

**Al Hammadi Company for
Development and Investment**
(A Saudi Joint Stock Company)

**The Condensed Consolidated Interim
Financial Statements and Review Report
For the Three Month Period Ended
31 March 2020**



العظم والسديري وآل الشيخ وشركاؤهم
محاسبون ومراجعون قانونيون - عضو كرو الدولية

**Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)**

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Index	Page
Report on review of condensed consolidated Interim financial statements	1
Condensed Consolidated Interim Statement of Profit or Loss	2
Condensed Consolidated Interim Statement of Comprehensive Income	3
Condensed Consolidated Interim Statement of Financial Position	4
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to Condensed Consolidated Interim Financial Statements	7-14

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

The Shareholders

**Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Al Hammadi Company for Development and Investment (the "Company") and its subsidiaries (the "Group")** as at 31 March 2020, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (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 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.

Conclusion

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



**AlAzem, AlSudairy, AlShaikh & Partners
Certified Public Accountants**

**Salman B. AlSudairy
License No. 283**

26 Shawwal 1441 H (June 18, 2020)
Riyadh, Kingdom of Saudi Arabia

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Condensed Consolidated Interim Statement of Profit or Loss
For the Three Month Period Ended 31 March 2020

	Notes	31 March 2020 (Unaudited) SAR	31 March 2019 (Unaudited) SAR
Revenue		206,689,507	229,679,724
Cost of revenue		(140,207,403)	(164,078,303)
GROSS PROFIT		66,482,104	65,601,421
General and administrative expenses		(26,200,655)	(34,162,283)
Selling and marketing expenses		(1,391,987)	(2,313,442)
Impairment losses on trade receivables	(6)	(5,046,166)	(1,930,333)
Other income		3,214,211	9,561,584
OPERATING PROFIT		37,057,507	36,756,947
Finance cost		(7,362,717)	(9,134,571)
NET PROFIT BEFORE ZAKAT		29,694,790	27,622,376
Zakat		(4,750,000)	(3,450,000)
NET PROFIT FOR THE PERIOD		24,944,790	24,172,376
Earnings per share:			
Basic and diluted profit for the period attributable to ordinary equity holders	(5)	0.21	0.20

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Condensed Consolidated Interim Statement of Comprehensive Income
For the Three Month Period Ended 31 March 2020

	Notes	31 March 2020 (Unaudited) SAR	31 March 2019 (Unaudited) SAR
NET PROFIT FOR THE PERIOD		24,944,790	24,172,376
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement income on defined benefit plans	(8)	1,489,432	1,568,041
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods		1,489,432	1,568,041
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		26,434,222	25,740,417

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Condensed Consolidated Interim Statement of Financial Position
As at 31 March 2020

	Notes	31 March 2020 SAR	31 December 2019 SAR
ASSETS			
Non-current assets			
Property and equipment		1,719,291,151	1,738,721,572
Right-of-use assets		22,633,859	23,454,305
Goodwill		31,450,120	31,450,120
		<u>1,773,375,130</u>	<u>1,793,625,997</u>
Current assets			
Inventories		74,567,719	49,018,443
Trade receivables	(6)	523,883,784	559,597,418
Prepayments and other debit balances		41,046,442	44,254,246
Amounts due from related parties		1,371,522	917,132
Contracts assets		12,775,007	14,666,845
Cash and cash equivalents		145,718,102	75,639,567
		<u>799,362,576</u>	<u>744,093,651</u>
TOTAL ASSETS		<u><u>2,572,737,706</u></u>	<u><u>2,537,719,648</u></u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	(7)	1,200,000,000	1,200,000,000
Statutory reserve		51,138,685	51,138,685
Retained earnings		341,426,372	314,992,150
TOTAL SHAREHOLDERS' EQUITY		<u>1,592,565,057</u>	<u>1,566,130,835</u>
LIABILITIES			
Non-current liabilities			
Loans	(10)	409,898,531	429,551,022
Employees' termination benefits	(8)	59,828,447	59,871,135
lease liabilities		13,013,736	13,149,588
Government grants	(9)	142,454,807	144,358,206
		<u>625,195,521</u>	<u>646,929,951</u>
Current liabilities			
Trade payables		61,131,804	55,515,359
Accrued expenses and other credit balances		65,352,040	69,962,426
Amounts due to related parties		94,246	18,900
Loans	(10)	164,672,013	144,640,065
Government grants	(9)	7,613,597	7,613,597
Dividends payable		287,735	287,735
Zakat		21,369,782	16,619,782
lease liabilities		8,849,770	8,723,975
Contracts liabilities		25,606,141	21,277,023
		<u>354,977,128</u>	<u>324,658,862</u>

**Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)**

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
For the Three Month Period ended 31 March 2020

	Share Capital	Statutory Reserve	Retained Earnings
	SAR	SAR	SAR
As at January 1, 2019 (Audited)			
Net profit for the period	1,200,000,000	41,838,718	236,759,335
Other comprehensive income	-	-	24,172,376
Total comprehensive income	-	-	1,568,041
Transfer to statutory reserve	-	2,417,238	25,740,417
	-	2,417,238	(2,417,238)
As at March 31, 2019 (Unaudited)			
	1,200,000,000	44,255,956	260,082,514
As at January 1, 2020 (Audited)			
Net profit for the period	1,200,000,000	51,138,685	314,992,150
Other comprehensive income	-	-	24,944,790
Total comprehensive income	-	-	1,489,432
	-	-	26,434,222
As at March 31, 2020 (Unaudited)			
	1,200,000,000	51,138,685	341,426,372

The accompanying notes (1) to (14) form an integral part of these condensed consolidated interim financial statements.

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Condensed Consolidated Interim Statement of Cash Flows
For the Three Month Period Ended 31 March 2020

	Notes	31 March 2020 SAR (Unaudited)	31 March 2019 SAR (Unaudited)
OPERATING ACTIVITIES			
Net profit before Zakat		29,694,790	27,622,376
Adjustments to reconcile net profit before Zakat to net cash flow:			
Depreciation of property and equipment and right of use assets		25,612,562	25,330,211
Impairment losses on trade receivables		5,046,166	1,930,333
Contract liability provided during the period		11,451,114	7,366,470
Finance cost		7,362,717	9,134,571
Government grants release	(9)	(1,903,399)	(1,903,400)
Current services cost of employees' termination benefits	(8)	3,121,225	3,088,007
		80,385,175	72,568,568
Working capital adjustments:			
Trade receivables		30,667,468	(110,672,687)
Inventories		(25,549,276)	(12,155,524)
Contracts assets		1,891,838	4,593,771
Net changes in related parties		(379,044)	460,630
Prepayments and other debit balances		3,207,804	18,957,916
Trade payables		5,515,410	12,564,624
Accrued expenses and other credit balances		(4,610,387)	16,230,575
Contracts liabilities		(7,121,996)	(2,217,855)
		84,006,992	330,018
Employees' termination benefits paid	(8)	(2,138,482)	(2,875,075)
Finance charges paid		(3,900,502)	(5,336,406)
NET CASH RESULTED FROM (USED IN) OPERATING ACTIVITIES		77,968,008	(7,881,463)
INVESTING ACTIVITIES			
Purchase of property and equipment		(3,986,274)	(2,376,963)
NET CASH USED IN INVESTING ACTIVITIES		(3,986,274)	(2,376,963)
FINANCING ACTIVITIES			
Proceeds from bank borrowings		17,581,801	19,926,131
Repayment of bank borrowings		(20,000,000)	-
Lease liabilities		(1,485,000)	(1,485,000)
NET CASH (USED IN) RESULTED FROM FINANCING ACTIVITIES		(3,903,199)	18,441,131
Net changes in cash and cash equivalents		70,078,535	8,182,705
Cash and cash equivalents at the beginning of the period		75,639,567	43,863,138
CASH AND CASH EQUIVALENTS AT MARCH, 31		145,718,102	52,045,843
Supplementary information for non-cash transactions			
Right of used assets additions		1,375,421	-
Impact of adopted IFRS 16		-	32,189,513

Al Hammadi Company for Development and Investment (A Saudi Joint Stock Company)

Notes to Condensed Consolidated Interim Financial Statements

For the Three Month Period Ended 31 March 2020

1. Corporate information

Al Hammadi Company for Development and Investment (the “Company”) was established as a limited liability Company under Commercial Registration No. 1010196714 issued on Safar 23, 1425H (corresponding to April 13, 2004) in Riyadh. On Ramadan 16, 1429H (corresponding to September 16, 2008), the Ministry of Commerce and Investment issued the resolution No. Q/316 to approve the Company’s conversion to a closed joint stock Company. On Rajab 20, 1435H (corresponding to May 19, 2014) the Company obtained approval from the Capital Market Authority (“CMA”) to issue 22.5 million shares in an initial public offering and the Company’s shares were listed in Saudi Stock Exchange (Tadawul) on Ramadan 17, 1435H (corresponding to July 15, 2014).

