appropriate provision based on the expected outcomes of such cases and believes that such cases would be resolved without any material impact on the financial statements of the Company.
- (iii) The capital expenditure contracted by the Company as at 30 June 2022 was approximately Saudi Riyals 42.0 million (31 December 2021: Saudi Riyals 9.9 million).

**16 Subsequent events**

No other events have arisen subsequent to 30 June 2022 and before the date of signing the independent auditor's review report, that could have a significant effect on the condensed interim financial statements as at 30 June 2022.