The Company’s registered address is Al-Olaya, P.O. Box 55004, Riyadh 11534, Saudi Arabia.

The main activities of the Company and its subsidiaries (the “Group”) are wholesale and retail trading of medical equipment, pharmaceutical and cosmetic products, establishing, maintaining, managing and operating hospitals and medical centers, wholesale and retail trading of food and beverages, acquisition and rental of land for constructing buildings and investing them by means of selling or renting in favor of the Group, establishment or participation in different industrial projects, establishment of commercial centers, operating, and maintaining them in Saudi Arabia.

Details of subsidiary companies are as follows:

Name of Subsidiary	Country of Incorporation	Business Activity	Functional Currency	Ownership Interest 2020	Ownership Interest 2019
Medical Support Services Company Limited	Saudi Arabia	Trading Company	Saudi Riyals	100%	100%
Pharmaceutical Services Company Limited	Saudi Arabia	Trading Company	Saudi Riyals	100%	100%
Al-Hammadi for Hospitals Management and Operations Company Limited	Saudi Arabia	Trading Company	Saudi Riyals	100%	-
Medical industries company limited *	Saudi Arabia	Industrial company	Saudi Riyals	100%	-

* As of March 31, 2020, the Company completed the legal procedures and obtained the industrial license for establishing the new subsidiary (Medical Industries Company Limited), that is wholly owned by the Group.

These condensed interim consolidated financial statements include the accounts of the Group and following branches, which operate under separate commercial registrations:

Branch Name	Commercial Registration No.	City
Al Hammadi Hospital, Olaya	1010263026	Riyadh
Al Hammadi Hospital, Al-Suwaidi	1010934227	Riyadh
Al Hammadi Hospital, Al-Nuzha	1010374270	Riyadh
Maintenance & Operations	1010374273	Riyadh
Arabian Hospitality	1010610529	Riyadh

Al Hammadi Company for Development and Investment (A Saudi Joint Stock Company)

Notes to Condensed Consolidated Interim Financial Statements- *continued*

For the Three Month Period Ended 31 March 2020

1. Corporate information - continued

In response to the spread of the Covid-19 and its resulting disruptions to the economic activities in markets, the management has proactively assessed its impacts on its operations to ensure the continuity of providing of its services. Notwithstanding these challenges, the operations currently remain largely unaffected as the healthcare sector has been classified as an essential service by government and as result no restrictions have been placed by the government of kingdom of Saudi Arabia on company's operations or its supply chain. The management believes that the Covid-19 pandemic has had no material effects on the Group's reported financial results for the period ended 31 March 2020. Because of the difficulty in determining the time period of the pandemic, it is not practical to provide a quantitative estimate of the potential impact of the pandemic, however, the management continues to monitor the situation closely and will reflect any required changes in future financial reporting periods.

2. Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization of Certified Public Accountants (SOCPA) and should be read in conjunction with the Group's last annual financial statements as at and for the year ended 31 December 2019 ("last annual financial statements"). They do not include all of the information required for a complete set of IFRS financial statements, however; accounting policies 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 Preparation of the financial statements

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for the defined benefit obligation is recognised at the present value of future obligations using the Projected Unit Credit Method.

These condensed consolidated interim financial statements are presented in Saudi Riyal ("SAR"), which is the Group's functional and presentation currency. All amounts have been rounded to the nearest Saudi Riyal.

2.3 Use of judgments 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 consolidated financial statements.

However, as explained in Note 1 above, the Group has reviewed the key sources of estimation uncertainties disclosed in the last annual consolidated financial statements against the backdrop of Covid-19 pandemic. Management believes that other than the expected credit losses arising on the financial assets, all other sources of estimation uncertainty remain similar to those disclosed in the annual consolidated financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Notes to Condensed Consolidated Interim Financial Statements- *continued*

For the Three Month Period Ended 31 March 2020

3. Basis of consolidation

These condensed consolidated interim financial statements comprising the condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in shareholders' equity, condensed consolidated interim statement of cash flows and notes to the condensed consolidated interim financial statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiaries, as set out in note (1).. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill in condensed consolidated interim statement of financial position. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.

4. Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019, except for the adoption of new standards, interpretation or amendments as follows.

New standards, interpretations, and amendments adopted by the Group

There are no new standards that have been issued, however, a number of amendments to the standards are effective as of January 1, 2020, which have been explained in the annual consolidated financial statements of the Group, but they do not have material impact on the condensed consolidated interim financial statements of the Group.

5. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the period attributable to ordinary shareholders 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 Group does not have any convertible securities or diluted instruments to exercise.

The following table reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2020 SAR	31 March 2019 SAR
Net profit for the period	24,944,790	24,172,376
Weighted average number of ordinary shares	120,000,000	120,000,000
Basic and diluted earnings per share	0.21	0.20

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Notes to Condensed Consolidated Interim Financial Statements- *continued*

For the Three Month Period Ended 31 March 2020

6. Trade receivables

	31 March 2020 SAR	31 December 2019 SAR
Trade receivables – billed	559,193,265	590,149,160
Provision for impairment losses	(35,309,481)	(30,551,742)
	<u>523,883,784</u>	<u>559,597,418</u>

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and they are therefore unsecured.

A majority of the receivables that are past due but not impaired are from government-linked entities which are inherently slow payers due to their long invoice acceptance and approval of payment procedures. Payments continue to be received from these customers and accordingly the risk of non-recoverability is considered to be low.

As at 31 March 2020, approximately 95.9% of the Group's trade receivables' balance was due from various governmental and insurance entities (31 December 2019: 96.2%).

The Group's credit terms require receivables to be repaid within 30-90 days depending on the type of customer, which is in line with healthcare industry. Due to short credit period offered to customers, a significant amount of trade receivables is neither past due nor impaired.

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

	31 March 2020 SAR	31 December 2019 SAR
1 January	30,551,742	21,531,756
Additions during the period / year	5,046,166	9,157,145
Written off bad debts during the period / year	(288,427)	(137,159)
	<u>35,309,481</u>	<u>30,551,742</u>

7. Share capital

Share capital of the Company is 1,200 million SR consists of 120 million fully paid ordinary shares with a par value of SR 10 (31 December 2019: SR 1,200 million).

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Notes to Condensed Consolidated Interim Financial Statements- *continued*

For the Three Month Period Ended 31 March 2020

8. Employees' termination Benefits

The following tables summarize the components of end of service benefits recognized in the consolidated statement of profit or loss and amounts recognized in the consolidated statement of comprehensive income and consolidated statement of financial position:

a) Amount recognized in the consolidated statement of financial position:

	31 March 2020 (Unaudited) SAR	31 December 2019 (Audited) SAR
Present value of defined benefit obligation	59,828,447	59,871,135

b) Benefit expense (recognized in consolidated statement of profit or loss):

	31 March 2020 SAR	31 March 2019 SAR
Current service cost	3,121,225	3,088,007
Special commission cost	464,001	653,647
Benefit expense	3,585,226	3,741,654

c) Movement in the present value of defined benefit obligation:

	31 March 2020 (Unaudited) SAR	31 December 2019 (Audited) SAR
Present value of defined benefit obligation at beginning of the period	59,871,135	56,204,516
Charge recognized in profit or loss:		
Current service cost	3,121,225	11,529,708
Special commission cost	464,001	2,529,203
Actuarial (Gain) loss on defined benefit plan recognized in the consolidated statement of comprehensive income	(1,489,432)	5,466,889
Benefits paid during the period \ year	(2,138,482)	(15,859,181)
Present value of defined benefit obligation at end of the period \ year	59,828,447	59,871,135

d) Principal actuarial assumptions:

	2020 SAR	2019 SAR
Discount rate	3,1 %	4.5 %
Salary increase rate	3 %	3 %
Retirement age	60 years	60 years

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Notes to Condensed Consolidated Interim Financial Statements- *continued*

For the Three Month Period Ended 31 March 2020

9. Government grants

	31 March 2020 (Unaudited) SAR	31 December 2019 (Audited) SAR
At 1 January	151,971,803	159,585,400
Government grants released	(1,903,399)	(7,613,597)
At the end of period \ year	150,068,404	151,971,803
	31 March 2020 SAR	31 December 2019 SAR
Current	7,613,597	7,613,597
Non-current	142,454,807	144,358,206
	150,068,404	151,971,803

10. Loans

	31 March 2020 (Unaudited) SAR	31 December 2019 (Audited) SAR
Current portion		
Loans from Ministry of Finance	18,714,240	18,714,240
Loans from commercial banks	145,957,773	125,925,825
Total Current portion	164,672,013	144,640,065
Non-Current portion		
Loans from Ministry of Finance	207,398,531	204,551,022
Loans from commercial banks	202,500,000	225,000,000
Total Non-current portion	409,898,531	429,551,022
Total	574,570,544	574,191,087

10.1 Loans from ministry of finance

On 11 September 2013, The Group obtained a loan from the Ministry of Finance to fund part of the construction of the new hospital in Al-Suwaidi area and the purchase of the indispensable medical and non-medical equipment. This loan qualifies to be considered as government grant because the Ministry of Finance represent a governmental body and provides the Group with a zero interest loan. The value of the loan is 149.1 million SR. The Group has utilized it in full as at 31 December 2017. This loan is in Saudi Riyals without any financing commissions and is collateralized by a mortgage of the project land and building. The loan is to be repaid over twenty equal annual installments after a grace period of five years of contract date.

On 26 January 2015, the Group signed another financing agreement with the Ministry of Finance to fund the building of the housing compound related to Al-Suwaidi Hospital project. This loan qualifies to be considered as government grant because the Ministry of Finance represent a governmental body and provides the Group with a zero interest loan. The value of the loan is SR 27.5 million of which the Group has utilized it in full as at 31 December 2017. This loan is in Saudi Riyals without any financing Commissions and is collateralized by a mortgage of the project land and building. The loan is to be repaid over twenty equal annual installments after a grace period of five years of contract date.

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Notes to Condensed Consolidated Interim Financial Statements- *continued*

For the Three Month Period Ended 31 March 2020

10. Loans – continued

10.1 Loans from ministry of finance - continued

On 20 July 2015, the Group signed a third financing agreement with the Ministry of Finance to fund part of the construction and furnishing costs of the hospital in Al-Nuzha area. This loan qualifies to be considered as government grant because the Ministry of Finance represent a governmental body and provides the Group with a zero interest loan. This loan amounted SR 197.6 million and the Group has utilized it in full as at 31 December 2018. This loan is in Saudi Riyals without any financing commissions and is collateralized by a mortgage of the project land and building. The loan is to be repaid over twenty equal annual installments after a grace period of five years of contract date. The first installment is due in the second quarter of 2020.

10.2 Loans from commercial banks

The maturities of the loans are as follow:

	31 March 2020 SAR	31 December 2019 SAR
2020	123,457,773	125,925,825
2021	90,000,000	90,000,000
2022	90,000,000	90,000,000
2023	45,000,000	45,000,000
	<u>348,457,773</u>	<u>350,925,825</u>

11. Segment information

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

The following are selected financial information as at 31 March 2020 and 2019 by business segments:

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

	Medical Services		Pharmaceuticals Products		Total	
	2020	2019	2020	2019	2020	2019
31 March	SAR	SAR	SAR	SAR	SAR	SAR
Revenue	152,479,942	146,907,422	54,209,565	82,772,302	206,689,507	229,679,724
Gross Profit	47,409,378	38,405,652	19,072,726	27,195,769	66,482,104	65,601,421
Depreciation	24,968,874	24,856,285	643,688	473,926	25,612,562	25,330,211
Net profit	14,623,131	5,948,554	10,321,659	18,223,822	24,944,790	24,172,376

	Medical Services		Pharmaceuticals Products		Total	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
	SAR	SAR	SAR	SAR	SAR	SAR
Total Assets	2,287,668,421	2,267,968,222	285,069,285	269,751,426	2,572,737,706	2,537,719,648
Total Liabilities	925,509,541	944,214,036	54,663,108	27,374,777	980,172,649	971,588,813

Al Hammadi Company for Development and Investment
(A Saudi Joint Stock Company)

Notes to Condensed Consolidated Interim Financial Statements- *continued*

For the Three Month Period Ended 31 March 2020

12. Subsequent events

In the opinion of management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these condensed consolidated interim financial statements.

13. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation in the current period, as follows:

	As previously reported	Re-classifications	As reclassified
General and administrative expenses	38,406,058	(4,243,775)	34,162,283
Selling and marketing expenses	-	2,313,442	2,313,442
Impairment losses on trade receivables	-	1,930,333	1,930,333

14. Approval of the condensed consolidated interim financial statements

These consolidated financial statements have been approved by the board of directors on 26 Shawwal 1441H corresponding to 18 June 2020.